

## BUSINESS SCALE, BUSINESS AGE, AND KNOWLEDGE OF ACCOUNTING ON INTEREST IN USING ACCOUNTING INFORMATION (Case Study In Somba Opu District, Gowa Regency, Indonesia)

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**Abstract,** *This study aims to examine the factors that influence the use of accounting information by using variables of business scale, age of business, and accounting knowledge. The type of research used is quantitative research. Data collection techniques using questionnaires. The regression model used in this study is a multiple linear regression model with the help of SPSS. The sampling method for the study used the Random Sampling method (random) which obtained as many as 95 MSME owners/managers in Somba Opu District, Gowa Regency. The results showed that the variables of business scale, business age and accounting knowledge had a positive and significant effect on the use of accounting information in MSME's Somba Opu District, Gowa Regency. The implication of this research is that MSME actors are expected to better understand and use accounting information, especially for financial information, to pay more attention because the existence of financial reports for MSMEs can help MSMEs in applying for credit to banks if they need capital. For the government and related agencies, they must help SMEs to use accounting information more, one of which is by holding trainings related to accounting information. In addition, further research with the same theme is expected to add other variables that can affect the use of accounting information, so that the results of the study can explain the contribution of all these variables to the use of accounting information.*

**Keywords:** *Business Scale, Age of Business, Accounting Knowledge*

**Abstrak,** Penelitian ini bertujuan untuk menguji faktor-faktor yang mempengaruhi penggunaan informasi akuntansi dengan menggunakan variabel skala usaha, umur usaha, dan pengetahuan akuntansi. Jenis penelitian yang digunakan adalah penelitian kuantitatif. Teknik pengumpulan data menggunakan kuesioner. Model regresi yang digunakan dalam penelitian ini adalah model regresi linier berganda dengan bantuan SPSS. Metode pengambilan sampel penelitian menggunakan metode Random Sampling (acak) yang diperoleh sebanyak 95 orang pemilik/pengelola UMKM di Kecamatan Somba Opu Kabupaten Gowa. Hasil penelitian menunjukkan bahwa variabel skala usaha, umur usaha dan pengetahuan akuntansi berpengaruh positif dan signifikan terhadap penggunaan informasi akuntansi pada UMKM Kecamatan Somba Opu Kabupaten Gowa. Implikasi dari penelitian ini adalah para pelaku UMKM diharapkan lebih memahami dan menggunakan informasi akuntansi khususnya untuk informasi keuangan agar lebih diperhatikan karena dengan adanya laporan keuangan UMKM dapat membantu UMKM dalam mengajukan kredit ke bank jika membutuhkan modal. Bagi pemerintah dan instansi terkait harus membantu UKM agar lebih banyak menggunakan informasi akuntansi, salah satunya dengan mengadakan pelatihan-pelatihan terkait informasi akuntansi. Selain itu, penelitian selanjutnya dengan tema yang sama diharapkan menambahkan variabel lain yang dapat mempengaruhi penggunaan informasi akuntansi, sehingga hasil penelitian dapat menjelaskan kontribusi semua variabel tersebut terhadap penggunaan informasi akuntansi.

**Kata Kunci:** *Skala Usaha, Umur Usaha, Informasi Akuntansi*

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## INTRODUCTION

The current development of the business world has resulted in various forms of existing businesses, and one of them is Micro, Small and Medium Enterprises (MSMEs) (Rendi Ramadhan, 2021). MSMEs, which were previously often referred to as UKM, are currently growing rapidly. The issuance of Law Number 20 of 2008 became the foundation for the emergence of MSMEs. Micro, Small and Medium Enterprises (MSMEs) are business activities that are able to expand employment opportunities, provide broad economic services to the community, and can play a role in the process of equity and increasing people's income, encourage economic growth and play a role in realizing national stability. Micro, Small and Medium Enterprises (MSMEs) have an important role in a country's economic and industrial growth (Hestika, 2021). The importance of maintaining MSMEs for the State is explained in Fundopolis.com (2020) that startups and MSMEs will play an important role in restoring the local economy and providing employment (Sari et al., 2020).

Even though it has a very strategic role, developing a Micro, Small and Medium Enterprise (MSMEs) is also not an easy thing, the role of MSME owners is needed to face the challenges of today's MSME development. In an MSME, sometimes the entrepreneur is the owner and manager of the business, therefore the entrepreneur has full responsibility for the business being run so that all decisions related to the business are entirely in their hands. Of course, this is a task that is not easy for an MSME owner, if they do not have the expertise to solve problems that arise in their own business.

Not a few MSME entrepreneurs have failed in the middle of their careers (Lestanti, 2015). The constraints faced by MSMEs in Indonesia in general are limited working capital, difficulty in raw materials, limited technology, good quality human resources, marketing and information. It was further explained that the weakness of a small business in Indonesia was not only caused by a combination of these factors, but also due to the lack of support from the government and the lack of willingness of national small and medium entrepreneurs to be globally oriented.

Basically, an MSME has a great opportunity to get credit as a capital injection. Until now, many financing programs for MSMEs have been run by both the government and banks. One of the Indonesian government programs related to MSME financing is the People's Business Credit (KUR), which in 2015 targets KUR distribution of IDR 30 trillion. The budget allocation for the KUR program aims to encourage the MSME sector's contribution to employment, increase its contribution to the formation of Gross Domestic Product (GDP), non-oil and gas export growth, and growth. The low disbursement of KUR is due to the very selective attitude of banks in disbursing KUR that is disbursed without using collateral, to avoid bad credit. Provision of credit or financing by commercial banks in the context of MSME development contained in Bank Indonesia Regulation Number 17/12/PBI/2015 article 5A states that one of the requirements for channeling credit to MSMEs is accounting information in the form of financial reports provided by MSMEs (Ramadhani et al., 2018).

Generally, accounting information is a tool used by users of accounting information in making decisions, especially business people (Firmansyah, 2013). The role of accounting information is very important for companies to support every company's operational activities and help make business decisions (Majid et al., 2020). Accounting information produces a financial report that aims to provide information about the financial position, financial performance and cash flows of entities that are useful to most report users in making economic decisions (Indonesian Association of Accountants, 2015). The use of accounting information is used for strategic planning, management oversight and oversight of company operations.

Seeing the role and benefits of accounting information that is so large for MSMEs, on the other hand Pinasti (2007) reveals that most MSMEs do not organize and use accounting information in managing their business. Even though accounting information is very useful for MSMEs so that their businesses can develop and maintain their business continuity (Wiranto et al, 2019). SMEs are still lacking in utilizing accounting information due to several factors. Some examples of factors that influence the use of accounting information for MSMEs such as the size of the owner's business, the age of the business that was established, as well as the owner's inability to carry out technical accounting activities.

Gowa Regency is one of the level 2 regions in South Sulawesi Province with MSME data in Gowa Regency which recorded in 2019 there were 7,233, in 2020 there were 40,786,

and in 2021 there were 56,490 (Gowa Regency Cooperatives and UMKM Office). This shows that the increase in MSMEs in Gowa Regency is very rapid and comes from almost all regions in Gowa Regency consisting of various types of MSMEs, one of which is in Somba Opu District, where Somba Opu District is the largest sub-district in Gowa Regency and has a strategic location and has potential regional economic development, especially in the field of small and medium enterprises (Hari, 2015).

Based on the background above and there are differences in the results carried out by previous researchers. Researchers will review the factors that influence the use of accounting information in MSMEs with the research title Determinants of the Use of Accounting Information in Micro, Small and Medium Enterprises in Somba Opu District, Gowa Regency.

## LITERATURE REVIEW AND HYPOTHESIS

### Stakeholder Theory

The theory of interested parties (*stakeholder theory*) is the basis used in understanding the business practices of companies including MSMEs. This theory sees the existence of a relationship between interested parties that influence each other within the company. *Stakeholder theory* was first initiated by R. Edward Freeman in 1984 and stated that *stakeholder theory* is: "any group or individual who can affect or is affected by the achievement of the organization's objectives." The free translation is as a group or individual who can influence or be influenced by the achievement of certain goals (Puji, 2018).

Associated with this research, *stakeholder theory* is relevant to explaining the use of accounting information in SMEs. Stakeholders have the right to obtain information regarding company activities that affect them. The stronger the stakeholder relationship, the better the company's business will be.

### Micro, Small and Medium Enterprises (MSMEs)

Based on Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs) it is explained that the meaning of MSMEs is as follows:

- a. First, Micro Enterprises are productive businesses owned by individuals and/or individual business entities that meet the criteria for micro-enterprises as stipulated in this Law.
- b. Second, Small Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or not branches of companies that are owned, controlled, or become part either directly or indirectly of Medium or Large Businesses that fulfill the following requirements: the criteria for Small Enterprises as referred to in this Law.
- c. Third, Medium Business is a productive economic business that stands alone, which is carried out by individuals or business entities that are not subsidiaries or branches of companies that are owned, controlled, or become part of either directly with Small Businesses or Large Businesses with total net worth or proceeds. annual sales as stipulated in this Law (Safitri, 2020).

### Accounting Information

According to Puspitawati & Anggadini (2014), accounting information is a series of activities in data processing from the company's financial data processing business activities using a harmoniously integrated computer information system. The information generated about the company's business can determine the company's conditions in the past, present, and also to determine the company's future steps to achieve company goals, especially in MSME management (Kurniati, 2021).

### Use of Accounting Information

The use of accounting information is a process, method, act of using, and using accounting information for making economic decisions in determining choices between alternative actions (Wibowo and Kurniawati, 2015). According to Aufar (2013) the use of accounting information is a situation where the owner/manager uses accounting

information, both operational information, management accounting information, and financial accounting information for decision making (Nabawi, 2013).

### **Scale enterprises**

Business scale according to Holmes and Nicholls (1988) is the company's ability to manage its business by taking into account the size of assets, number of employees, and income earned during one accounting period (Erna Hendrawati, 2017) . Business scale is an indication of the development of a company where a large company will have an impact on the employees involved in it.

**H1: Business scale has a positive effect on the use of accounting information for MSMEs**

### **Business Age**

The age of the business describes how long the business has been operating (Dewi, 2018). Widiastuti (2002) in Rahmawati (2012) states that the age of the business can show that the business still exists and is able to compete. Meanwhile, according to Ulum (2009), age in a business is part of the documentation that shows what is being achieved and what the business will achieve.

**H2: Business age has a positive effect on the use of accounting information for MSMEs**

### **Accounting Knowledge**

Accounting knowledge is defined as knowledge regarding the process of recording, identifying, classifying, and reporting a company's finances. Accounting knowledge is needed so that individuals are able to process economic events or transactions and present financial reports that are useful in making strategic decisions for companies. Accounting knowledge is accounting knowledge owned by small and medium entrepreneurs.

**H3: Accounting knowledge has a positive effect on the use of accounting information for MSMEs**

## **RESEARCH METHOD**

This type of research used is quantitative research. The object of this research is UMKM in Somba Opu District, Gowa Regency. There are two types of data used, the first is primary data in the form of questionnaires and the second is secondary data in the form of data obtained from institutions or agencies such as journals and books . The population in this study is the total number of MSMEs in Somba Opu District registered with the Gowa Regency Cooperative and MSME Service in 2021, namely 1,942 MSMEs. Meanwhile, the research sample consisted of 95 samples. For the data collection method, it has been explained previously in the type of primary data, namely using a questionnaire, where the questionnaire was distributed directly to the respondents.

In the data analysis method, the author uses a tool that is SPSS data processing with version 20. There are several analytical methods that will be tested, including descriptive statistics, validity and reliability tests, classic assumption tests consisting of norm tests, multicollinearity tests, heteroscedasticity tests , multiple linear regression analysis, and hypothesis testing consisting of a coefficient of determination test (R<sup>2</sup>), simultaneous test (F-test), partial test (t-test).

## **RESULTS AND DISCUSSION**

The results of hypothesis testing using SPSS version 20 software show the regression equation, as follows:

$$Y = 0.168 + 0.553X_1 + 0.811X_2 + 0.618X_3$$

The interpretation of the equation is as follows:

- a. The constant value is 0.168, meaning that if the independent variables (business scale, business age, and accounting knowledge) are constant then the Y value (use of accounting information) is 0.168%.

- b. The coefficient value of the business scale variable ( $X_1$ ) is 0.553 meaning that if the business scale increases by 1%, then the use of accounting information increases by 0.553%.
- c. The coefficient value of the operating age variable ( $X_2$ ), which is 0.811, means that if the age of the company increases by 1%, then the use of accounting information increases by 0.811%.
- d. The coefficient value of the accounting knowledge variable ( $X_3$ ) is 0.618 meaning that if education increases by 1%, the use of accounting information increases by 0.618%.

Business scale has a positive and significant effect on the use of accounting information. Based on the t test results table, it shows that the business scale variable has a t count of 2.582 > t table of 1.98638 (sig = 0.025 and df = nk, namely 95-3-1 = 91) with an *unstandardized beta coefficient* of 0.553 and a significance level 0.011 is smaller than 0.05, which means that business scale has a positive and significant effect on the use of accounting information. Thus the first hypothesis (H1) is accepted.

Business age has a positive and significant effect on the use of accounting information. Based on the results of the t test, it shows that the operating age variable has a t count of 4.063 > t table of 1.98638 (sig = 0.025 and df = nk-1, namely 95-3-1 = 91) with an *unstandardized beta coefficient* of 0.811 and a level a significance of 0.000 is less than 0.05, which means that business age has a positive and significant effect on the use of accounting information. Thus the second hypothesis (H2) is accepted.

Accounting knowledge has a positive and significant effect on usage accounting information. Based on the results of the t test, it shows that the accounting knowledge variable has a t count of 5.173 > t table of 1.98638 (sig = 0.025 and df = nk-1, namely 95-3-1 = 91) with an *unstandardized beta coefficient* of 0.618 and a level a significance of 0.000 is less than 0.05 which means accounting knowledge has a positive and significant effect on the use of accounting information. Thus the third hypothesis (H3) is accepted.

## CONCLUSION

Based on the results of the analysis and discussion that has been done before, the following conclusions can be drawn that Business scale has a positive and significant effect on the use of accounting information. This means that the larger the scale of the business, the greater the use of accounting information in a business. Business age has a positive and significant effect on the use of accounting information. This means that the longer the business life, the higher the use of accounting information, and vice versa. Accounting knowledge has a positive and significant effect on the use of accounting information. This means that the higher the level of accounting knowledge possessed, the better the understanding of the importance of using accounting information in a business.

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