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Factors affecting the implementation of financial accounting standards for MSMEs with environmental uncertainty as moderating variables

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ABSTRACT

This study aims to test and provide empirical evidence regarding the effect of perceived usefulness, perceived ease of use, socialization of SAK EMKM, understanding of accounting, level of education about the intention of implementing SAK EMKM by MSME owners with environmental uncertainty as a moderating variable. This study has some effect relationship pattern variable against another, either directly or through other variables as moderation. The results showed that perceived usefulness, perceived ease of use, and understanding of accounting had an effect on the intention to apply SAK EMKM, while the socialization of SAK EMKM and the level of education had no effect on the intention to apply SAK EMKM. The results of the moderating variable test show that environmental uncertainty cannot moderate the perceived usefulness, perceived convenience, socialization of SAK EMKM, understanding of accounting, and the level of education in the application of SAK EMKM.

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Introduction

MSMEs in Indonesia are proven to be able to contribute to the Indonesian economy. In 2018, the contribution of MSMEs to GDP was recorded at 60.34% of total GDP, or equivalent to IDR 8,400 trillion of total GDP of IDR 14,000 trillion, this illustrates that there is still great potential that can be developed and improved from the MSME sector to be able to contribute to the country. Seeing the large contribution that has been given by MSMEs, it requires more attention from the government to be able to develop and maintain the potential of MSMEs, the large contribution of MSMEs shows that MSMEs can increase people's income, encourage economic growth, make people more independent, and make people more active. and creative in developing his business.

As the development of Micro, Small and Medium Enterprises MSMEs in Indonesia, there is a need regarding the availability of accounting standards for MSMEs simpler and in accordance with the accounting standard IFRS-based public before and SAK ETAP. This suitability is needed because human resources are still limited in producing financial reports using the two pillars of financial accounting standards. Salmiah & Siregar (2015) state that 83% of MSMEs do not understand the contents of SAK ETAP, and 70% of MSMEs do not provide additional information that is not presented in the financial statements so that the resulting information is not complete, it is due to lack of knowledge, understanding and awareness of the importance a complete accounting application in accordance with the standards applicable to the MSMEs manager, especially in the process of preparing financial reports in order to obtain information about business activities during one period.

Mismatches of accounting standards for MSMEs makes the Financial Accounting Standards Board Accounting Association of Indonesia (DSAK IAI) to develop accounting standards that can meet the needs of SMEs by making financial accounting standards that can support the advancement of SMEs in Indonesia, in 2016 DSAK IAI endorsed the Financial Accounting Standards Entities

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Micro, Small and Medium Enterprises (SAK EMKM) which became effective on January 1 2018 as an effort to support the progress of the Indonesian economy, SAK EMKM load the accounting arrangements simple than with SAK ETAP.

Based on the theory of planned behavior, it is mentioned that the greater the intention, the more likely the behavior will be performed (Ajzen, 2012). According to Ajzen (1991), individual behavior intentions will be influenced by three factors, namely, attitudes, subjective norms, and perceived behavior control. These three factors together will determine the consistency of a person's intentions with their behavior. Intention will be consistent with behavior when the environment provides sufficient motivation and opportunity. SAK EMKM a new system applied to SMEs to optimize the performance of SMEs. A new system will usually be considered complicated and will not be used often by users, even though the measurement of the success of a system is seen from how much the system is used. Implementation as a form of acceptance of a system can be known through several approaches one with a model of TAM (Technology Acceptance Model), there are two main factors that can affect individuals in implementing a new system that is perception of usefulness and ease of user perception.

Previous research has been conducted to see any factors that could affect the understanding of MSMEs to financial accounting standards and their application for MSMEs. If employers get information and socialize well, then their understanding of relevant accounting standards will become better and support the implementation of these standards. Besides understanding of financial accounting standards was also influenced by the level of education of the owners of MSMEs, the higher education owner, then an understanding of the business is also getting better.

This research is the development of research Kamalia (2017) on the analysis of the factors affecting the desire of SMEs in receiving SAK EMKM. In contrast to previous studies in this research adds a moderating variable environmental uncertainty, as well as adding the TAM model as a benchmark for determining the success of a new system by using factor perception of usefulness and perceived usefulness, but it is based on the suggestions of previous studies then added variable of socialization SAK EMKM, and understanding accounting as a factor that can affect the implementation of SAK EMKM.

Literature Review

Theory Planned Behavior (TPB)

Theory of planned behavior is a model based on intention (Intentions), in this theory it is explained that the behavior displayed by individuals arises because of the intention to behave (Ajzen, 1991). Intention is an indication of someone's effort to be willing to try various ways to perform an action (Ajzen, 1991). The stronger the individual's intention to behave, the greater the likelihood of the behavior being carried out (Ajzen, 2012). Ajzen (1991) states that the emergence of behavioral intention is determined by three determinants, namely, attitude, subjective norm, and perceived behavioral control, before a person will implement a behavior, these three factors will become material consideration in building the intention to be able to implement a behavior.

These three factors are composed into a variable used in this study, factors in this study represent the attitude of favoritism (attitude choose). In order to be able to choose someone, it requires a view that can benefit him if that person implements a certain system, the variable of perceived usefulness and perceived convenience can represent the attitude factor because it can be a reference for the attitude of choosing Someone who has a good perception of a certain system will also have a great intention to implement the system (Damayanti & Sutrisno 2015).

Subjective norm factors refer to social environmental pressure as well as social influence that comes from interpersonal and external to take certain actions, the socialization of SAK EMKM represents this factor because the socialization of SAK from related parties to MSME actors can give influence and social pressure to UMKM players to apply SAK EMKM in their business. The influence and pressure of the social environment is a determining factor for the emergence of intention (Damayanti & Sutrisno, 2015). With the influence and social pressure surrounding MSME actors to implement SAK EMKM, it can raise the intention to apply the SAK EMKM.

Perceived behavior control factor refers to individual beliefs about the presence or absence of supporting or inhibiting factors to perform a behavior. Perceived behavior control is a condition when an individual believes that an action is easy or difficult to do with factors that can support or even hinder the behavior from being implemented (Dharmmesta & Khasanah, 1999). Perceived behavior control is used as the basis for variable understanding of accounting and education level in this study.

Perception Usefulness

The Technology Acceptance Model (TAM) explains that an individual will implement a new system if the individual believes that applying a certain system can improve their work performance. The better the perception usefulness of a system, the higher the application of the system. Pradipta (2015) conducted a study on the effect of the perceived ease and usefulness of the application of SAK ETAP. From this research, it shows that the perceived usefulness of users has a positive effect on the application of SAK ETAP, this means that the more useful SAK ETAP is in assisting the preparation of financial reports, the higher the desire to apply SAK ETAP to MSMEs.

H1: Perception usefulness SAK EMKM has a positive effect on the implementation of SAK EMKM

Perception Ease of Use

The perception of ease of use is an individual's belief that applying a certain system will make it easier for them to work so that it does not require excessive effort in its application, and the system is easy to understand (Davis, 1989). A good perception of convenience is one that can provide convenience, including ease of learning, ease of use, ease of doing something the user wants, and ease of increasing the user's ability. A good perception of convenience will increase the application of SAK EMKM. Pradipta (2015) conducted a study to challenge the influence of perceived ease of implementation and usability of the application of SAK ETAP in MSME in North Denpasar, from the research result shows that the perception Ease positive effect on the Implementation of SAK ETAP.

H2: Perception ease of use of SAK EMKM has a positive effect on the implementation of SAK EMKM

Socialization of SAK EMKM

SAK EMKM socialization is a process for individuals to learn how to adapt to the environment and how to coordinate their behavior in accordance with the roles and regulations that have been set, namely SAK EMKM. The socialization of SAK EMKM is very important and effective in increasing the understanding of MSME actors towards SAK EMKM, with the socialization, these MSME players will know the importance of implementing SAK EMKM in their business. SAK EMKM Socialization is the provision of information or training related to IFRSs EMKM provided by parties related to the socialization of SAK EMKM, As the Department of Cooperatives and MSME, Indonesian Accountants Association (IAI), training institutes, as well as higher education institutions. Research conducted Kusuma (2018) states that socialization EMKM SAK is a factor that can support the application of IFRSs EMKM by the owners of MSMEs.

H3: SAK EMKM socialization of SAK EMKM has a positive effect on the implementation of SAK EMKM

Accounting Understanding

The understanding of accounting that is owned by the owner of MSMEs will provide many benefits in the use of accounting information. Low understanding of accounting will cause the business to be run to experience management failure, making it very difficult for business actors to determine what policies to take.

This accounting understanding factor is important in implementing SAK EMKM, if the owners of MSME understand the importance of financial reports that are in accordance with standards, they will support the process of implementing this SAK EMKM. Research conducted by Kusuma (2018) states that the most dominant factor affecting the application of SAK EMKM is the accounting understanding factor.

H4: Accounting understanding of MSME owners has a positive effect on the implementation of SAK EMKM

Figure 1: Research conceptual framework (TPB decomposition modified) Source: Ajzen 1991

Level of education

The level of formal education owned by MSME owners will affect the need for financial and management accounting information in their business. The education of the manager or company owner will be measured based on the formal education that has been attended so that the measurement is continuous. Formal education is education obtained in formal schools, including elementary school, junior high school, senior high school, diploma, undergraduate and postgraduate level.

Research conducted by Kusuma (2018) on the perceptions of MSME actors in implementing SAK EMKM in the city of Bogor, shows that both simultaneously and partially the level of education owned by MSME can influence the implementation of SAK EMKM in the city of Bogor.

H5: The education level of MSME owners has a positive effect on the implementation of SAK EMKM

Environmental Uncertainty

According to contingency theory the ultimate goal of an organization is operating in order to survive, grow or sustainable. This sustainability will be achieved if there is a match between the organization and its environment. In contingency theory explained that the successful management of the organization not only depends on the objectives and management of management, but also by the environment completely beyond the control of the organization (Otley, 1980).

Contingency theory also places emphasis on the need to focus organizations on change. Organizational leaders must be able to study and understand the external environment and determine how to process strategy and action decisions, because the external environment is a dynamic influence that is constantly moving and always changing so that it can cause environmental uncertainty faced by the organization.

Environmental uncertainty is a change that occurs in the external environment that can affect the company's operational activities. Environmental uncertainty is the inability of a person who carries out his business to predict something that will happen in the future. The existence of limitations in the use of accounting information systems will be a weakness and will be a failure of management in managing and developing the business being run.

The existence of this unpredictable environmental uncertainty makes it even more difficult for MSME owners to make the right decisions for their business, because MSME owners still do not know what will happen in the future as it happens; raw material prices, technological advances, government regulations, market opportunities, uncertain political economy conditions, and increasingly competitive business competition.

H6a: The uncertainty of the MSME environment strengthens the perceived usefulness of the implementation of SAK EMKM

H6b: The uncertainty of the MSME environment strengthens the perception of the ease of implementation of SAK EMKM

H6c: The uncertainty of the MSME environment strengthens the influence of SAK EMKM socialization on the implementation of SAK EMKM

H6d: The uncertainty of the MSME environment strengthens the influence of accounting understanding on the implementation of SAK EMKM

H6e: The uncertainty of the UMKM environment strengthens the influence of the level of education on the implementation of SAK EMKM

Research and Methodology

The population in this study were the owners of MSMEs in the province of East Kalimantan (Kaltim). The sampling technique used in this study was purposive sampling. data collection in this study using a questionnaire. Data analysis using *Partial Least Square-Structural Equation Model* (PLS-SEM) using help of the SmartPLS ver 3.0 application.

Tabel 1: Proportional to the distribution of the sample

Type of business	Population	Proportional	Sampel
Micro business	169.775	$(169.775:197.180) \times 100$	86
Small business	20.164	$(20.164:197.180) \times 100$	10
Medium enterprises	7.241	$(7.241:197.180) \times 100$	4
Total	197.180		100

Result and Discussion

Table 2: Validity and Reliability Test

Construct	AVE	Composite Reliability	R Square	Cronbach's Alpha
Perception of usefulness	0,659	0,906		0,872
Perception of Ease of use	0,636	0,873		0,811
Socialization of SAK EMKM	0,524	0,842		0,761
Understanding of Accounting	0,556	0,881		0,838
Level of education	1,000	1,000		1,000
Environmental uncertainty	0,427	0,786		0,746
Implementation SAK EMKM	0,651	0,918	0,619	0,892

Based on the data from the table above, it is found that almost all constructs have an AVE score >0.50. however, environmental uncertainty has an AVE score >0.50

Discriminan Validity

based on the result of cross loading factors scores that all indicators have cross loading scores >0,70

Reliability

Reliability test results (Table 2) shows that the value of Cronbach's alpha in this study > 0.70, while for the composite reliability values > 0.70 for the whole construct is used. Based on the reliability test results it can be concluded that the instruments used in this study has been reliable.

Inner Model

The inner model is measured by looking at the R square value. In Table 2 looks at the value of R square in this study is at .619, value indicates that the independent variables used in this panellation able to describe the dependent variable in this study amounted to 0.619 or by 61%.

Hypothesis Test

Tabel 3: Total Effect Test

	the value of t
Perception of usefulness > Implementation SAK EMKM	3,385
Perception of Ease of use > Implementation SAK EMKM	2,305
Socialization of SAK EMKM > Implementation SAK EMKM	0,604
Understanding of Accounting > Implementation SAK EMKM	2,134
Level of education > Implementation SAK EMKM	0,624
Perception of usefulness * Environmental uncertainty > Implementation SAK EMKM	1,348
Perception Ease of use * Environmental uncertainty > Implementation SAK EMKM	0,162
Understanding of Accounting * Environmental uncertainty > Implementation SAK EMKM	1,235

Based on table 3 in this study, empirical evidence is obtained that Hypothesis 1 is accepted with a t-statistic value of 3.385, it can be concluded that perceived usefulness can affect the intention of implementing SAK EMKM by MSME owners. The higher the perceived usefulness, the higher the implementation of SAK EMKM by MSME owners in the province of East Kalimantan.

Based on table 3 in this study, empirical evidence is obtained that hypothesis 2 is accepted with a t-statistic value of 2.305. So it can be concluded that the perceived ease of users can affect the user's intention to implement SAK EMKM. The higher the perception of convenience, the higher the implementation of SAK EMKM by MSME owners in the province of East Kalimantan. In this study, the socialization of SAK EMKM apparently had no effect on the intention of implementing SAK EMKM in the province of East Kalimantan, this is because there are still many MSMEs that have never participated in any special socialization or training on SAK EMKM, most MSMEs only attended the socialization which included ways to develop business, or technology users for their business. As for the special socialization of SAK EMKM, most of them have never attended so that when they heard the term SAK EMKM they were still confused and answered they did not know.

Based on table 3 in this study, empirical evidence is obtained that H4 is accepted with a t-statistic value of 2.134. These results indicate that the variable understanding of accounting has an effect on the application of EMKM Sak. This shows that if the understanding of accounting increases, the application of SAK EMKM will also increase, understanding of accounting is needed by the leader or owner of MSMEs to run company operations. The better the accounting understanding possessed by the owners of MSMEs in East Kalimantan Province, the better the implementation of SAK EMKM.

Based on table 3 in this study, empirical evidence is obtained that H5 is rejected with a t-statistic value of 0.624. This means that the level of education has no effect on the implementation of SAK EMKM by MSME owners in the province of East Kalimantan. The results of this study explain that the level of education has no effect on the interest of MSME actors in implementing SAK EMKM in their business. This is because MSME owners feel that starting a business does not depend on what level of education they have, therefore the need for standardized financial reporting can be obtained outside of formal education such as reading books and taking accounting training.

Based on table 3, this study shows that for hypothesis 6a, hypothesis 6b, hypothesis 6d is rejected, these results indicate that the environmental uncertainty faced by MSME actors cannot be proven as a moderating variable between perceived usefulness, perceived convenience, socialization of SAK EMKM, and understanding of accounting. for the implementation of SAK EMKM by MSME owners in East Kalimantan Province.

Conclusions

Based on the results of the discussion that has been described, the following conclusions are presented regarding the research problem. the socialization of SAK EMKM has no effect on the implementation of SAK EMKM by MSME actors in the province of East Kalimantan, this is because most of these MSMEs have never participated in specific socializations about SAK EMKM, they are also still unfamiliar and confused with the term SAK EMKM, so when the research was carried out they were confused whether the recording of their financial statements is in accordance with SAK EMKM. Most MSMEs in East Kalimantan Province only record simple financial reports, they also feel that the related parties have never specifically provided them with training related to recording financial reports in accordance with SAK EMKM, so they record these financial reports only as a formality. .

The education level of UMKM owners also has no effect on the intention of MSME owners in implementing SAK EMKM in East Kalimantan province, for the need for information on recording financial reports according to the standards of MSME players, they think they can not only get formal education, but can also be obtained from reading books or participating in accounting training, besides that at this time, where the business world is developing, there are many non-formal education, training, socialization or the like related to accounting that can be followed by MSMEs so that information related to financial reports and especially SAK EMKM can be fulfilled apart from being obtained from the level of formal education taken by UMKM owners.

The results of this study indicate that the perceived usefulness and perceived ease of use affect the implementation of SAK EMKM by MSME owners in the province of East Kalimantan. SAK EMKM which is specially designed for MSME actors can provide effectiveness and benefit to improve their business performance, besides that SAK EMKM is designed to be easily understood and understood by MSME owners so that they can record financial reports according to applicable standards, so that it can be concluded that the two perceptions this can affect the intention of MSME actors to apply SAK EMKM in their business. In addition, the existence of a high and good understanding of accounting possessed by MSME actors can affect the intention to implement SAK EMKM by MSME owners in East Kalimantan province. In this study, the results also showed that environmental uncertainty could not moderate the implementation of SAK EMKM in KALTIM province, this was because the owners of MSMEs had often experienced environmental uncertainty, both economic and non-economic in nature while running their business, so they had their own way of doing business. facing this uncertainty so that the business can continue to operate until now. Therefore for MSME owners in the province of East Kalimantan applying SAK EMKM in their business is not the only option to be able to deal with environmental uncertainty and other problems in their business.

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