

The Impact Information System Accounting And Information Technology

Eltie Christi Sandag (eltie.sandag@gmail.com)
Universitas Nusantara Manado

Submitted : 10-02-2024, Accepted : 10-03-2024, Published : 10-04-2024

Abstract

Micro, Small, and Medium-Sized Businesses are critical to the economic development of a nation. MSMEs in the Bunaken Manado District have seen a number of difficulties and adjustments in recent years. One such issue is the poor level of financial literacy among these businesses, which results in a lack of knowledge of fundamental financial concepts like long-term planning, investing, and budgeting. Having trouble implementing information technology because of access issues and a lack of knowledge about its advantages for improved operational and marketing effectiveness. The inefficiency of MSME financial management, especially the challenge of consistently producing accurate financial reports, prevents appropriate analysis and decision-making. Accounting information system use is crucial for enhancing MSMEs' performance since it facilitates the effective collection, management, and analysis of financial data. Quantitative approaches were used in this study. 324 MSMEs in Manado's Bunaken District made up the research sample; they were chosen through the use of a purposive sampling technique. Research data is tested with structural equation models using SmartPLS software. The study's findings indicate that, with a P value of 0.000, the use of accounting information systems and information systems has a positive and significant impact on MSMEs' performance, but financial literacy has no discernible impact at all (P = 0.103).

Keywords: Technology Information Use, MSME Performance, Accounting Information System, Financial Literacy .

Introduction

Micro, small, and medium-sized businesses are profit-driven businesses that aim to enhance community welfare by creating job possibilities (Sandag, 2021). In a business setting, micro, small, and medium-sized enterprises (MSMEs) are critical to a nation's economic progress. Nonetheless, MSMEs in this crucial sector who lack financial literacy would struggle financially. It's possible that they have limited knowledge of investing, long-term financial planning, and budget management. This may result in insufficient savings, trouble managing debt, or less prudent financial choices. Utilising automated and integrated accounting information systems can result in significant cost savings for micro, small, and medium-sized enterprises (MSMEs). With the correct Accounting Information System, mistakes in manual bookkeeping may be avoided, real financial reports can be generated, and decision-making

based on up-to-date data can be accelerated. Businesses can reach new clients, facilitate shopping, and improve inventory and stock management by utilising information technology, such as phone applications and online transactions (Sandag, 2022).

Another crucial element in raising MSMEs' performance is the use of accounting information systems. Accounting information systems facilitate the efficient collection, management, and analysis of financial data by MSMEs. MSMEs can monitor financial performance more precisely and make decisions more quickly with an effective accounting information system (Sandag, 2023). The performance of MSME is also significantly impacted by the usage of information technology. MSMEs can increase their market reach, maximise product marketing and promotion, and increase operational efficiency with the aid of information technology. Information technology use is critical to small and medium enterprises' (MSMEs') competitive success in the contemporary digital era.

By include a crucial independent variable—a finance literature that is rarely examined—this study replicates earlier findings (Sandag, 2021). The results of this study can be used to suggest stricter policies aimed at boosting MSMEs' share of the national economy.

Rapid expansion, meanwhile, can also lead to issues like fierce rivalry and restricted access to human resources. Despite the existence of sub-districts with a reduced concentration of business actors, Manado Regency nevertheless has a good business environment. Information technology is a necessary for any business in the industrial era. Micro, small, and medium-sized firms need to keep up with the growing Industrial Revolution. The aforementioned discourse highlights the significance of examining the impact of utilising accounting information systems and information technology on enhancing the operational efficiency of small and medium-sized businesses (MSMEs).

Literature Review

Stakeholder Theory

The stakeholder theory identifies the parties involved in a project or organisation. In Bunaken District, Manado Regency, information technology, accounting information systems, and financial literacy all have an impact on MSMEs' performance as well as their interactions with owners, workers, suppliers, customers, and the government. Making informed investment decisions, minimising risk, and effectively managing MSME finances all depend on financial literacy. Additionally, accounting information systems facilitate timely decision-making and the production of accurate reports (Kurhayadi 2020).

Hypothesis for Research

According to Sandag et al. (2023), financial literacy is the capacity and understanding of an individual to handle their personal finances, including savings, insurance, and investing information. According to stakeholder theory, financial literacy affects how owners, workers, suppliers, customers, and the government interact. Entrepreneurs with sound financial management skills may minimise financial risks, make wise investment decisions, and effectively run their companies.

H1: The performance of MSMEs is significantly impacted by financial literacy

Accounting software and specialised information technology are used in accounting information systems, which assist MSMEs in managing financial data, generating reports, and monitoring business performance (Suryanto, 2023). Stakeholder theory states that there are numerous interested parties in a project or organisation. This encompasses employers, employees, vendors, clients, and governmental bodies. These stakeholders are served by information systems used by small and medium-sized enterprises (MSMEs).

H2: The use of accounting information systems significantly affects the performance of MSME

Information technology is the process of gathering, storing, organising, and distributing information by the use of computers, hardware, software, networks, and other communications infrastructure (IT). This phrase is frequently used in a wide sense to describe a number of information processing-related technological features (Yusuf 2023).

Methods

The data utilised in this study were collected as primary data using quantitative methodologies. To comprehend cause-and-effect linkages and draw generalisations about larger populations, quantitative research methods involve the collection, analysis, and interpretation of numerical data (Kushendar 2022). Based on MSME statistics, the population under study consists of MSME actors in Bunaken District, Manado Regency, who are engaged in a variety of business domains. In Bunaken District, Manado Regency, there will be 588 MSMEs in 2022, and there is a good chance that number will rise annually

Results and Discussion

Discriminant Validity

The results of discriminant validity testing show how well the indicators relate to the variables they are supposed to measure. To test discriminant validity, use the cross loading value of the indicators being tested. If the cross loading value for the variable being tested is greater than the others, then the discriminant validity evaluation is fulfilled.

Structural Model Test (Inner Model)

Determinant Coefficient (R2)

The following R-Square values are displayed from the results of data processing with the SmartPLS 4 program.

Tabel R-Square

	R Square	R-Square Adjusted
Y	0.883	0.883

Source: Data processed with SmartPLS 4, 2023

Table 4 indicates that the MSME Performance variable (Y) has an R-square of 0.883. The resultant number indicates that MSME performance makes up a sizable portion of 88.3%. This demonstrates that the performance of MSME's is influenced by financial literacy, the use of accounting information systems, and the usage of information technology by 88.3%, while the remaining variables that were not studied in this study only had an impact on 0.7% of the total.

Tabel Path Coefficients

	Original Sample (O)	Sample Mean (m)	Standard Deviation	T Statistics(O/STDEV)	P values
X1 -> Y	-0.065	-0.063	0.040	1.633	0.103
X2 -> Y	0.418	0.416	0.022	18.674	0.000
X3 -> Y	0.656	0.656	0.081	24.468	0.000

Source: Data processed with SmartPLS 4, 2023

The Effect of Financial Literacy

On the Performance of MSMEs

Table 1 shows that the p value for financial literacy is 0.103. Considering that the p value threshold is 0.05 ($0.103 < 0.05$), it can be said that the financial literature does not have a significant impact. There is no statistically significant correlation between financial literacy and MSME outcomes.

Accounting Information Systems' Impact on MSME Performance

With regard to the utilization of accounting information systems, Table 5 displays a p value of 0.000. It can be argued that the use of accounting information systems has a substantial influence because the p value threshold is <0.05 ($0.000 < 0.05$). Aside from that, the t-table utilized is 1.86, and the t-statistic value is 18.674. The t-statistic value, then, is $18.674 > 1.86$, indicating the rejection of H_0 and the acceptance of H_a . The initial sample value of 0.418 indicates that the performance of MSMEs is positively and significantly impacted by the usage of accounting information systems. expedite financial reporting and give decision-makers more

precise and current data. This affects MSMEs' ability to make better decisions and increase operational efficiency. MSMEs that employ high-quality accounting information systems typically perform better, which ultimately helps support the expansion and sustainability of their businesses.

The Impact of Using Technology

Details Regarding MSME Performance

Table 1 demonstrates that the IT use p value is 0.000. Given that the p value criterion is less than 0.05 (0.000 less than 0.05), it can be said that IT has a substantial impact. In addition, the initial sample value of 0.656 shows that the usage of IT has a positive and significant impact on the performance of MSMEs, and the t-statistic value of $24.468 > 1.86$ suggests that H_0 is rejected and H_a is accepted. MSMEs may boost production, raise the caliber of their products and services, and reach a larger clientele by utilizing IT. MSMEs with a stronger chance of success and a competitive advantage are those who effectively utilize IT. They are in charge of data collection and analysis, digital consumer communication, supply chain optimization, and business process automation. In this case, MSMEs employ IT to try to meet the demands of different stakeholders. In order to satisfy their stakeholders, business owners must provide better products and services, which are made feasible by state-of-the-art technology. Customers will find digital technology easier to use and more intuitive, and employees will be more productive and efficient as a result. The government can also verify if MSMEs adhere to all the requirements for conducting business online.

Conclusion

The following conclusions can be drawn from the findings of data analysis and researcher conversations about the impact of information technology, accounting information systems, and financial literacy on the performance of MSMEs: There is no correlation between financial literacy and MSMEs' performance. This is due to the fact that business owners frequently have

a poor grasp of fundamental financial principles, which can lead to issues with adequate and effective financial management. Financial literacy may not have any impact on financial performance due to a lack of data and study time. If the research period was extended or more full data were available, financial literacy might have an impact. MSMEs' performance is positively and significantly impacted by the usage of accounting information systems. Accounting information systems facilitate the efficient collection, management, and analysis of financial data by MSMEs. More accurate financial performance monitoring is possible for MSMEs with the use of an effective accounting information system. Thus, there is little doubt that using accounting information systems improves MSMEs' overall performance.

References

Abdelraheem, A., Hussain, A., Mohammed, M., & Elbokhari, Y. (2021). The effect of information technology on the quality of accounting information. *Accounting*, 7(1), 191-196.

Albashabsheh, A. A. N., Alhroob, M. N., Irbihat, B. E., & Javed, S. (2018). Impact of accounting information system in reducing costs in Jordanian banks. *International Journal of Research-Granthaalayah*, 6(7), 210-215.

Al-Delawi, A. S., & Ramo, W. M. (2020). The impact of accounting information system on performance management. *Polish Journal of Management Studies*, 21(2), 36-48.

Alrabei, A. M., Haija, A. A. A., & Aryan, L. A. (2020). The mediating effect of information technology on the relationship between organizational culture and accounting information system. *International Journal of Advanced Science and Technology*, 29(5), 1085-1095.

Ambami, A. (2019). *Analisis Penerapan Pengenaan Pajak Pertambahan Nilai Atas Transaksi Eksport Impor Jasa Freight Forwarding (Studi Kasus Pada PT. Jasindo)*

Lintastama) (Doctoral dissertation, UNIVERSITAS BHAYANGKARA SURABAYA).

Asuquo, A. I., Dan, N. O., & Effiong, G. T. (2020). Impact of information technology on accounting line of works. *International Journal of Recent Technology and Engineering*, 9(2), 1572-1577.

Dwirandra, A. A. N. B., & ASTIKA, I. B. P. (2020). Impact of environmental uncertainty, trust and information technology on user behavior of accounting information systems. *The Journal of Asian Finance, Economics and Business*, 7(12), 1215-1224.

Ghasemi, M., Shafeiepour, V., Aslani, M., & Barvayeh, E. (2011). The impact of Information Technology (IT) on modern accounting systems. *Procedia-Social and Behavioral Sciences*, 28, 112-116.

Gofwan, H. (2022). Effect of Accounting Information System on Financial Performance of Firms: A Review of Related Literatures. In *DEPARTMENT OF ACCOUNTING-2nd Departmental Seminar Series with the Theme-History of Accounting Thoughts: A Methodological Approach Page* (Vol. 2020, pp. 57-60).

Meiryani, & Susanto, A. (2018, June). The Influence of Information Technology on the Quality of Accounting Information System. In *Proceedings of the 2018 2nd High Performance Computing and Cluster Technologies Conference* (pp. 109-115).

Myadar, O. (2017). In the Soviet shadow: Soviet colonial politics in Mongolia. *Inner Asia*, 19(1), 5-28.

Sandag, E. C., Butar-butar, R. S., Sutomo, I., & Nurriqli, A. (2023). FINANCIAL REPORT QUALITY, ACCOUNTING INFORMATION SYSTEMS, INTERNAL CONTROL SYSTEMS, AND LABOR EFFICIENCY'S EFFECT ON MANAGERIAL PERFORMANCE AT PT. KAHATEX. *International Journal of Economics and Management Research*, 2(1), 240-255.

Sandag, E. C., Karamoy, H., & Lambey, L. (2017). Analisis Penerapan Peraturan Menteri Keuangan Nomor 38/PMK. 11/2013 Tentang Dasar Pengenaan Pajak Nilai Lain Pada Pajak Pertambahan Nilai Jasa Freight Forwarding Di PT. Trans Continent. *JURNAL RISET AKUNTANSI DAN AUDITING" GOODWILL", 8(2)*.

Sandag, E. C., Rotinsulu, C. N. M., Tandiawan, V., & Rinaldi, M. (2022). Profitability and Company Size Have a Strong Influence on Tax Avoidance. *Al-Kharaj: Journal of Islamic Economic and Business, 4(2)*.

Silaen, M., & Singgih, R. P. (2021). Analisis Penerapan Pajak Pertambahan Nilai Atas Transaksi Eksport Impor Jasa Freight Forwarding Pada Pt. IFB Indonesia Tahun 2021. *Jurnal Ilmu Administrasi Publik, 2(4)*, 366-378.