

Perception of Small and Medium Enterprises on Accounting Information

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Abstract:- This research aims to test the perception of small and medium enterprises in the city of Gorontalo for accounting information in organizing and using accounting information. The subjects in this study amounted to 36 respondents obtained using the purposive sampling method because in this research required intensive interaction with the research subject, so the subject was selected based on the willingness of the subject to engage in this study. The research method uses experimental methods that are *pre-experimental design method type one group pretest-posttest*. The use of *pre-experimental design method type one group pretest-posttest* aims so that the results of treatment can be known more accurately because it can compare with the circumstances before being given treatment that is adjusted to the goal to be achieved, namely the perception of SMEs for accounting information based on experience organizing and using accounting information. The results of the study obtained that the experience of SMEs in gorontalo city with the stimulus of the implementation and use of accounting information was able to change the perception of SMEs about the benefits of accounting information and their willingness to carry out accounting records in their businesses. Experience in organizing and using accounting information makes SMEs experience firsthand the benefits of accounting information for business management. Experience with accounting information provided to SMEs turns out to form new information for experiences that they can use to interpret the value or benefits of accounting information, and change the perception of subjects who previously considered that accounting information is not important to be meaningful in every decision-making in the management of their business.

Keywords:- Perception, Accounting Information, Small and Medium-Sized Businesses.

I. INTRODUCTION

Small and Medium Enterprises (SMEs) are an important part of the economy where SMEs are the largest actors in Indonesia that have proven to be able to survive both during the economic crisis and the current crisis, namely the covid-19 pandemic that hit the whole world. SMEs are also one of the most absorbing forms of business in Indonesia, potentially reducing Indonesia's poverty rate. Nevertheless, the strength of the SME sector to maintain its life becomes one of the important parts to continue to grow. The emergence of problems when SMEs will develop, which include: 1) Access to Capital, 2) Human Resources, 3) Distribution Networks, 4) Bureaucratic and regulatory barriers that are less profitable, 5) Management problems, 6) conflict problems when SMEs get large orders and licensing costs for the operation of an SME, and 6) Sensitivity to technological developments (Hutomo, 2004).

The problem that arises as mentioned above is a classic problem that is the problem of capital access, where SMEs will have difficulty borrowing money in banks, even though to develop their business they need considerable funds and often SMEs do not record their finances every period, even though the growth in the number of SMEs is increasing every year. This is also the case with SMEs in Gorontalo City, where data for SMEs found in Gorontalo City for the last 3 years (2018 - 2020) obtained from the Ministry of Manpower, Cooperatives and SMEs gorontalo city experienced a significant increase based on the number as in 2018 the number of SMEs amounted to 2,859 then increased to 3,042. But from the increase in the number of SMEs is not directly proportional to the number that has done accounting and financial reporting, of these numbers that carry out financial recording and reporting only amounted to 49 businesses. So that most of the existing SMEs have not or do not record accounting and financial reporting which will later have an impact on access to capital from both banks and the government. As for the reason why these SMEs do not hold accounting records and financial reporting, various answers that arise ranging from having never recorded financial transactions correctly, not understanding about accounting records, to assuming that

financial recording and reporting are not important because for those who are important to benefit.

Business actors do not hold and use accounting information in the management of their business is very large determined by the perception of SMEs for accounting information. Kreitner & Kinicki (2001) a person's perception will influence his behavior and decisions. Therefore, in order to encourage SMEs to implement and use accounting information, it must start from building the perception of SMEs to accounting information. This is also supported by research conducted by Pinasti (2007) that the implementation and use of accounting information affects the perception of small entrepreneurs over accounting information. Perception is formed through a series of processes as described by Kreitner & Kinicki (2001) in Pinasti (2007) that at the stage of interpretation, the resulting mental representation is largely determined by schemata, which is the image a person has of something or event. So that real experience will form the right schemata and avoid perceptual errors. The perception of SMEs to accounting information will also be determined by their experience in organizing and using accounting information.

Departing from the above phenomenon, this research was conducted aimed at looking at the perception of SMEs on accounting information by organizing and using accounting information as a basis for business decision making using experimental methods. The object used in this study is SME actors in Gorontalo City because they see a significant increase in the number of SMEs. The use of experiments in this study is because most SMEs in Gorontalo City do not hold accounting records and use accounting information in their business management. The results of this research will be expected to contribute to local governments in making strategic programs in the development and empowerment of SMEs to organize and use accounting information. The expected long-term impact is the emergence of awareness from SMEs to hold good accounting records that can later encourage the success of their business and can meet the obligations of providing information for the government and creditors.

II. LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

a. Perception Formation

Perception is the experience of objects, events, or relationships obtained by inferring information and interpreting messages, so that perception will give meaning to sensory stimulus (Rakhmat, 2011: 50). The same is also expressed by Sumarto (2014: 52) that perception is a process of understanding or giving meaning to information to the stimulus obtained from the process of sensing objects, events, or relationships between symptoms that are then processed by the brain. Meanwhile according to Kreitner & Kinicki (2001) "*Perception is a cognitive process that enables us to interpret and understand our surroundings.*"

There are four stages in information processing in the formation of perception according to Kreitner & Kinicki (2001) in Pinasti (2007) namely: 1) The stage of selective attention, which is the process of the emergence of awareness of something or someone, 2) Stage of interpretation and simplification (*encoding and simplification*), which is the process of interpretation or translation of information into mental representation, 3) The stage of storage and repetition (*storage and retention*), which is the stage of storage of information in long-term memory. 4) The stage of information withdrawal and retrieval and response, which is done when a person makes consideration and makes decisions. The encoding and simplification stage allows for the production of different interpretations and evaluations of a person or an event of the same. According to Kreitner & Kinicki (2001) in Pinasti (2007), these differences in interpretation can be caused by: (1) differences in information in schemata used for interpretation, (2) mood and emotional influences, (3) applying current cognitive categories, as well as (4) individual differences.

b. Use of Accounting Information

Accounting information is a financial record that can be used by the owner of SMEs to find out how much income should be received, how much operating expenses should be incurred and how much profit or loss is obtained. According to Pinasti (2007) accounting information can be a reliable basis for decision-making in the management of small businesses, including market development decisions, pricing and others. Making the right decision can determine the success of a business. Therefore, accounting information has an important role for SMEs in achieving business success.

According to Utomo (2010) accounting information has a very large influence and is important for the achievement of business success, including small businesses. The same is also stated by Indriani (2010) that accounting information affects the success of an entrepreneur's business when running his business equipped with accounting records. According to Anthony & Reece (1995), accounting information is classified into three types: operating information, management accounting and financial accounting. But on the other hand, there are still many SMEs in Indonesia do not organize and use accounting information. This is as revealed by Pinasti (2007) that small entrepreneurs in Indonesia do not organize and use accounting information in the management of their business. This indicates that SME business actors still lack awareness to carry out bookkeeping well in business. Lack of knowledge in bookkeeping will later hinder them from carrying out financial bookkeeping activities. This is supported by research conducted by Ermaliana (2013) that financial recording does not need to be made because SMEs find it difficult and feel unimportant because it has no effect on business success. This will certainly make it difficult for SMEs to make records because of the lack of knowledge of SMEs in bookkeeping, also mostly not accompanied by the fulfillment of human resources to carry out business accounting activities.

c. Experience Shaping the Perception of SMEs Over Accounting Information

SMEs will have different perceptions of the same thing as accounting information. This difference in perception is greatly influenced by the results of interpretation at the stage of encoding and simplification as expressed by Kreitner & Kinicki (2001). SMEs actors will later have different information in the picture of an event or an object used to interpret the value of accounting information. So that with this, real experience will form a proper perception of accounting information.

In some previous studies showed that SMEs have a negative perception of accounting information as expressed by Ermaliana (2013) in the results of his research that financial records do not need to be made because SMEs find difficulties and feel insignificant because it has no effect on business success. This perception is formed because of the non-implementation and use of accounting information by SMEs. So that the negative perception that arises is obtained not based on the experience of SMEs in organizing and using accounting information. Based on this, it can be concluded that experience in organizing and using accounting information can change the perception of SMEs for accounting information. The hypothesis built in this study is

Ha: The implementation and use of accounting information affects the perception of SMEs for accounting information.

III. RESEARCH METHODS

In this study, researchers used experimental methods using the *pre-experimental design method type one group pretest-posttest*, which uses initial tests and final tests in a single group. The initial test (pretest) is done before being given treatment, then after being given the treatment then give the final test (posttest). The use of *pre-experimental design method type one group pretest-posttest* aims so that the results of treatment can be known more accurately because it can compare with the circumstances before being

given treatment that is adjusted to the goal to be achieved, namely the perception of SMEs for accounting information based on experience organizing and using accounting information. The data analysis technique in this study used a paired sample t-test because it used the same group in analyzing. But before entering the hypothesis testing, the data in the study is first tested with a data normality test.

One group pretest-posttest design consists of one group that has been determined. The research pattern of one group pretest-posttest design method according to Sugiyono (2013: 75) as follows.



Where:

O₁ = Pretest value (before treatment)

X = Implementation and Use of Accounting Information

O₂ = Post-test scores (after treatment)

In this design the test is done twice, namely before and after being given experimental treatment. Pre-tests are given in the experimental class (O₁). After pre-test, then given treatment in the form of accounting record keeping (X), in the final stage then given post-test (O₂). Treatment is given by the way SMEs are fostered and accompanied to organize and use accounting information in the management of their business for three months based on the consideration that in that period the experimental group is considered to have felt enough impact from the implementation of accounting information.

The accounting information used in this study is based on the theory of Anthony & Reece (1995) there are three types of accounting information classes, namely operating information, management accounting information, and financial accounting information. Here is the operational definition of variables measured in this study.

Table 1. Operational Definition of Variables

Definition	Dimension	Empirical Indicators
Accounting information is classified into three types, namely operating information, management accounting information, financial accounting information (Anthony & Reece, 1995).	Use of operating information	<ol style="list-style-type: none"> 1. Use accounting information to find out the amount of production each day 2. Use information to find out the number of purchases of raw materials 3. Use accounting information to find out the amount of raw material usage 4. Use accounting information to find out payroll/ wages to employees 5. Use accounting information to find out the number of sales each day
	Use of management accounting information	<ol style="list-style-type: none"> 1. Use accounting information to plan business activities 2. Use accounting information to implement/run a business 3. Use accounting information to control business
	Use of financial accounting information	<ol style="list-style-type: none"> 1. Use accounting information to find out financial position 2. Use accounting information to find out the company's performance

		3. Use accounting information to determine the increase or decrease in capital
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The population in this study was 3,042 SMEs in Gorontalo City, with sampling techniques using purposive sampling methods. This method is applied because in this research requires intensive interaction with the research subject, so the subject is selected based on the willingness of the subject to engage in this research. So that the number of samples in this study amounted to 35 respondents.

IV. RESULTS OF RESEARCH AND DISCUSSION

a. Data Normality Testing Results

The normality test used in this study is the Kolmogorov-Smirnov Test on the basis of decision making i.e. if the probability obtained is greater than 0.05 then it can be said that the data tested has been distributed normally, and if the probability is less than 0.05 then the data is said to be not normal distribution. Here are the results of data normality testing.

Table 2. Data Normality Test Results

One-Sample Kolmogorov-Smirnov Test

	Pre-Test	Pos-Test
N	35	35
Normal Parameters ^a Mean	8.1143	27.7143
Std. Deviation	1.98185	2.00839
Most Extreme Absolute Differences	.200	.185
Positive	.200	.128
Negative	-.158	-.185
Kolmogorov-Smirnov Z	1.182	1.095
Asymp. Sig. (2-tailed)	.122	.181

a. Test distribution is Normal.

Based on the results of the above test obtained kolmogorov-smirnov Z value for pre-test of 1,182 and for post-test of 1,095 with asymp value. Sig. (2-tailed) or probability for a pre-test of 0.122 and for post-test of 0.181. With these results indicates that the probability value of both tests has been above 0.05 as required. Thus it can be concluded that the data in the study has been distributed normally.

b. Effect of Stimulus Implementation and use of accounting information on the perception of SMEs for accounting information.

The subjects in this study numbered 35 SMEs in Gorontalo City. At the beginning before being given a treatment to the subject, given a pre-test first to see the ability of the subject in understanding accounting and whether to apply it in the process of managing his business. After obtaining data on the pre-test then the group of subjects in this study were scouted and provided assistance in the implementation of accounting records and the use of accounting information for three months. After being given a stimulus to the subject for three months, then the subject is given a post-test with the same statement as at the time of

pre-test. After obtaining results from pre-test and post-test, the data is then tested using a paired sample t-test by comparing the perception of the experimental subjects of the group. The test results for the measured perception are presented at the following table.

Table 3. Paired Sample T-Test Results
Paired Samples Test

	Paired Differences			t	df	Sig. (2-tailed)
	Mean	Std. Deviation	Std. Error Mean			
Pair 1 Pre-Test - Pos-Test	-1.96001	3.82868	.64717	-30.286	34	.000

Based on the results of the analysis obtained thitung value for the difference in pre-test and post-test results is -30,286 with a sig (2-tailed) value of 0.000. The value of significance obtained is still smaller than the alpha value used (0.05) so ha which states that the implementation and use of accounting information affects the perception of SMEs for accounting information received. This is because there is a difference in results obtained from the two tests.

Thus it can be concluded that at a confidence level of 95% (alpha 5%) then the implementation and use of accounting information affects the perception of SMEs for accounting information. The negative coefficient of the test results indicates that the perception of the subject in this study agrees with the implementation and use of accounting information for financial management activities in his business. This can be described in the comparison of the average pre-test and post-test at the following table.

Table 4 Table Comparison of Pre-Test and Post-Test Averages

Paired Samples Statistics

	Mean	N	Std. Deviation	Std. Error Mean
Pair 1 Pre-Test	8.1143	35	1.98185	.33499
Pos-Test	27.7143	35	2.00839	.33948

Based on the table above it can be seen that the pre-test value has an average value of 8.1143 with a standard deviation of 0.33499. While the post-test value has an average value of 27.7143 with a standard deviation of 0.33948. This smaller standard deviation indicates not much variance or a large enough gap. The table also shows that there is a considerable difference between pre-test and post-test, where the average value in the post-test is greater than during the pre-test.

c. Discussion

Based on the results of the analysis in the previous sub-sub-heading showed that the experience of the subject, namely SMEs in Gorontalo City with the stimulus of the implementation and use of accounting information was proven to be able to change the perception of the subject regarding the benefits of accounting information and the willingness of the subject to carry out accounting records in his business. Experience in organizing and using accounting information makes the subject experience firsthand the benefits of accounting information for the management of his business. Experience with accounting information provided to subjects turns out to form new information in the experience they use to interpret the value or benefits of accounting information, and change the perception of subjects who previously considered that accounting information is not important to be meaningful in every decision-making in the management of his business. This difference in interpretation is what causes the difference in perception from before not using accounting information in business management to be willing to use accounting information in business management. The results of this study are in line with the results of research conducted by Pinasti (2007) that experience with accounting information forms a new information in schemata that they use to interpret the value / benefits of accounting information, and change the perception of "negative" to accounting information.

The results of this study also support Kreitner & Kinicki's statement (2001) that SMEs will later have different information in the picture of an event or an object used to interpret the value of accounting information. So that with this, real experience will form a proper perception of accounting information.

With the implementation and use of accounting information will be able to support business success because every business decision-making based on accounting information received by business owners as explained by Utomo (2010) that accounting information has a very large influence and is important for the achievement of business success, including small businesses. The same is also stated by Indriani (2010) that accounting information affects the success of an entrepreneur's business when running his business equipped with accounting records.

V. CONCLUSIONS AND SUGGESTIONS

a. Conclusions

Based on the results of the research obtained that the experience of SMEs in gorontalo city with the stimulus of the implementation and use of accounting information is able to change the perception of SMEs about the benefits of accounting information and their willingness to carry out accounting records in their businesses. Experience in organizing and using accounting information makes SMEs experience firsthand the benefits of accounting information for business management. Experience with accounting information provided to SMEs turns out to form new information for experiences that they can use to interpret the

value or benefits of accounting information, and change the perception of subjects who previously considered that accounting information is not important to be meaningful in every decision-making in the management of their business.

b. Suggestion

Based on the results of the study, the advice that can be given is as follows.

1. To the Gorontalo City Government, this research becomes an entrance to make a state by making policies so that SMEs in Gorontalo City want to organize and use accounting information so that the Gorontalo City Government will be easier to obtain data on the development of SMEs in the future. One strategy that can be tried by the government is to make SME groups built to be easier in the process of transferring knowledge to SMEs related to the implementation and use of accounting information.
2. To academics, the results of this research become a channel that can be used for community service by conducting coaching and mentoring to SMEs that have not organized and used accounting information.
3. To SMEs, it should be with the coaching and assistance that has been provided in this research can be continued as an effort to further improve their well-being through decision-making based on accounting information.

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