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The Influence of Accounting Knowledge, Level of Education and Business Experience on The Use of Accounting Information in Sukodadi District

Defirna Indah Safitri[*], Rochman Arif, Yeni Vera Febriyanti, Abidah Dwi Rahmi

Satiti, Yanuar Lazuardi

Universitas Islam Lamongan, Indonesia
Corresponding author. Email: defirnaindahsafitri@unisla.ac.id

ABSTRACT

This research aims to determine the influence of accounting knowledge, level of education and business experience on the use of accounting information among MSMEs in Sukodadi District. This research method is quantitative. The sample in this study amounted to 83 respondents. Data analysis uses multiple linear regression analysis. The results of this research show that accounting knowledge influences the use of accounting information among MSME actors in Sukodadi District with a significance value of 0.000 which is smaller than the probability value of 0.05, the level of education does not influence the use of accounting information among MSME actors in Sukodadi District with a significance value of 0.258 which is greater. from a probability value of 0.05, and business experience has no effect on the use of accounting information among MSMEs in Sukodadi District with a significance value of 0.990 which is greater than the probability value of 0.05.

Keywords: accounting knowledge, education leve, and business experience

1. INTRODUCTION

Presently, Indonesia witnesses a significant surge in business growth, particularly within the micro, small, and medium enterprise (MSME) sector. These enterprises, operated either by individuals or entities, play a vital role in bolstering the local economy by generating employment opportunities, thus mitigating unemployment rates.

The utilization of accounting information stands as a pivotal element in equipping managers to navigate the competitive business landscape. Accounting proficiency plays a substantial role in advancing the management of businesses. Indeed, accounting information exerts a profound influence on business accomplishments, encompassing micro, small, and medium enterprises.

Accounting knowledge serves as a cornerstone for informed decision-making in business operations. As per Arif (2019), information constitutes processed data, tailored into a more useful and meaningful format for its intended recipients. Likewise, Muda, I. et al. (2017) posit that accounting serves as a discipline furnishing requisite information to efficiently conduct activities and evaluate organizational endeavors.

In accordance with Republic of Indonesia Law Article 1 Number 20 of 2003 concerning National Education, education is construed as a deliberate and systematic endeavor to foster a conducive learning environment and process, enabling students to actively cultivate their potential in various dimensions. The competencies and skills of MSME proprietors are shaped by their educational attainment. Hence, the elevated educational attainment of business proprietors influences their accounting knowledge, thereby impacting the utilization of accounting information in their business undertakings.

Moreover, business experience holds considerable significance in MSME operations. Samosir, A. A. (2017:29) asserts that work experience denotes the duration spent by an individual in acquiring knowledge, skills, and attitudes pertinent to their tasks. Business experience constitutes a developmental process fostering knowledge and skills through active engagement in business affairs (Fithoriah & Prananditya, 2019). Concurrently, Wirawan (2016:3) characterizes

work experience as the tenure of employment from recruitment to the present. Sulaeman (2014) contends that heightened experience among workers correlates with augmented business growth.

This study opts for Sukodadi District, Lamongan Regency as its research site owing to its potential as an MSME hub across various sectors, including crafts, food, and animal husbandry. Surviving the competitive market demands proficient business management, underscored by adept financial management facilitated by the utilization of accounting information.

2. RESEARCH METHODS

Quantitative data constitutes the primary data type employed in this study, derived from the administration of questionnaires encompassing inquiries and assertions regarding accounting knowledge, educational attainment, and entrepreneurial experience among MSMEs situated in Sukodadi District, Lamongan Regency. The research targeted a population of 1,269 MSME operators, with the sample size determined utilizing the Slovin Formula. Consequently, the study comprised 83 MSME operators from Sukodadi District.

3. RESULTS AND DISCUSSION

3.1. Research Results

3.1.1. Validity Test

The validity assessment aims to ascertain the credibility of a questionnaire. A questionnaire is deemed valid when the correlation between individual item scores and the total score yields a correlation coefficient (computed r) exceeding 0.216. Conversely, if the correlation coefficient falls below 0.216, the instrument is considered invalid. Findings from the validity test conducted in this research reveal that all indicators exhibit statistically significant results, with the calculated correlation coefficient (r count) surpassing the critical correlation coefficient (r table). Hence, it can be inferred that all questionnaire items are valid.

3.1.2. Reliability Test

Reliability assessment aims to ensure that the variables utilized are devoid of errors, thereby yielding consistent outcomes even upon repeated testing. The criteria for testing reliability were conducted through the application of the Cronbach's Alpha (α) test. A variable is deemed reliable if it exhibits a Cronbach's Alpha value exceeding 0.60. Findings from the Reliability Test conducted in this study indicate that all variables demonstrate a relatively high Cronbach's Alpha value, surpassing the threshold of 0.60. Consequently, it can be deduced that all independent and dependent variables are reliable.

3.1.3. Classic Assumption Test

The purpose of the normality test is to assess whether the confounding or residual variables in the regression model adhere to a normal distribution. Analysis conducted using SPSS indicates that the data points exhibit a distribution pattern aligned with the diagonal line on the normal plot graph. While not entirely parallel to the diagonal line, the deviation is within acceptable limits, without significant curvature. This suggests that all variables in the study adhere to the normality assumption of the regression model.

As per Kharinal (2016), the multicollinearity test aims to detect unexpected occurrences of multicollinearity within research findings. Based on the outcomes of this examination, it is evident that all independent variables, namely accounting knowledge, exhibit tolerance values exceeding 0.10, specifically 0.252, and variance inflation factor (VIF) values below 10, namely 3.975. Similarly, the education level variable demonstrates a tolerance value greater than 0.10, recorded at 0.336, and a VIF value below 10, namely 2.978. Furthermore, the business experience variable displays a tolerance value surpassing 0.10, amounting to 0.163, and a VIF value less than 10, specifically 6.145. Consequently, it can be inferred that the regression equation model is devoid of multicollinearity, rendering this research exemplary in its methodology.

The heteroscedasticity test determines whether the regression model contains heteroscedasticity, where the significance of the independent variable exceeds the 5% or 0.05 confidence level. By analyzing the scatterplot graph, it is observed that the data disperses both above and below the zero mark on the Y axis, devoid of any discernible pattern in its distribution. This indicates the absence of heteroscedasticity within the regression equation model, rendering it suitable for application.

3.1.4. Multiple Linear Regression Analysis Test

In this study, the regression equation is derived as follows: Y = 1.999 + 0.796 X1 + 0.107 X2 + 0.001 X3. By examining the regression coefficients of each independent variable within the equation, it becomes evident that the primary determinant affecting the utilization of accounting information is accounting knowledge (X1).

3.1.5. t test

The t-test assesses the extent to which an independent variable individually contributes to explaining the dependent variable. In this study, the results fall within the realm where H0 is rejected and H1 is accepted, signifying a significant difference between accounting knowledge, educational level, and business experience. However, the independent variables of educational level and business experience yielded insignificant outcomes.

3.1.6 F Test

The F test primarily determines whether the collective influence of all independent variables included in the model significantly impacts the dependent or outcome variable. In this study, the computed F value (78.927) exceeds the F table value (2.72), indicating that the variables of accounting knowledge, educational level, and business experience collectively exert a significant influence on the utilization of accounting information among MSMEs in Sukodadi District, Lamongan Regency.

3.1.7 Coefficient of Determination

The coefficient of determination ( ) fundamentally gauges the extent to which the model effectively captures variations in the dependent variable. In this study, the coefficient of determination test revealed that the influence of the independent variables—accounting knowledge, educational level, and business experience—on the utilization of accounting information accounted for 75%, with the remaining 25% attributed to other independent variables not encompassed in the equation model.

3.2 Discussion

3.2.1 The Influence of Accounting Knowledge on the Use of Accounting Information among MSMEs in Sukodadi District, Lamongan Regency

The outcomes of the partial hypothesis testing conducted through SPSS version 20 in this study revealed that the accounting knowledge variable yielded a computed t value of 6.989, surpassing the tabulated t value of 1.664, with a significance level of 0.000, which is smaller than the threshold probability value of 0.05 (0.000 < 0.05). This signifies that accounting knowledge significantly influences the utilization of accounting information among MSMEs in Sukodadi District. Thus, it can be inferred that in this study, H1 is accepted. These findings align with prior research conducted by Mustofa and Trisnaningsih (2021), which similarly concluded that accounting knowledge impacts the use of accounting information. The influence of accounting knowledge observed in this research underscores its pivotal role among MSMEs in Sukodadi District, as it aids business owners in leveraging information for decision-making, particularly in managing their business operations and finances.

3.2.2 The Influence of Education Level on the Use of Accounting Information among MSMEs in Sukodadi District, Lamongan Regency

The outcomes of partial hypothesis testing conducted via SPSS version 20 in this study revealed a computed t value of 1.138, which falls below the tabulated t value of 1.664. With a significance level of 0.258, exceeding the probability value of 0.05 (0.258 > 0.05), it indicates that the level of education does not significantly influence the utilization of accounting information among MSMEs in Sukodadi District. Consequently, in this study, H2 was refuted. This finding aligns with previous research conducted by Hudha (2017), which similarly concluded that the level of education does not impact the use of accounting information. The insignificance of educational level in this research suggests that the educational attainment among MSME operators in Sukodadi District remains insufficient, potentially hindering their engagement with accounting information.

3.2.3 The Influence of Business Experience on the Use of Accounting Information among MSMEs in Sukodadi District, Lamongan Regency

The outcomes of partial hypothesis testing conducted using SPSS version 20 in this study yielded a computed t value of 0.012, which is below the tabulated t value of 1.664. With a significance level of 0.990, surpassing the probability value of 0.05 (0.990 > 0.05), it indicates that business experience does not significantly impact the utilization of accounting information among MSMEs in Sukodadi District. Consequently, in this study, H3 was invalidated. These findings corroborate the research conducted by Purba and Khadijah (2020), which similarly concluded that business experience does not affect the use of accounting information. The ineffectiveness of business experience observed in this study suggests that many MSMEs in Sukodadi District initiate and manage their businesses independently, lacking substantial experience and proficient skills.

3.2.4 The Influence of Accounting Knowledge, Level of Education and Business Experience on the Use of Accounting Information among MSMEs in Sukodadi District, Lamongan Regency

The collective impact of the independent variables, namely accounting knowledge, educational level, and business experience, influences the utilization of accounting information. The F test results indicate that the computed F value (78.927) surpasses the F table value (2.72), with a significance level of 0.000, exceeding the threshold of 0.05. This implies that accounting knowledge, educational level, and business experience collectively exert a significant influence on the utilization of accounting information. These findings are corroborated by previous research conducted by Listiorini and Ika (2018), which asserted that accounting knowledge, educational level, and business experience play a role in influencing the utilization of accounting information.

4. CONCLUSION

Accounting knowledge in this research influences the use of accounting information among MSME actors in Sukodadi District, so MSME actors in Sukodadi District always apply preparation, recording, classification and application of accounting regarding finances in their businesses so as to help business owners manage financial reports and the development of the business they run.

The level of education in this study has no effect on the use of accounting information among MSME actors in Sukodadi District, so MSME actors in Sukodadi District with a level of education do not guarantee the correct use of accounting information because a high level of education does not necessarily have experience in running a business.

Business experience in this research does not influence the use of accounting information among MSME actors in Sukodadi District, so many MSME actors in Sukodadi District have experience in running a business, so the more business experience a person has, the more they will master their work and have greater work effectiveness. Good.

Accounting knowledge, level of education and business experience simultaneously influence the use of accounting information among MSMEs in Sukodadi District, because based on the results of the data above, it is found that F calculated is greater than F table.

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