



THE EFFECT OF THE USE OF ACCOUNTING INFORMATION ON THE MSME SUCCESS

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ABSTRACT

Micro, Small, and Medium Enterprises (MSMEs) play a strategic role in Indonesia's economy but still face challenges in financial management. This study aims to analyze the effect of accounting information usage on the success of MSMEs in Bandung City. The research method used is a quantitative approach with a survey method, where data was collected through questionnaires distributed to MSME owners or managers. The results of a simple linear regression analysis indicate that accounting information usage has a positive and significant effect on MSME success, with a regression coefficient of 0.761 and a significance value of 0.000 ($p < 0.05$). Furthermore, the R Square value of 0.566 shows that accounting information usage explains 56.6% of MSME success variability, while the remaining 43.4% is influenced by other factors. Thus, the better the utilization of accounting information, the higher the success rate of MSMEs, particularly in profitability, business growth, and operational sustainability. Therefore, MSME actors are encouraged to enhance their accounting literacy and adopt accounting technology to improve financial recording efficiency. Government and financial institutions' support is also needed through training programs and incentives for MSMEs to implement better accounting systems and enhance their business competitiveness.

Keywords: Accounting Information, MSME Success, Financial Management

ABSTRAK

Usaha Mikro, Kecil, dan Menengah (UMKM) memiliki peran strategis dalam perekonomian Indonesia, tetapi masih menghadapi tantangan dalam pengelolaan keuangan. Penelitian ini bertujuan untuk menganalisis pengaruh penggunaan informasi akuntansi terhadap keberhasilan UMKM di Kota Bandung. Metode penelitian yang digunakan adalah kuantitatif dengan pendekatan survei, di mana data dikumpulkan melalui kuesioner yang diberikan kepada pemilik atau pengelola UMKM. Hasil analisis regresi linier sederhana menunjukkan bahwa penggunaan informasi akuntansi berpengaruh positif dan signifikan terhadap keberhasilan UMKM dengan koefisien regresi sebesar 0.761 dan nilai signifikansi 0.000 ($p < 0.05$). Selain itu, nilai R Square sebesar 0.566 menunjukkan bahwa penggunaan informasi akuntansi mampu menjelaskan 56.6% variabilitas keberhasilan UMKM, sedangkan 43.4% sisanya dipengaruhi oleh faktor lain. Dengan demikian, semakin baik pemanfaatan informasi akuntansi, semakin tinggi tingkat keberhasilan UMKM, baik dalam aspek profitabilitas, pertumbuhan usaha, maupun keberlanjutan operasional. Oleh karena itu, pelaku UMKM disarankan untuk meningkatkan literasi akuntansi dan menggunakan teknologi akuntansi guna meningkatkan efisiensi pencatatan keuangan. Dukungan dari pemerintah dan lembaga keuangan juga diperlukan dalam bentuk pelatihan serta insentif bagi UMKM agar dapat menerapkan sistem akuntansi yang lebih baik dan meningkatkan daya saing usaha mereka.



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Kata kunci: Informasi Akuntansi, Keberhasilan UMKM, Pengelolaan Keuangan

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have a strategic role in the Indonesian economy, especially in job creation and contribution to the Gross Domestic Product (GDP). However, many MSMEs face various challenges in financial management and business decision-making. One of the factors that is often an obstacle is the lack of optimal use of accounting information. In fact, accounting information plays an important role in providing accurate and relevant data for business owners to strategize, manage resources, and evaluate business performance effectively.

In the city of Bandung, the growth of Micro, Small, and Medium Enterprises (MSMEs) shows a significant increase. Based on data from the Bandung City Cooperatives & MSMEs Office, there are more than 4,285 MSME actors spread across various business sectors (Bandung City Cooperatives & MSMEs Office, 2023). However, behind this development, there is still a gap phenomenon that affects the success rate of MSMEs. Not all MSME actors are able to survive and develop optimally, especially because of the various obstacles they still face, such as limited access to capital, low digital literacy, weak financial management, and lack of innovation in business.

The success of MSMEs can be measured through various indicators that reflect business growth and development. Suryana (2003) stated that the indicators of business success include an increase in sales volume, sales turnover, business capital, expansion of marketing areas, number of production, number of workers, and number of customers. Tambunan (2019) emphasized that the success of MSMEs is determined by their ability to manage finances, product innovation, and access to markets and capital.

The success of MSMEs can be measured from several indicators, such as increased profitability, asset growth, business expansion, and stronger competitiveness in the market. A study conducted by Mirosea, Aswati, and Asumi (2024) shows that the use of accounting information has a significant influence on the success of MSMEs in Mandonga District, Kendari City. This study confirms that MSMEs that implement accounting information well tend to have more stable financial performance and can survive in business competition. The use of accounting information refers to the use of financial data generated through the accounting process to support decision-making in an organization. Belkaoui (2000) defines accounting information as quantitative information about economic entities that is useful for economic decision-making in determining choices between alternative actions.

Meanwhile, Harahap (2011:45) explained that accounting information is economic information that is used as a consideration in evaluating various alternative decisions by its users. It can be said that the use of accounting information involves the use of relevant and structured economic data to assist stakeholders in making informed decisions regarding business operations and strategies. Rini & Laturette (2016) found that the implementation of accounting information systems contributes significantly to the effectiveness of small business management, especially in improving financial transparency and operational efficiency. A study by Putri & Susanti (2020) shows that the use of accounting information technology contributes to improving the efficiency of MSME financial record-keeping,



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Vol : 2

No.: 1

No. E- ISSN: 3025-4086

making it easier to conduct financial analysis and business expansion planning. Meanwhile, Handayani et al. (2021) stated that MSMEs that have a good recording system are easier to manage cash flow and maintain business sustainability in the long term.

Based on the background, the formulation of the problem in this research is: How does the use of accounting information affect the success of micro, small and medium enterprises?

The purpose of this study is to find out how the use of accounting information affects the success of micro, small and medium enterprises.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS

One of the theories underlying this research is Accounting and Decision Making Theory, which emphasizes that accurate, relevant, and reliable accounting information is a fundamental factor in supporting business decision-making processes. This theory has its roots in the concept of Decision Usefulness Theory, which was first introduced by Staubus (1971). This concept emphasizes that accounting information must be presented with the aim of providing benefits to decision-makers, both in operational and strategic contexts. In an increasingly competitive business environment, accounting information serves as a tool to evaluate company performance, allocate resources optimally, and reduce uncertainty in the decision-making process.

According to Belkaoui (2004), a structured accounting information system allows business entities to develop more effective strategies, carry out more optimal financial controls, and comprehensively evaluate the company's performance. In the context of Micro, Small, and Medium Enterprises (MSMEs), the application of adequate accounting information allows business owners to make more rational decisions, including in aspects of pricing, cost management, and sustainable investment planning.

In line with this view, Horngren, Sundem, and Stratton (2012) emphasized that accounting information not only functions as a tool for recording financial transactions, but also as a key instrument in improving operational efficiency and reducing the risk of errors in business management. Irregularities in accounting can have an impact on difficulties in managing cash flow, limited access to external funding, and inability to maintain financial stability of the business. Furthermore, Weygandt, Kimmel, and Kieso (2018) revealed that decision-making based on valid and reliable accounting data can increase business profitability and competitiveness in the long term. Quality accounting information allows MSMEs to conduct more accurate financial analysis, identify business performance trends, and anticipate potential risks that can hinder business growth.

The results of the hypothesis obtained from the framework of thought that have been described, can be hypothesized as follows:

H1: The use of accounting information affects the success of micro, small and medium enterprises.

3. RESEARCH METHODS



INTERNASIONAL CONFERENCE & CALL FOR PAPER

ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025

Vol : 2

No.: 1

No. E- ISSN: 3025-4086

This study uses a quantitative method with a survey approach. This method was chosen because it aims to test the influence of the use of accounting information on the success of MSMEs through numerical data collection and statistical analysis.

Technical Data Collection

The main data in this study is sourced from primary data collected directly from respondents and is related to variables that have been determined by the researcher (Sekaran & Bougie, 2016). The data was collected through the distribution of questionnaires given to MSME actors in the city of Bandung. This questionnaire is designed to measure the variables that have been established in the research, so that it can obtain relevant information regarding the use of accounting information and business success.

Operational Definitions of Variables

1) Use of Accounting Information (X1)

The use of accounting information refers to the level of utilization of transaction recording, preparation of financial statements, and business decision-making based on accounting information in the operations of MSMEs Romney & Steinbart (2018). In this study, the use of accounting information was measured based on three main dimensions:

- (1) **Financial Recordkeeping**, which includes systematic recording of financial transactions and compliance with financial recording standards.
- (2) **Preparation of Financial Statements**, which includes the preparation of financial statements on a regular basis and the completeness of financial statements, such as income statements, balance sheets, and cash flows.
- (3) **Utilization of Accounting Information**, which includes the use of financial statements in decision-making as well as financial analysis for business planning.

2) The Success of MSMEs (Y)

The success of MSMEs is measured based on business achievements in terms of profitability, growth, and operational sustainability Zimmerman (2019). The success variables of MSMEs are measured through the following three indicators:

- (1) **Profitability**, which is measured through increased operating profit and operational cost efficiency.
- (2) **Business Growth**, which is measured from increased business turnover as well as asset growth and business expansion.
- (1) **Operational Sustainability**, which reflects the ability of MSMEs to survive in the midst of business competition and operational sustainability in the long term.

Sample Collection Techniques

The sample in this study was obtained using the non-probability sampling method with the convenience sampling technique. This technique was chosen because this study requires respondents who are easily accessible and willing to fill out questionnaires without strict selection criteria Sekaran and Bougie (2021). According to Sekaran and Bougie (2021), the sample size is adequate for quantitative research of at least 30 respondents so that the research results can be analyzed statistically. Therefore, the number of samples in this study is set at least 30 MSME owners or managers in the city of Bandung who are willing to fill out the questionnaire. The selection of respondents was carried out based on their availability in providing data related to the use of accounting information and business success

Data Analysis Techniques



INTERNASIONAL CONFERENCE & CALL FOR PAPER

ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025

Vol : 2

No.: 1

No. E- ISSN: 3025-4086

Descriptive analysis and inferential analysis were used in this study's data analysis to examine the relationship between the variables under investigation (Sugiyono, 2017).

1) Validity and Reliability Tests

- (1) Prior to factor analysis, the Kaiser-Meyer-Olkin (KMO) method was used to conduct a validity test to determine whether the data was feasible. If the SME value is greater than 0.5, the research tool is deemed valid (Hair et al., 2019).
- (2) Using Cronbach's Alpha, which states that a variable is reliable if its value is more than 0.7 (Sekaran & Bougie, 2021), the reliability test was carried out..

2) Classic Assumption Test

- (1) To verify that the data is distributed properly, the Kolmogorov-Smirnov or Shapiro-Wilk tests are used for the normality test (Ghozali, 2021).
- (2) In order to prevent bias in regression analysis, the multicollinearity test looks for significant correlations between independent variables. When the Variance Inflation Factor (VIF) is less than 10 (Gujarati & Porter, 2020), it indicates multicollinearity.
- (3) The Glejser test or scatterplot approach was used to do the heteroscedasticity test in order to determine whether the residual regression showed any particular patterns. The data is said to have passed the heteroscedasticity test if there is no discernible pattern (Ghozali, 2021).

3) Simple Linear Regression Analysis

Simple linear regression analysis was used in this study to determine the effect of the use of accounting information (X) on the success of MSMEs (Y). Simple linear regression was chosen because it involves only one independent variable and aims to measure the linear relationship between the two variables (Gujarati & Porter, 2020).

4) Hypothesis Test

- (1) The t-test (partial) is used to assess the influence of each independent variable on the dependent variables individually. If the significance value (p-value) < 0.05, then the hypothesis is accepted (Gujarati & Porter, 2020).
- (2) The Coefficient of Determination (R^2) is used to find out the extent to which an independent variable can explain the variation of the dependent variable. The higher the R^2 value, the greater the proportion of the variability of the dependent variable that can be explained by the independent variable (Hair et al., 2019).

4. RESULT AND DISCUSSION

Hypothesis Testing Results

1) Simple Regression Analysis



INTERNASIONAL CONFERENCE & CALL FOR PAPER

ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025

Vol : 2

No.: 1

No. E- ISSN: 3025-4086

Table 1. Results of Simple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics			
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	4.716	1.665		2.832	.007		
Use of Accounting Information	.761	.096	.752	7.913	.000	1.000	1.000

a. Dependent Variable: Success of Micro, Small and Medium Enterprises

Source : SPSS Processor Results Version 23, 2025

Based on the table above, the regression equation can be written as follows:

$$Y=4.716+0.761X$$

Information:

Y = MSME Success

X1 = Use of Accounting Information

Interpretation of regression equations:

- 4.716 = Constant (if there is no use of accounting information, the success of MSMEs has a base value of 4.716)
- 0.761 = Regression coefficient for the variable of use of accounting information. Every 1 unit increase in the use of accounting information will increase the success of MSMEs by 0.761 units

2) Hypothesis Test

- T test

Table 2. Test Results t

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	4.716	1.665		2.832	.007		
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INTERNASIONAL CONFERENCE & CALL FOR PAPER

ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025

Vol : 2

No.: 1

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The results of the significance test showed that the variable of the use of accounting information had a value of Sig. = 0.000, which means $p < 0.05$. This shows that independent variables have a significant effect on the success of MSMEs. In addition, the value of $t = 7.913$ shows that the variable use of accounting information has a strong influence on the regression model. In other words, the better MSMEs are at utilizing accounting information, the higher the success rate of their business.

b) Coefficient of Determination

Table 3. Determination Coefficient Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.752 ^a	.566	.557	3.04740

a. Predictors: (Constant), Use of Accounting Information

b. Dependent Variable: Success of Micro, Small and Medium Enterprises

Source : SPSS Processor Results Version 23, 2025

Based on the results of the regression analysis shown in the table above, some statistical indicators can be explained as follows:

An R value of 0.752 indicates a strong correlation between the use of accounting information and the success of MSMEs. This value shows that the relationship between the two variables has a fairly high level of closeness, where the use of accounting information is positively related to the success of micro, small, and medium enterprises. The R Square (R^2) value of 0.566 indicates that 56.6% of variability in the success of MSMEs can be explained by the use of accounting information. This means that around 56.6% of the factors that affect the success of MSMEs in this study can be explained by the regression model used, while the rest (43.4%) are influenced by other factors that are not included in the model.

The first hypothesis (H_1) shows that the variable of Accounting Information Use has a regression coefficient of 0.761 with a significance value (Sig.) of 0.000 ($p < 0.05$). This value shows that the use of Accounting Information has a positive and significant effect on the success of MSMEs. In addition, the calculation of the determination coefficient shows that this variable has a contribution of 56.6% to the success of MSMEs, as shown by the R Square value of 0.566.

This result states that the use of Accounting Information has a significant effect on the success of MSMEs. This means that the higher the level of utilization of accounting information in the business decision-making process, the more likely MSMEs are to achieve success. This is in line with the theory that the use of good accounting information helps business actors in financial planning, cost control, and business performance evaluation, thereby increasing competitiveness and profitability (Warren et al., 2022).

Rini & Laturette (2016) found that the use of accounting information contributes significantly to the success of small and medium businesses. Ningsih (2016) in his research revealed that MSMEs that implement accounting recording and reporting systems have a



INTERNASIONAL CONFERENCE & CALL FOR PAPER

ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025

Vol : 2

No.: 1

No. E- ISSN: 3025-4086

higher level of profitability compared to those that do not use accounting information. Wibowo & Kurniawati (2015) also corroborated that the use of accounting information effectively increases the operational efficiency and competitiveness of MSMEs in the long term.

5. CONCLUSION & SUGGESTION

Conclusion

Based on the results of the research that has been conducted, it can be concluded that the use of accounting information has a significant influence on the success of Micro, Small, and Medium Enterprises (MSMEs) in the city of Bandung. The results of the regression analysis show that the better the use of accounting information, the greater its contribution to profitability, business growth, and the operational sustainability of MSMEs. With a determination coefficient value (R^2) of 0.566, it can be concluded that around 56.6% of the variation in the success of MSMEs can be explained by the use of accounting information, while the rest is influenced by other factors such as marketing strategies, access to capital, and other external factors.

In addition, this study confirms that good financial recording and reporting contributes to improving operational efficiency and financial transparency which can help strategic decision-making. MSMEs that use a structured accounting system tend to be more stable in their business operations and have a greater chance of surviving increasingly fierce business competition. Thus, it is important for MSME actors to increase their awareness and understanding of accounting as part of a sustainable business strategy.

Suggestion

MSME actors are encouraged to improve their accounting literacy to enhance financial management. A stronger understanding of financial records, statement preparation, and financial analysis will support more accurate decision-making. Participation in training programs, seminars, and government or financial institution assistance can help develop these skills. Additionally, optimizing accounting technology, such as software for financial recording, can improve efficiency, minimize errors, and increase financial transparency, allowing MSMEs to manage finances more professionally and competitively.

The government and financial institutions should provide broader support through training, mentoring, and policies that promote better accounting practices. Incentives for MSMEs that adopt transparent and accurate financial recording can help strengthen the sector's overall competitiveness. Furthermore, future research should explore additional factors influencing MSME success, such as business innovation, digitalization, and market access. The use of more advanced research methods, such as longitudinal analysis, can offer deeper insights into the long-term impact of accounting information on MSME performance.

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INTERNASIONAL CONFERENCE & CALL FOR PAPER

ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025

Vol : 2

No.: 1

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ECONOMICS, BUSINESS, INNOVATION AND CREATIVITY (EBIC), 30th April 2025

Vol : 2

No.: 1

No. E- ISSN: 3025-4086

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