

The Influence of Educational Level, Business Age and Understanding of Accounting on Application of Micro, Small and Medium Entity Financial Accounting Standards (SAK EMKM) in Lubuklinggau

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Abstract

The purpose of this study was to determine the effect of education level, business age and understanding of accounting on the implementation of (SAK EMKM) in Lubuklinggau SMEs simultaneously and partially. The research methodology uses a quantitative research by using interview, data collection techniques, documentation and questionnaires. The population in this study was 5,303 SMEs with a sample of 98 SMEs using the slovin formula. The results of simple linear regression testing found there was an effect of education level on the application of SAK EMKM with a sig value of $0.000 < 0.05$. There was an effect of business age on the application of SAK EMKM with a sig value of $0.000 < 0.05$. There was an influence of understanding of accounting on the application of SAK EMKM with a sig value of $0.000 < 0.05$. The results of multiple linear regression testing show that there was an effect of education level, business age and understanding of accounting on the application of SAK EMKM with a coefficient of determination of 0.473 and obtaining an F test with an F count of $28.180 > F$ table 3.09 and sig $0.000 < 0.05$.

Keywords: education level, business age, accounting understanding, SAK EMKM.

1. Introduction

MSMEs have a very large role in the development and progress of the national economy, as evidenced by an increase in MSME business units of 57,895 or 99%, employment of 114 million people or 96%, and contributing to gross domestic product of 5,444 or 60% during 2013 (Ministry of Cooperatives and UMKM, February 2019).

The problem is that most MSMEs do not understand the importance of recording and preparing financial reports. Recording and preparation of financial reports is needed by MSME players to find out the company's financial position and performance more accurately and relevantly. In addition, by compiling clear and accurate financial reports, MSME actors make it easier to increase capital. The cause of MSMEs not providing or compiling financial reports in their business is due to a lack of human resources who have the ability to prepare financial reports and MSMEs are too focused on production and operational processes, so they do not pay attention to recording or bookkeeping (Romy, 2018)

IAI has issued financial accounting standards for micro, small and medium entities (SAK EMKM) which have been approved by the financial accounting standards board on 18 May 2016 and are effective from 1 January 2018. With the existence of SAK EMKM it can help and facilitate MSME actors in applying accounting to businesses so that they

can easily prepare financial reports according to standards.

The level of education is the level of education possessed by SMEs. In Ayu Putu et al's research (2017) stated that the education level of MSME owners had a significant effect on the implementation of SAK ETAP. This shows that the higher the education level of MSME actors, the better the implementation of SAK ETAP in MSME. However, as a result of research by other parties, Novia et al (2018), the educational level of MSME owners has no significant effect on the implementation of SAK ETAP in MSME, this is due to the motivation and perceptions of MSME owners on the importance of financial reporting.

According to Novia et al (2018) business age is the length of time a company has been established, developed and survived. The age of the company is calculated from the time the company was founded based on the deed of establishment. Generally, one thinks that the longer and more mature the company or business is established, the better the application of SAK EMKM owners will be in making financial reports according to standards. This is not necessarily the case because in Novia et al's research (2018) business age does not have a significant effect on the implementation of SAK ETAP in MSMEs, this is because old and old businesses often neglect not keeping records or bookkeeping. This research is also in line with Romy's research (2018) that business age has no significant effect on the application of SAK EMKM to MSMEs due to the personality and perceptions of MSME owners of the importance of financial reports.

According to Rinny (2016) Understanding of Accounting is understanding accounting knowledge, namely how MSME actors understand and understand accounting knowledge regarding bookkeeping and preparation of financial reports. In the research conducted by Romy (2018) understanding of accounting has a positive effect on the implementation of SAK EMKM in MSMEs. This means that the higher the accounting understanding of MSME owners, the better the application of SAK EMKM to their business. This is in line with Rinny's research (2016) which states that understanding accounting has a significant effect on the application of SAK ETAP to MSMEs. Lubuklinggau has 5,303 MSMEs spread across various sub-districts, west 1 has 845 MSMEs, west II has 838 MSMEs, south 1 has 497 MSMEs, South II has 482 MSMEs, east 1 has 707 MSMEs, east II has 773 MSMEs, north I has 486 MSMEs, north II as many as 675 MSMEs. Seeing that the number of MSMEs is quite large and continues to grow, the application of SAK EMKM will be increasingly needed by MSME actors so that they can run their business as optimally as possible to obtain the desired profit.

2. Literature Review

SAK EMKM. According to IAI in SAK EMKM (2018: 1) Micro, small and medium entities are entities without significant public accountability, as defined in the financial accounting standards of entities without public accountability (SAK ETAP), which meet the definition and criteria of micro, small and medium enterprises as stipulated in the laws and regulations in force in Indonesia, for at least two consecutive years. According to Sofia et al, (2017: 12) Micro, small and medium entity financial accounting standards (SAK EMKM) are accounting standards used by entities that do not or have not met the accounting requirements in SAK ETAP.

Level of education. According to Law No. 20 of 2003, education is a conscious and

planned effort to create a learning atmosphere and learning process so that students actively develop their potential to have religious spiritual strength, self- control, personality, intelligence, noble character, and the skills needed by them. , society, nation and state. The level of education includes elementary, junior high school, high school, diploma, bachelor, master, doctoral and specialist. According to Mudyahardjo (2002) in the book Rulam (2017: 32) Education in a broad sense is basically all educational events starting from educational events that are designed programmed to education that takes place naturally.

Business Age. According to Novia and Sulastiningsih (2018) business age is the length of time a company has been established, developed and survived. The age of the company is calculated from the time the company was founded based on the deed of establishment. According to Nugroho (2012) in Romy's journal (2018) Company age is the beginning of a company carrying out operational activities so that it can maintain the company's *Going concern or maintain its existence in the business world*.

Accounting Understanding. According to Arikunto (1995) in the journal Rinny (2016) Comprehension (*Comprehension*) students are asked to prove that they understand simple relationships between facts or concepts. The definition of understanding accounting is understanding accounting knowledge, namely how MSME actors understand and understand accounting knowledge regarding bookkeeping and preparation of financial reports. According to Ani et al (2016: 03) Accounting is a systematic process for processing transactions into financial information that is useful for its users.

3. Research Method

This research was conducted on MSMEs registered with the Office of Cooperatives and Micro, Small and Medium Enterprises in Lubuklinggau for 7 months from January to July 2023. According to Sugiyono (2017) Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to study and then draw conclusions. The population in this study are 5,303 MSMEs registered with the Office of Cooperatives and Micro, Small and Medium Enterprises in Lubuklinggau. According to Sugiyono (2017) The sample is part of the number and characteristics possessed by the population. If the population is large, and it is not possible for research to study everything in the population, for example due to limited funds, manpower and time, the researcher can use samples taken from that population. To determine the minimum sample in this study, use the Slovin formula. According to Sujarweni (2015) Data collection techniques are a way of conducting research to reveal or capture quantitative information from respondents according to the scope of the research. Data collection techniques used by researchers were interview techniques, questionnaires and documentation. Direct interviews with MSME actors, questionnaires, namely giving questions or statements to respondents online via smartphone, documentation in the form of evidence in the form of photos with MSME actors.

4. Findings and Discussions

The Office of Cooperatives and Micro, Small and Medium Enterprises (MSMEs) was located in West II of Lubuklinggau, while the duties and functions of the service are as follows: The agency has the task of assisting the mayor in carrying out regional authorities

in the field of cooperatives, small and medium enterprises and carrying out co-administration tasks given by the government or provincial government. The Office has the function of formulating technical policies, facilitation, coordination and technical guidance in the field of institutions and supervision, empowerment and development of cooperatives, empowerment of micro-enterprises.

Descriptive test of identity frequency data from respondents consisting of gender and monthly income. Based on data obtained from research respondents consisting of 98 MSMEs, then a frequency was created using the SPSS 20.00

Table 1. Descriptive by Gender

Gender	Number of Respondents	Percentage (%)
Man	62	63,3
Woman	36	36,7
Amount	98	100

Table 2. Descriptive by Income

Monthly income	Number of Respondents	Percentage (%)
5 million – 25 million	48	49.0
25 million – 50 million	37	37,8
50 million – 100 million	10	10,2
100 million – 150 million	3	3.0
Amount	98	100

We can analyze the above table on the *asympt line. Sig (2-tailed)* bottom row, if the significant value of each variable is > 0.05 then the normality test can be fulfilled. That the value of the education level variable (X_1) is *asympt. Sig (2-tailed)* of $0.216 > 0.05$, operating age variable (X_2) *asympt. Sig (2-tailed)* of $0.027 > 0.05$, accounting understanding variable (X_3) *asympt. Sig (2-tailed)* of $0.126 > 0.05$ and SAK EMKM variable (Y) *asympt. Sig (2-tailed)* is $0.684 > 0.05$. Of all the variables above the *asympt value. Sig (2-tailed)* > 0.05 so that the normality test data is declared fulfilled normally and the data is suitable for further analysis.

Table 3. Results of Testing the Classical Assumptions level of education

			Sum of Squares	Df	Mean Square	F	Sig.
		(Combined)	299,710	15	19,981	2,599	,003
SAK EMKM (Y) * Education Level (X ₁)	Between Groups	Linearity	207,447	1	207,447	26,983	,000
		Deviation from Linearity	92,263	14	6,590	,857	,606
	Within Groups		630,412	82	7,688		
	Total		930,122	97			

Table 4. Results of the Classical Assumption Test for operating life

			Sum of Squares	Df	Mean Square	F	Sig.
		(Combined)	382,713	13	29,439	4,517	,000
SAK EMKM (Y) *	Between Groups	Linearity	280,159	1	280,159	42,990	,000
		Deviation from	102,554	12	8,546	1,311	,228
Business		Linearity					
Age (X ₂)	Within Groups		547,409	84	6,517		
	Total		930,122	97			

Table 5. Classical Assumptions Test Results for understanding accounting

			Sum of Squares	Df	Mean Square	F	Sig.
SAK		(Combined)	443,117	14	31,651	5,394	,000
EMKM (Y) * Understand	Between Groups	Linearity	314,311	1	314,311	53,568	,000
		Deviation from	128,806	13	9,908	1,689	,079
ing of		Linearity					
Accounting	Within Groups		487,005	83	5,868		
(X ₃)	Total		930,122	97			

Variable (X₁) 0.606 > 0.05, business age (X₂) 0.228 > 0.05 accounting understanding (X₃) of SAK EMKM (Y) in the *deviation from linearity column* of 0.079 > 0.05, it can be concluded that the level of education, age of business and accounting understanding of SAK EMKM has a linear relationship.

Table 6. Simple Linear Regression Test for Education Level (X₁)

	Model	Unstandardized Coefficients		Standardized Coefficients
		B	std. Error	Betas
1	(Constant)	26,746	3,252	
	Education level (X ₁)	,402	,077	,472

Table 7. Results of the analysis of the correlation coefficient (R) level of education (X₁) to SAK EMKM (y)

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,472 ^a	,223	,215	2,744

The t test was carried out to prove the hypothesis whether research level of education (X₁) has an effect on SAK EMKM (Y) by comparing t_{count} with t table

Table 8. Multiple Linear Regression Test

	Model	Unstandardized Coefficients		Standardized Coefficients
		B	std. Error	Betas
	(Constant)	10.547	3,642	
1	T.P (X ₁)UU(X ₂)PA (X ₃)	,205 ,293 ,290	,071 ,080 ,085	,240 ,319 ,317
a. Dependent Variable: SAK EMKM (Y)				

Table 9. Test Results Test F

Model		Sum of Squares	Df	MeanSquare	F	Sig.
	Regression	439,826	3	146,609	28,108	,000 ^b
1	residual	490,297	94	5,216		
	Total	930,122	97			
a. Dependent Variable: SAK EMKM (Y)						
b. Predictors: (Constant), understanding of accounting (X ₃), level of education (X ₁), age of business (X ₂)						

Based on the table above, the SPSS output results show that the value off_{count} was 28.108 and f_{table} was 2.70 if f_{count} > f_{table} then Ho was rejected and Ha was accepted and if f_{count} < f_{table} then Ho was accepted and Ha was rejected. The results show that 28.108 > 2.70 and sig 0.000 < 0.05 so that it can be seen that it has an effect, so it can be concluded that Ho was accepted, which means that there was an influence on the level of education, age of business and understanding of accounting on the application of SAK EMKM in UMKM Lubuklinggau.

5. Conclusion

This research was conducted on MSMEs in Lubuklinggau to determine the effect of education level, age of business and understanding of accounting on the application of SAK EMKM. Thus it can be concluded the results of the study as follows: The results of testing the first hypothesis with simple linear regression found that there was an effect of

education level on the application of SAK EMKM, which was 47.2% and the remaining 52.8% was influenced by other variables. The results of testing the second hypothesis with simple linear regression found that there was an effect of business age on the application of SAK EMKM of 54.9% and the rest was influenced by other variables of 45.1%. The results of testing the third hypothesis with simple linear regression found that there was an influence of accounting understanding on the application of SAK EMKM by 58.1% and the remaining 41.9% was influenced by other variables. The results of testing the fourth hypothesis show that $28.104 > 2.70$ and $\text{sig } 0.000 < 0.05$ so that it can be seen that it has an effect, so it can be concluded that H_0 was accepted, which means that there was an influence on the level of education, age of business and understanding of accounting on the application of SAK EMKM in UMKM in Lubuklinggau was 47.2% and the rest was influenced by other variables of 52.8%.

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