

# Do Information Technology and Computerized Accounting Affect the Amplang MSMEs Performance?

Amiril Azizah<sup>1</sup>, Karyo Budi Utomo<sup>2</sup>, Zainal Arifin<sup>3</sup>, Ratna Wulaningrum<sup>4</sup>

<sup>1</sup>Business Administration Department, Politeknik Negeri Samarinda, Samarinda, Indonesia

<sup>2</sup>Information Technology Department, Politeknik Negeri Samarinda, Samarinda, Indonesia

<sup>3</sup>Chemistry Department, Politeknik Negeri Samarinda, Samarinda, Indonesia

<sup>4</sup>Accounting Department, Politeknik Negeri Samarinda, Samarinda, Indonesia

e-mail: amirilazizah@polnes.ac.id

**Abstract**— This study analyzes how IT and accounting computers affect Samarinda City Amplang MSMEs. The survey distributed questionnaires to 160 MSMEs. Regression analysis determined variable correlation. IT and computerized accounting systems boost micro, small, and medium enterprises' operational efficiency, the study revealed. This technology boosts operational efficiency, financial recordkeeping, and report creation. Information technology and automated accounting systems help MSMEs expand and compete. This study also indicated that integrated and cloud-based information systems help MSMEs access and retrieve financial data. Financial management improves when people can make strategic, timely judgments. IT and automated accounting solutions assist MSMEs avoid financial data leaks and manipulation. Finally, IT and accounting computers boost Amplang MSMEs' efficiency. MSMEs should embrace this technology more generally to compete in a changing digital economy. However, Micro, Small, and Medium Enterprises need training and technology to integrate this technologies.

**Keywords**— Information technology, accounting computers, MSME performance

## I. INTRODUCTION

In the present era of digital advancements, information technology has become an essential and integral element in various sectors, including the field of commerce. Micro, Small, and Medium Enterprises (MSMEs) have a substantial impact on the Indonesian economy as they serve as vital providers of employment opportunities and contribute to the general expansion of the economy. However, micro, small, and medium companies (MSMEs) often face numerous challenges in their efforts to optimize operational efficiency [1]. One of the main challenges faced relates to the execution of effective and accurate financial management strategies. In the given context, the application of information technology and computerized accounting systems offers a feasible strategy to improve the operational efficiency and overall performance of micro, small, and medium companies (MSMEs) [2]. The application of information technology, which includes hardware, software, and information systems, has the capacity to enable the automation of company activities, improve operational efficiency, and reduce operating costs for micro, small, and medium companies (MSMEs) [3]. Furthermore, the implementation of computerized accounting systems allows

micro, small, and medium enterprises (MSMEs) to improve their financial management capabilities. This encompasses the capacity to produce complete financial reports, precisely document transactions, and do meticulous financial analyses [2]. Despite the acknowledged importance of information technology and accounting computers in improving the performance of micro, small, and medium companies (MSMEs), there is a noticeable lack of thorough research investigating the simultaneous influence of these two variables. Therefore, the main aim of this research is to investigate the influence of information technology and computerized accounting systems on the operational efficiency and financial outcomes of micro, small, and medium companies (MSMEs) [1]. The objective of this study is to examine the effects of information technology and accounting computers on the operational efficiency and overall performance of micro, small, and medium companies (MSMEs). The study's results are expected to provide new insights and actionable recommendations for MSME proprietors, governmental bodies, and other relevant parties in developing effective approaches to improve the performance of MSMEs in the era of digitalization. The objective of this study is to improve the understanding of the possible beneficial impacts on the performance of Micro, Small, and Medium Enterprises (MSMEs) that arise from the integration of information technology and accounting systems. The results of this study can be utilized as a valuable resource by owners of micro, small, and medium enterprises (MSMEs) as well as other relevant stakeholders. It can aid them in making well-informed decisions pertaining to the most effective utilization of information technology and accounting software. Hence, this research carries considerable importance in strengthening the progress of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia and contributes to the understanding of the importance of information technology and computerized accounting systems in improving the operational efficiency of MSMEs.

## II. LITERATURE REVIEW

It is imperative for senior executives to prioritize the development of IT infrastructure and information management competence, since these factors serve as fundamental pillars in

cultivating other capabilities that contribute to enhanced business performance [4]. The process of IT assimilation has the potential to foster both potential and realized absorptive capacity within an organization, hence facilitating enhanced organizational agility and performance [5]. The utilization of information technology empowers organizations to get the necessary knowledge required for attaining a competitive advantage in performance [6]. The technical orientation of firms may serve as a determining factor in understanding the differential impact of IT utilization on innovation processes across small and medium-sized enterprises (SMEs) [7]. The utilization of computer technology has the potential to facilitate value creation, enhance performance, amplify productivity, and improve quality within a corporate context [8]. Small and medium-sized enterprises (SMEs) have the potential to boost their innovative capabilities through the implementation of sophisticated Enterprise Resource Planning (ERP) systems and electronic Customer Relationship Management (e-CRM) tools [9]. The positive influence of technological advancements on employment creation in small firms serves as a catalyst for economic development [10]. Technology allows businesses to improve their communication strategies [11]. The importance of accountant abilities in connection to the performance of systems for accounting information was underscored [12]. The active support of small and medium enterprises (SMEs) by the government is of utmost importance. This support should encompass various aspects, including aid in human resource development, implementation of the SAK EMKM framework, and the provision of accounting information for managers or owners [13]. The perspective of accounting information usage in a good light is determined by the availability of accounting resources and the implementation of fundamental accounting principles [14]. The implementation of computerized accounting systems in organizations, including small and medium-sized enterprises (SMEs), offers significant benefits to management and owners. These benefits encompass enhanced decision-making capabilities, strengthened internal controls, and improved access to financial information (Abidissalam). The generation of accurate, reliable, and user-friendly data by an accounting system is crucial in facilitating informed decision-making by management [15]. The happiness of accounting information end users is influenced by the quality of the system and the level of support provided by senior management [16]. According to Ratnawati [17] the frequency with which small and medium-sized enterprise (SME) owners participate in accounting training and use their knowledge in practice directly impacts their ability to refine their skills as business owners. Organizations have the potential to improve their utilization of digital accounting systems to achieve optimal performance [18]. The utilization of information technology by small and medium-sized enterprise (SME) managements has been found to enhance productivity and market shares, thus augmenting the overall efficacy of management practices [19].

Based on the statement, it can be inferred that the hypothesis posited in this study is as follows:

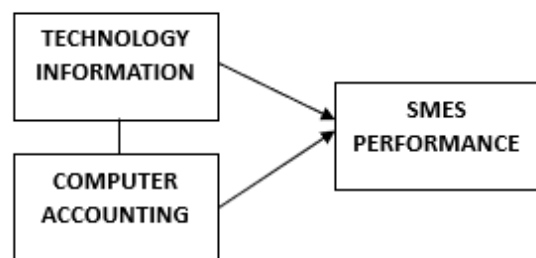
H1: The utilization of information technology exerts a substantial and favourable influence on the performance of micro, small, and medium enterprises (MSMEs).

H2: The utilization of computerized accounting systems has been found to have a beneficial influence on small and medium-sized enterprises (MSMEs).

### III. METHOD

The research employed a survey methodology, wherein questionnaires were distributed to Amplang MSMEs located in Samarinda. The administration of questionnaires involves the provision of a set of research inquiries to participants, who are then requested to complete them under supervision. This monitoring process ensures that any instances of question misinterpretation or various interpretations of a question can be identified. Based on this premise, the research would duly acknowledge the segments that pose challenges for participants in comprehending, so enabling prompt rectification to prevent any potential bias in their understanding.

This study utilized a sample population consisting of 160 Amplang MSME entrepreneurs located in Samarinda City. The statistical software utilized in this study is SPSS. Subsequent scholars Developing a Research Framework.



Picture 1. Framework

### IV. RESULT AND DISCUSSION

After conducting a comprehensive and rigorous examination of the influence of information technology and computerized accounting systems on the operational outcomes of micro, small, and medium companies (MSMEs), the researchers are enthusiastic about sharing the results of this study. In the following discourse, researchers will present compelling findings and practical implications that could aid micro, small, and medium companies (MSMEs) in optimizing their effectiveness within the digital era.

#### A. Result

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.873 <sup>a</sup>	.762	.759	1.306

a. Predictors: (Constant), COMPUTER ACCOUNTING, TECHNOLOGY INFORMATION

Picture 2. Model Summary

According to the findings derived from the analysis of data, it has been determined that the utilization of information technology and computerized accounting systems has a noteworthy and favorable influence on the operational effectiveness of micro, small, and medium enterprises (MSMEs). These phenomena can be observed through the optimization of operational efficiency, heightened precision in financial documentation, and the ability to generate more complete financial reports.

Moreover, scholarly literature suggests that micro, small, and medium companies (MSMEs) that demonstrate higher levels of utilization of information technology and accounting computer systems tend to see more pronounced rates of growth as compared to their counterparts who do not adopt these practices [20]. This exemplifies the extent to which the use of this technology profoundly influences the augmentation of the competitiveness and sustainability of micro, small, and medium-sized enterprises (MSMEs).

T - Test Value		t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
						Lower	Upper
Test Value = 0							
TI		41.471	159	.000	8.69375	8.2797	9.1078
CA		41.540	159	.000	8.60000	8.1911	9.0089
FP		42.720	159	.000	8.98750	8.5720	9.4030

Picture 3. T-Test Value

The regression equation presented above indicates that the information technology variable has a positive constant value of 41.471, whereas the computer accounting variable has a positive constant value of 41.450. This interpretation suggests that both factors exhibit a statistically significant positive effect. This is evident from the t-count value exceeding the critical t-table value, indicating significance. Consequently, it may be

concluded that both variables demonstrate an increase and exert a substantial impact.

B. Discussion

One notable finding concerns the improved availability and efficiency of financial information for Micro, Small, and Medium Enterprises (MSMEs) utilizing integrated and cloud-based information systems. This facilitates individuals in making decisions in a more prompt and strategic fashion, hence augmenting the overall caliber of financial management.

This study further demonstrates that the adoption of information technology and computerized accounting systems assists micro, small, and medium enterprises (MSMEs) in mitigating potential risks related to data breaches and financial data manipulation. The successful deployment of an integrated system ensures the secure storage of data, limiting access solely to authorized entities.

The findings of this study offer compelling evidence that the integration of information technology and accounting systems makes a substantial contribution to enhancing the performance of micro, small, and medium enterprises (MSMEs). Hence, it is recommended that micro, small, and medium firms (MSMEs) embrace this technology to a greater extent and in a more comprehensive manner, with the aim of enhancing their competitive edge in an increasingly vast digital marketplace.

V. CONCLUSION

This study provides a comprehensive analysis of the beneficial effects of integrating technology, namely computer systems and accounting computers, on the operational efficiency of micro, small, and medium enterprises (MSMEs). The adoption of this technology on a greater scale by Micro, Small, and Medium Enterprises (MSMEs) has resulted in enhanced operational efficiency, improved accuracy in financial documentation, and an expanded capacity to generate comprehensive financial reports. Moreover, the adoption of integrated and cloud-based information systems by micro, small, and medium enterprises (MSMEs) leads to enhanced accessibility and expedited retrieval of their financial data.

The findings of the study also suggest that the utilization of information technology and computerized accounting systems by micro, small, and medium companies (MSMEs) is associated with enhanced growth and increased competitiveness in their business operations. In addition, the adoption of this technology provides benefits and contributes to mitigating risks for Micro, Small, and Medium Enterprises (MSMEs) through the reduction of potential incidents involving the unauthorized disclosure and alteration of financial data, thereby enhancing the overall data security.

The literature indicates that the incorporation of information technology and accounting computers is of significant significance for micro, small, and medium enterprises (MSMEs) as a fundamental component of their business strategy. The possible advantages associated with the adoption of this technology encompass heightened operational efficiency, enhanced precision in financial record-keeping, and improved accessibility of financial data for micro, small, and medium companies (MSMEs). This will enhance the ability of



micro, small, and medium enterprises (MSMEs) to enhance their decision-making processes by providing them with the means to make prompt and strategic judgments. Moreover, this will enhance their overall performance and competitiveness within a rapidly growing digital market.

Nevertheless, it is crucial to acknowledge that the incorporation of information technology and accounting systems necessitates a judicious approach, accompanied by comprehensive training for owners and personnel of micro, small, and medium enterprises (MSMEs). Moreover, in order to facilitate the extensive use of this technology inside micro, small, and medium companies (MSMEs), it is crucial for the government to prioritize the advancement of technological infrastructure and the implementation of favourable regulations.

The convergence of information technology and accounting systems has a significant influence on enhancing the operational efficiency of micro, small, and medium companies (MSMEs). The application of this technology offers a potential avenue for micro, small, and medium enterprises (MSMEs) to enhance operational efficiency, enhance the accuracy of financial records, and facilitate more comprehensive financial reporting. Hence, it is imperative for Micro, Small, and Medium Enterprises (MSMEs) to recognize the significance of using information technology and accounting computers as a strategic approach to get a competitive edge in the contemporary digital landscape.

#### REFERENCES

- [1] A. Djakasaputra, O. Y. A. Wijaya, A. S. Utama, C. Yohana, B. Romadhoni, and M. Fahlevi, "Empirical study of Indonesian SMEs sales performance in digital era: The role of quality service and digital marketing," *International Journal of Data and Network Science*, vol. 5, no. 3, pp. 303–310, Jun. 2021, doi: 10.5267/j.ijdns.2021.6.003.
- [2] H. Erlangga, D. Sunarsi, A. Pratama, N. Sintesa, and I. Hindarsah, "Effect of Digital Marketing And Social Media On Purchase Intention Of Smes Food Products," 2021.
- [3] Y. Astiani, E. M. Sagoro, S. E. Staf Pengajar, J. Pendidikan, A. Universitas, and N. Yogyakarta, "The Effect of Smes Owner's Perception About Accounting, Accounting Knowledge, And Enterprises Scale Of The Use Of Accounting Information," 2017.
- [4] V. T. T. Binh, N. M. Tran, D. M. Thanh, and N. T. H. Nga, "Impact of accountant resource on quality of accounting information system: Evidence from Vietnamese small and medium enterprises," *ACRN Journal of Finance and Risk Perspectives*, vol. 9, no. 1, pp. 1–14, Mar. 2020, doi: 10.35944/jofrp.2020.9.1.001.
- [5] E. Martínez-Caro, G. Cepeda-Carrión, J. G. Cegarra-Navarro, and A. García-Pérez, "The effect of information technology assimilation on firm performance in B2B scenarios," *Industrial Management and Data Systems*, vol. 120, no. 12, pp. 2269–2296, Dec. 2020, doi: 10.1108/IMDS-10-2019-0554.
- [6] F. C. Ma, F. Khan, K. U. Khan, and S. XiangYun, "Investigating the Impact of Information Technology, Absorptive Capacity, and Dynamic Capabilities on Firm Performance: An Empirical Study," *Sage Open*, vol. 11, no. 4, Nov. 2021, doi: 10.1177/21582440211061388.
- [7] A. Haug, K. Adsbøll Wickstrøm, J. Stentoft, and K. Philipsen, "The impact of information technology on product innovation in SMEs: The role of technological orientation," *Journal of Small Business Management*, vol. 61, no. 2, pp. 384–410, 2023, doi: 10.1080/00472778.2020.1793550.
- [8] S. zahrah Buyong, "Digitalization Of Accounting Information Impact On Msmes' Profitability And Productivity," *Jurnal Riset Akuntansi dan Bisnis Airlangga*, 2020, [Online]. Available: www.jraba.org
- [9] M. Lecerf and N. Omrani, "SME Internationalization: the Impact of Information Technology and Innovation," *Journal of the Knowledge Economy*, vol. 11, no. 2, pp. 805–824, Jun. 2020, doi: 10.1007/s13132-018-0576-3.
- [10] S. M. Chege and D. Wang, "Information technology innovation and its impact on job creation by SMEs in developing countries: an analysis of the literature review," *Technol Anal Strateg Manag*, vol. 32, no. 3, pp. 256–271, Mar. 2020, doi: 10.1080/09537325.2019.1651263.
- [11] P. Sridhar and N. Roopalatha, "The Impact of Technology in the Field of Accounting in Small and Medium Enterprises," *International Journal of Recent Technology and Engineering*, vol. 8, no. 4S3, pp. 445–449, Dec. 2019, doi: 10.35940/ijrte.d1099.1284s319.
- [12] K. Zambrano Alcívar, L. Parraga Zambrano, K. Mendoza García, A. Delgado Zambrano, and F. Moreira Caballero, "Analysis of digital marketing as a marketing strategy in SMEs in Manabi," *Minerva*, vol. 1, no. Special, pp. 107–113, Dec. 2022, doi: 10.47460/minerva.v1ispecial.85.
- [13] H. Yanto, "Utilizing Accounting Information For Enhancing Performance Of Indonesian Smes," 2020.
- [14] F. Fachruzzaman, R. Indriani, P. P. Mediatuty, V. Fitranita, and A. A. P. Zaman, "The accounting information system impact on micro, small, medium-sized enterprises performances in Bengkulu," *JEMA: Jurnal Ilmiah Bidang Akuntansi dan Manajemen*, vol. 18, no. 2, p. 236, Oct. 2021, doi: 10.31106/jema.v18i2.12530.
- [15] S. N. Abdullah, A. A. Aziz, and B. Q. Saifulazri, "The impact of information technology on accounting systems towards SME performance in Malaysia," *Journal of Social Economics Research*, vol. 10, no. 2, pp. 69–80, Mar. 2023, doi: 10.18488/35.v10i2.3406.
- [16] M. Andarwati, N. Nirwanto, and J. T. Darsono, "Analysis of Factors Affecting the Success of Accounting Information Systems Based on Information Technology on SME Managements as Accounting Information End User," *European Journal of Economics, Finance and Administrative Sciences*, 2018, [Online]. Available: <http://www.europeanjournalofeconomicsfinanceandadministrativesciences.com>
- [17] R. Ratnawati, "Implementation Of Accounting Information System Technology In The Sme Sector Of Malang, Indonesia Creative Industry - Study Of Educational Level, Business Age And Accounting Training," *European Journal of Economic and Financial Research*, vol. 7, no. 1, Mar. 2023, doi: 10.46827/ejefr.v7i1.1437.
- [18] A. Lutfi et al., "Influence of Digital Accounting System Usage on SMEs Performance: The Moderating Effect of COVID-19," *Sustainability (Switzerland)*, vol. 14, no. 22, Nov. 2022, doi: 10.3390/su142215048.
- [19] M. T. Febriyantoro, "The Role of Digital Marketing in Improving Sales to SMEs in Dealing with ASEAN Economic Community," 2019.
- [20] A. Azizah, K. Utomo, R. Wulaningrum, and A. Zainal, "E-Commerce and Profitability," *International Journal of Multidisciplinary Research*, vol. 5, no. 5, pp. 13–15, 2022.