

The Influence of Accounting Information Systems, Internal Control Systems, Human Resource Competence, Work Experience, and Utilization of Information Technology on the Quality of Financial Reports of MSMEs in Jember Regency

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ABSTRACT

This study aims to determine the effect of accounting information systems, internal control systems, human resource competencies, work experience and utilization of information technology on the quality of financial reports, the type of research used is quantitative research. The data used is primary data with data collection techniques through questionnaires. The population in this study were all MSME actors in Sukowono District, Jember. The data collection technique used was the purposive sampling method and obtained a sample of 64 respondents. The data analysis method used was data instrument testing, classical assumption testing, multiple linear regression, coefficient of determination (R²) and hypothesis testing. The results show that accounting information systems, work experience, human resource competencies do not have a partial effect on the quality of financial reports. While the internal control system and utilization of information technology have a partial effect on the quality of financial reports. Simultaneously, accounting information systems, internal control systems, human resource competencies, work experience, and utilization of information technology have an effect on the quality of financial reports.

Keywords: *Quality of financial Reports, Accounting Information Systems, Internal Control Systems, Human Resource Competencies, Work Experience*

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Received: July 30, 2024

Revised: August 25, 2024

Accepted: Sept 05, 2024

Published: Sept 15, 2024



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1. INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) are the hope of the nation, because MSMEs are one of the drivers of a resilient people's economy. MSMEs mostly grow from family industries, so that consumers also come from the lower middle class. In addition, reality shows that during the economic crisis, MSMEs are more conservative than large companies. So that MSMEs can be seen as a savior in the national economic recovery process, a driver of economic growth and helping to absorb labor (Milazzo et al., 2020).

In an effort to face the challenges of MSMEs, there are still many obstacles faced by MSMEs such as the financial accounting parameters of MSMEs are still low and have many other problems, Bejamin (1990) argues that the weakness of SMEs in the preparation of financial statements is due to low education and lack of understanding of Financial Accounting Standards (SAK). The purpose of financial statements is to provide information on financial positions, financial contacts, and flow reports to an account, useful for a large number of users in making economic decisions, by anyone who is not in a position to request special financial statements to meet n=information needs.

In compiling a financial report, the accounting information system has a positive impact on individual performance in MSMEs, and the technical ability of individuals as users of accounting information systems in order to produce the best information for the production of accurate planning reports so that it will improve the performance of MSMEs

(Borhalina, 2021). In addition, the internal control system of MSME actors is also very important because the internal control system for MSME actors can provide more complete and structured information on the quality of financial reports related to business and financial positions. In addition, in preparing quality financial statements, the influence of a person's experience is very important because with someone having work experience, the tasks charged can be done well.

Human resources have a very important role in the organization to achieve competitive financial resources. Technological developments and environmental changes make human resources an important factor in determining the ability of organizations or companies in global competition. The development and progress of oesat in the field of industry and information technology has caused major changes in various aspects and fields of human life. This condition drives the business organization and progress. Therefore, financial statements are accounting information in an MSME that has an important role, namely as a benchmark for achieving the success of a business. According to (Mulyani, 2014) the provision of information for MSMEs is also needed, one of which is for access to government subsidies and access to additional capital for small businesses from banks.

The quality of financial statements is an illustration of accountability in running finances must be of good quality in order to estimate in taking actions or decisions. Qualitative characteristics that must be considered in preparing financial statements are, understandable, relevant, reliable, and comparable.

In the city of Jember itself, MSMEs have spread throughout the sub-district, in 2022 to 2023 the Jemner Cooperative and MSME Office recorded that the number of MSMEs in Jember regency touched 4,609 which spread throughout the sub-districts of Jember Regency. The following are the results of the development of Jember Regency's Gross Added Value (NTB) in 2020-2022.

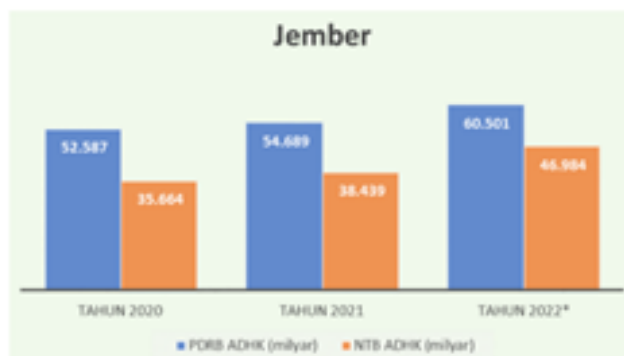


Figure 1. Graph of development of gross value added in Jember district 2020-2022

Source: NTB report, East Java UMKM Cooperatives Office

The existence of Micro, Small and Medium Enterprises can almost be found along the road and also increasingly emerge every year. This means that from year to year MSMEs have increased. The increasing development of MSMEs is expected to provide a significant positive contribution to efforts to overcome economic and social problems (Milazzo et al, 2020).

The object selected in this study is the MSME actors in Sukowono District, Jember, where Sukowono District has a relatively small number of MSMEs, namely at the end of 2023 the number of MSMEs in Sukowono District recorded at the Jember Cooperative and MSME Service was only 227 MSMEs. The types of MSMEs in Sukowono District vary, including fashion, culinary, services, agriculture, livestock, production and others.

The current phenomenon in MSME actors in Sukowono District is the weakness in preparing financial reports. The weakness of MSMEs in preparing financial reports is due to low education and lack of understanding of financial accounting standards (SAK) and

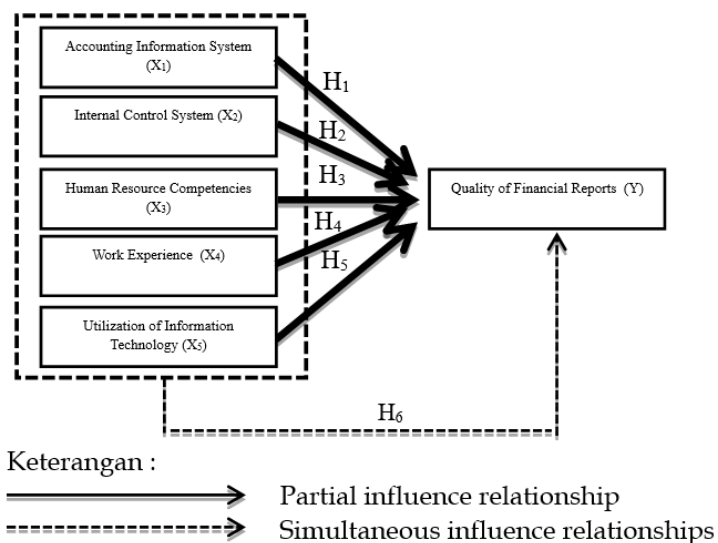
training for preparing financial reports, in addition to the lack of technology used (Indrawan, 2026).

Several studies that examine the quality of financial reports on MSME actors include Sudarta, (2022), Animah, et al, (2020), Kaka et al, (2023). Hermanto, et al, (2022), Saldikawati, et al, (2023), Rahmawati, et al, (2020), Dermadi & Ernitawati, (2022), Aisyah, et al, (2024), Wijayang, (2021), Erawati & Fajrianti, (2023). The formulation of the problem in the study is whether there is an influence between the variables of the accounting information system, internal control system, human resource competence, work experience and utilization of information technology on the quality of financial reports on MSME actors in Sukowono District, Jember. The purpose of this study is to determine whether the accounting information system, internal control system, human resource competence, work experience, and utilization of technology affect the quality of financial reports on MSME actors in Sukowono District, Jember.

2. RESEARCH METHODS

The object of this study is Micro, Small and Medium Enterprises (MSMEs) located in Sukowono District, Jember Regency. The population in this study was 227 populations with a sampling technique using purposive sampling technique and obtained 64 samples.

This research is a quantitative research that uses primary data. The researcher obtained this data by applying data collection techniques using observation, questionnaire distribution and literature study. The data analysis techniques used are Data Instrument Test, Classical Assumption Test, Multiple Linear Regression Analysis, Determination Coefficient (R²) and Hypothesis Test.



3. RESULTS AND DISCUSSION

Research result

a. Multiple Linear Regression

Multiple Linear Regression Analysis is a regression that has one dependent variable and more than one independent variable. This analysis is used to determine the influence between the independent variable (X) on the dependent variable (Y).

Table 1 Results of Multiple Linear Regression Analysis Test

Independent Variables	Regression Coefficient	Sig.
Constantine	2,136	,002

Accounting Information System	,181	,088
Internal Control System	,294	,026
Human Resources Competence	-,260	,351
Work experience	,055	,618
Utilization of Information Technology	,139	,030

The results of multiple linear regression produce the regression equation:

$$Y=2.136+0.181X_1+0.294X_2+0.260X_3+0.055X_4+0.139X_5$$

To interpret the results of the analysis, it can be explained as follows:

- Constant (a) has a value of 2.136, meaning that the constant shows a positive value, which means that the quality of financial reports has been running effectively for MSME actors in Sukowono District, Jember.
- The regression coefficient value for variable X1 has a value of 0.181, which means that the value shows a positive value. This shows that if variable X1 increases, then variable Y will also increase.
- The regression coefficient value for variable X2 shows a value of 0.294, which means that the value shows a positive value. This shows that if variable X2 increases, variable Y will also increase.
- The regression coefficient value for variable X3 shows a value of -0.260, which means that the value shows a negative value (in the opposite direction) between variable X3 and variable Y. This means that if variable X3 increases, variable Y decreases.
- The regression coefficient value for variable X4 shows a value of 0.055, which means that the value shows a positive value. This shows that if the experience variable X4 increases, then the variable Y will also increase.
- The regression coefficient value for variable X5 shows a value of 0.139 which means a positive value. This shows that if variable X5 increases, variable Y will also increase.

b. Coefficient of Determination (R²)

The coefficient of determination (R²) is used to show the extent to which the model can explain the independent variables indicated by the coefficient of determination (R²).

Table 2 Test of Determination Coefficient (R²)

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.708 ^a	.501	.458	.18451
a. Predictors: (Constant), Utilization of Information Technology, Work Experience, Internal Control System, Human Resource Competence, Accounting Information System				
b. Dependent Variable: Quality of Financial Reports				

Based on table 2 above, it shows that the Adjusted R Square value of 0.458 or 45.8% can be explained by variables X1, X2, X3, X4, X5. While 54.2% is explained by other variables outside the study.

Hypothesis Test t

The t-test is used to determine the effect of each independent variable partially on the dependent variable. The level of significance is 5% = 0.05 with the criteria if the test significance value is >0.05 then it means that there is no effect between the independent variable and the dependent variable, conversely if the significance value is <0.05 then it means that there is an effect between the independent and dependent variables.

Table 3 Results of the hypothesis test (t)

Model	Coefficients ^a					
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	2.136	.674		3.171	.002
	TX1	.181	.104	.260	1,736	.088
	TX2	.294	.129	.330	2.288	.026
	TX3	-.260	.276	-.118	-.940	.351
	TX4	.055	.110	.055	.501	.618
	TX5	.139	.062	.280	2.223	.030

a. Dependent Variable: Quality of Financial Reports

- The accounting information system is known that the significance value for variable X1 against variable Y is 0.088, meaning that the value is greater than 0.05, so it can be concluded that variable X1 has no effect on variable Y.
- The internal control system is known to have a significance value for variable X2 against Y of 0.026, which means that the value is smaller than 0.05. So it can be concluded that variable X2 has an effect on variable Y.
- Human resource competency is met with a significance value for the influence of variable X3 on Y is 0.351 which means that the value is greater than 0.05. So it can be concluded that variable X3 has no effect on variable Y.
- Work experience is known to have a significance value for the influence of variable X4 on Y is 0.612, which means that the value is greater than 0.05. So it can be concluded that variable X4 has no effect on variable Y.
- The use of information technology is known to have a significance value for the influence of variable X5 on Y of 0.030, which means it is smaller than 0.05. So it can be concluded that variable X5 has an effect on variable Y.

Discussion

Based on the results of the t-test that has been carried out, it shows that:

- The results of the first hypothesis of the accounting information system do not affect the quality of financial reports, so the first hypothesis is rejected. In this study, the accounting information system variable does not affect the quality of financial reports. This can be seen from the results of the t-hypothesis test, the significance value of which is greater than 0.05, so it can be said that the accounting information system variable does not affect the quality of financial reports.
- The results of the second hypothesis of the internal control system affect the quality of financial reports, so the second hypothesis is accepted. In this study, the internal control system variable affects the quality of financial reports. This can be seen from the results of the t-hypothesis test, the significance value of which is less than 0.05, so it can be said that the internal control system variable affects the quality of financial reports.
- The results of the third hypothesis of human resource competence do not affect the quality of financial reports, so the third hypothesis is rejected. In this study, the human resource competence variable does not affect the quality of financial reports, as can be seen from the results of the t hypothesis, the significance value of which is greater than 0.05, so it can be said that the human resource competence variable does not affect the quality of financial reports.
- The results of the fourth hypothesis work experience does not affect the quality of financial reports, so the fourth hypothesis is rejected. In this study, the work experience

variable does not affect the quality of financial reports, as can be seen from the results of the hypothesis t value significance is greater than 0.05, so it can be said that work experience does not affect the quality of financial reports.

The results of the fifth hypothesis of the utilization of information technology have an effect on the quality of financial reports, so the fifth hypothesis is accepted. In this study, the variable of the utilization of information technology has an effect on the quality of financial reports, which can be seen from the results of the hypothesis t, the significance value is less than 0.05, so it can be said that the utilization of information technology has an effect on the quality of financial reports

4. CONCLUSION

From the results of the study on the influence of accounting information systems, internal control systems, human resource competencies, work experience, and utilization of information technology on the quality of financial reports on MSME actors in Sukowono District, Jember. The total respondents in this study were 64 respondents. So the conclusion of this study is as follows:

- a. The accounting information system does not affect the quality of financial reports for MSMEs in Sukowono District, Jember.
- b. The internal control system influences the quality of financial reports for MSMEs in Sukowono District, Jember.
- c. Human resource competence does not affect the quality of financial reports of MSME actors in Sukowono District, Jember.
- d. Work experience does not affect the quality of financial reports for MSME actors in Sukowono District, Jember.
- e. The use of information technology has an impact on the quality of financial reports for MSMEs in Sukowono District, Jember.
- f. This means that with an internal control system and the use of information technology, MSMEs in Sukowono District, Jember can produce quality financial reports.

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