DETERMINANTS OF IMPLEMENTATION OF SAK EMKM

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ABSTRACT

Implementation of SAK EMKM is an activity that is planned and carried out to achieve an activity goal of SAK EMKM. SAK EMKM is a Macro, Micro, Small, and Medium Enterprises Financial Accounting Standard designed to benchmark financial accounting standards in MSMEs. This study examines the effect of SAK EMKM Socialization, Use of Information Technology, Length of Business, and Quality of Human Resources on SAK EMKM Implementation. The sample in this study consisted of micro and micro MSMEs of the food and beverage type in Malang City. The research method used in this article is to examine articles on factors that affect the implementation of SAK EMKM. The results of this study indicate that each independent variable can affect the Implementation of SAK EMKM. Socialization of SAK EMKM has a positive and significant effect on the Implementation of SAK EMKM, the Use of Information Technology has a positive and significant effect on the Implementation of SAK EMKM, the length of business has a significant positive effect on the Implementation of SAK EMKM and the Quality of Human Resources has a significant positive effect on the Implementation of SAK EMKM.

Keywords: **Implementation of SAK EMKM, SAK EMKM Socialization, Utilization of Information Technology, Length of Business, and quality of human resource**

INTRODUCTION

Community empowerment is a concept in economic development that is people centered, empowering, and sustainable (Saputro and Susilo, 2016). Indonesia is a developing country so economic growth and development are used as a foundation to move towards a better direction. In the Indonesian economy, business entities that have the most value and are more resistant to economic crises are Micro, Small, and Medium Enterprises (MSMEs). No wonder it is one of the sectors that needs attention because it has an important role in the Indonesian economy. In Indonesian research conducted by

Ulfa & Aribowo (2021), Micro, Small, and Medium Enterprises or MSMEs have dominated the Indonesian economy.

In a business entity that has been established to obtain maximum profit, profit income in the company's operating activities is used for the benefit of stakeholders and is certainly also used internally by the company to carry out the development of business entities. So it takes the form of a series of accounting systems that are effective and efficient which will affect the receipt of profits. In all activities and processes to provide financial information ranging from recording to reporting on a business entity are known as accounting. Accounting plays a vital role in financial information for a business and various parties related to the business, so the process of providing financial information must be done properly, and systematically. Nowadays, with the development of technology, it is becoming increasingly difficult to get a job, because of limited employment opportunities and limited abilities, encouraging people to open their businesses. It can be seen lately that many new businesses have sprung up, especially micro and small businesses. They consider that this business is what they can do to meet the needs of their families. MSMEs are one of the major forces in the country's economy so it is important to develop them.

With MSMEs, there are certainly many obstacles faced to make Micro and Small Enterprises successful (Indriyatni, 2013). Most MSMEs only rely on personal funds (capital) in running their business, and there is no separation between personal money and company money. However, the phenomenon that occurs is that many MSMEs only use personal capital in running their businesses. There have been many programs carried out by the government in the field of capital, such as the People's Business Credit (KUR) which can be obtained at certain banks such as Bank Jatim. The basic reason why MSMEs do not use funds or capital from lenders is that the scale of the business is still small and the length of the business is still new (1-3 years). Another reason is the complexity of the requirements provided by lenders. One of the requirements is the financial statements of MSMEs that reflect the actual condition of the company. However, many MSMEs do not provide or prepare financial reports on their business activities.

Therefore, the professional organization IAI as well as the drafting body for Financial Accounting Standards (SAK) in seeing the importance of accounting for MSME actors through the Financial Accounting Standards Board (DSAK) compiles accounting standards that are following the characteristics of MSMEs. In 2009 DSAK authorized SAK ETAP (Entities Without Public Accountability) and this standard has been effective since January 1, 2011. SAK ETAP is an accounting standard for business entities that do not have accountability to the public. However, this standard is still considered difficult to implement by MSME actors so IAI prepares the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) which was approved on October 24, 2016, and has been effective since January 1, 2018.

The factor that influences the implementation of SAK EMKM is socialization. Socialization is an effort that must be carried out by IAI (Indonesian Accounting Association) or related organizations that aim to provide knowledge and orientation for MSMEs, regarding information in SAK EMKM (Silvia & Azmi (2019)). Providing socialization regarding SAK EMKM is very important for MSME actors in carrying out accounting records. Not a few MSMEs admit that they do not understand or even know about SAK EMKM due to the lack of information and socialization provided by external parties. Providing intensive socialization will influence MSME actors to implement SAK. SAK socialization has a positive effect on the implementation of SAK in preparing company financial reports (Anisykurlillah & Rezqika, 2019; Nurdwijayanti & Sulastiningsih, 2018). This is not in line with the results of research by Zahro & Wahyundaru (2015) which revealed that the socialization of SAK ETAP does not affect the need for SAK ETAP.

The use of information technology is also one of the factors that cause the lack of awareness of MSME actors. The lack of utilization of information technology is also an obstacle in terms of bookkeeping in MSMEs. Technology is one of the components that affect complex companies. The use quality accounting information technology can be used as a guide in decision making and achieving efficiency and effectiveness in business activities. Therefore, the use of technology, in this case accounting computer applications, is very important in helping the implementation of accrual-based SAK EMKM effectively, efficiently, and economically based on government accounting standards. This is following the results of research by Wardhani et al., (2020) which shows that the use of information technology has a positive effect on the application of SAK. However, it is not in line with research conducted by Anisykurlillah & Rezqika, (2019) which says that understanding technology has no significant effect on the implementation of SAK ETAP.

The length of business can also affect the thinking of entrepreneurs related to complexity and the higher level of company transactions so it is hoped that the increasing size of the business can encourage someone to think and learn about solutions to deal with it. The results of research by Siswanti & Suryati, (2020) and Pratiwi & Hanafi, (2016) show that the length of business affects the application of SAK. If a business has been established for a long time by MSME owners, it will make the owner always improve the management of his business in a better direction. Business actors who focus on their field of business will affect their productivity, namely their abilities and expertise, to increase productivity and be able to reduce production costs compared to the results of the trip. The longer they work in the field of trade, the more they will understand consumer tastes and behavior, so with that, skills can increase and relationships increase with companies and customers who are successfully attracted. These results are not in line with research conducted by Adino (2019) and Sulistyawati (2020), that the length of business does not affect the understanding of MSMEs in preparing financial reports based on SAK EMKM.

Besides the factors mentioned above, the quality of human resources can also affect the implementation of SAK EMKM. The quality of Human Resources is the value of a person's behavior in taking responsibility for all his actions both in his personal life and in the life of society and the nation (Salim 1996: 35). Another definition is put forward by Ndraha (2012: 7) that "human resources are residents who are ready, willing and able to contribute to efforts to achieve organizational goals." According to (Sholeh 2020) et al, the quality of human resources has a significant positive impact on the understanding of MSMEs in presenting financial reports based on SAK EMKM. These results are in line with research from Ifa (2016) which concluded that there is a positive effect of the level of education on the understanding of MSMEs in preparing financial reports based on SAK ETAP.

METHOD

The research method used in this article is to examine articles on factors that affect the implementation of SAK EMKM including socialization of SAM EMKM, the use of information technology, length of business and quality of human resources. The results can be used as development and insight that can be studied by MSMEs and the Cooperative and MSME Office

RESULTS AND DISCUSSION

1. Implementation of SAK EMKM

Implementation of SAK EMKM is an activity that is planned and carried out to achieve an activity goal of SAK EMKM (Kusuma & Lutfiany, 2018). SAK EMKM is a set of principles and concepts outlined in a document that aims to enable MSME actors to present information in a transparent, efficient, and easy to understand manner. SAK EMKM is an accounting standard that regulates financial reporting standards for MSMEs (Suhartono, 2021: 154). SAK EMKM has been specifically developed as a reference for MSME Financial Accounting Standards in SAK EMKM 3 financial statements must be prepared by MSME owners, namely the statement of financial position, income statement, and additional notes to the financial statements.

2. **Socialization of SAK EMKM**

According to Silvia & Azmi (2019), the socialization of SAK EMKM is an effort that must be carried out by IAI (Indonesian Accounting Association) or related organizations which aim to provide knowledge and orientation for MSMEs, regarding information in SAK EMKM. Two ways can be done in socializing SAK EMKM to MSME actors, namely directly and indirectly. Providing information and socialization directly is an activity carried out by interacting directly with MSME actors. This direct provision of information and socialization can be done by holding accounting training or seminars on SAK EMKM. Indirect provision of information and socialization is an activity with little or no direct interaction with MSME actors. This can usually be done through print media or electronic media.

3. **Use of Information Technology**

The use of information technology is the process of action or the way individuals understand and use the importance of technology-based accounting information used to process data in various ways to produce quality accounting information. Sariningtyas & Diah (2011) stated that the production of quality accounting information can be used as a guide in decision making and achieving the efficiency and effectiveness of business activities. Computer as one of the components of information technology is a tool that can multiply its capabilities and can do things that humans may not be able to do (Fitriyani, 2014). Processing data into information using a computer will produce accurate and timely information.

4. **Length of business**

Business length or business duration is the length of time the company was established or the age of the company when the author conducted this research until the business was established (Sholeh, Maslichah & Sudaryani, 2020). Assuming that if a business has been established for a long time by MSME owners, it will make the owner always improve the management of his business in a better direction. Business actors or business actors who focus on their business fields will affect their productivity, namely their abilities, and expertise, so that they can increase productivity and be able to reduce production costs compared to the results of the trip. The longer you work in the field of trade, the more you will understand consumer tastes and behavior. Therefore, trading skills increase, and relationships increase with companies and customers who are successfully attracted.

Research conducted by Sholeh, Maslichah & Sudaryani (2020) found that the length of business has a significant positive effect on the understanding of MSMEs in preparing financial reports based on SAK EMKM.

5. **Quality of Human Resources**

The quality of human resources is determined not only from the aspect of skill or physical work strength but also by the knowledge, experience or maturity attitudes, and education or level of values they have (Raharjo M. Darmawan, 2012). The quality of human resources is human resources or labor that has the appropriate capabilities and criteria to complete its work in carrying out success in an organization. In the book Quality Human Resources Turning Vision into Reality, it is explained that the criteria or characteristics of quality human resources are:

a) Have full knowledge of their duties, responsibilities and authority.
b) Have the necessary knowledge related to the full implementation of their duties.
c) Able to carry out the tasks they must do because they have the necessary expertise or skills.
d) Being productive, innovative or creative, willing to cooperate with others, trustworthy, loyal, and so on.

RELEVANT EMPIRICAL RESEARCH RESULTS

Silvia and Fika (2019) in their research "Analysis of Factors Affecting UMKM Entrepreneurs' Perceptions of SAK EMKM-Based Financial Statements". This research uses a quantitative approach with a hypothesis testing study research design. After analyzing the data, it can be concluded that the level of education has no effect on the perceptions of MSME entrepreneurs regarding the importance of SAK EMKM-based financial reports. The utilization of information technology has no effect on the perceptions of MSME entrepreneurs regarding the importance of SAK EMKM-based financial reports. Business length has no effect on the perceptions of MSME entrepreneurs regarding the importance of SAK EMKM-based financial reports. With the influence given, it is positive, so if the turnover increases, the level of implementation of SAK EMKM will also increase. The provision of information and socialization of SAK EMKM has an influence on the perceptions of MSME entrepreneurs regarding the importance of SAK EMKM-based financial statements. The influence given is positive, so if the higher the level of information and socialization of SAK EMKM, the level of implementation of SAK EMKM will also increase.

Octisari and Tjahjani (2019) in their research, "Analysis of Factors Affecting the Application of SAK EMKM to Small, Micro and Medium Enterprises in Banyumas Regency". The method used in this study is primary data obtained from questionnaires and interviews with MSME owners in the Banyumas district area. The analysis used to test is Multiple Regression Analysis. The results showed that the owner's education level partially affected the implementation of SAK EMKM, and information dissemination, and socialization could have a significant and positive effect on the implementation of SAK EMKM in MSMEs. So with the increase in the level of education of the owner, the dissemination of information and socialization of SAK EMKM, it also increases the implementation of SAK EMKM while the understanding of information technology and business age has no effect in the Banyumas district.

Siswanti and Indah (2020) in their research, "Analysis of Factors Affecting the Application of Financial Accounting Standards for Micro, Small and Medium Entities (SAK EMKM) in the Preparation of Financial Statements (Case Study on MSMEs in Makasar District, East Jakarta). Quantitative research methods and population using associative descriptive techniques. The results of this study indicate that the dominant component affecting the application of SAK EMKM and Company Competence is Human Resources (HR). Koefisen, based on the results of the regression equation, human resource competence and the value of organizational size have a positive correlation with SAK EMKM applied when preparing financial statements. That way the competence or quality of human resources if it is good will also have a good effect on the implementation of SAK EMKM.

Wulandari and Fefri (2022) in their research "Factors Affecting the Implementation of SAK EMKM in MSMEs in Padang City". The sample size sampling technique in this study used the Slovin formula. The results of this study are that the socialization of SAK EMKM has a positive effect on the implementation of SAK EMKM in Padang City. With the socialization of SAK EMKM increasing, it will also increase the implementation of SAK in preparing the company's financial statements Utilization of information technology has no significant effect on the implementation of SAK EMKM in Padang City. The owner's education level has a positive effect on the implementation of SAK EMKM in Padang City. If the owner's education level increases, it will also increase the implementation of SAK EMKM. Turnover has no significant effect on the implementation of SAK EMKM in Padang City. The business length has no significant effect on the implementation of SAK EMKM in Padang City.

Alam and Maria (2022) in their research "Implementation of SAK EMKM in MSMEs: Survey on MSMEs in Tingkir District, Salatiga." The method used is quantitative with a sample using simple random sampling. The data analysis technique used is multiple linear regression analysis. The results showed that educational background, socialization of SAK EMKM, and understanding of SAK EMKM had a positive and significant effect on the application of SAK EMKM so that the increasing educational background, socialization of SAK EMKM and understanding of SAK EMKM would increase the application of the use of SAK EMKM. With educational background is the most dominant variable in the application of SAK EMKM.

Rismawandi et al (2022) in their research, Quality of Human Resources, Perceptions of MSME Actors, Understanding of MSMEs, Socialization of SAK EMKM on the Implementation of SAK EMKM. The method used is explanative research through a quantitative approach based on data collected in 2018 by researchers. The result of this study is that the quality of human resources has a positive effect. So that by increasing the quality of human resources in MSMEs, the implementation of SAK EMKM will also increase. Perceptions of MSME actors do not affect the implementation of SAK EMKM. Understanding MSMEs has a positive effect on the implementation of SAK EMKM. The greater the understanding of MSMEs in preparing financial reports, the greater the application of SAK EMKM in MSMEs. Socialization of SAK EMKM has a positive effect on the implementation of SAK EMKM, so the increase in SAK EMKM socialization activities affects increasing the implementation of SAK EMKM.

Haryei and Agustina (2023) in research, "The Effect of Human Resources, Perceptions of Umkm Actors and Business Scale on the Preparation of Financial Statements Based on SAK-EMKM (Empirical Study of MSMEs in Kec. Gantiwarno Kab. Klaten)." The method used is quantitative with data collection techniques in research using questionnaires, samples using proportionate stratified random sampling techniques, and data analysis in this study using linear regression analysis. The findings of this study are that the quality of human resources influences the preparation of financial reports based on SAK-EMKM. The effect given is positive so that if there is an increase in the quality of human resources, it will also increase the preparation of financial reports based on SAK-EMKM, the perception of MSME actors has no influence on the preparation of financial reports based on SAK-EMKM, the scale of the business has a positive influence on the preparation of financial reports based on SAK-EMKM, namely the greater the scale of the business, it will increase the preparation of financial reports based on SAK-EMKM.

CONCLUSION

This study aims to examine the determinants of SAK EMKM Implementation. The results showed:

a. Socialization of SAK EMKM has a positive and significant effect on the Implementation of SAK EMKM according to Anisykurlillah & Rezqika, (2019), Silvia & Fika (2019) Nurdwijayanti & Sulastiningsih (2018) and Octisari & Tjahjani (2019).
b. The use of Information Technology has a positive and significant effect on Implementation according to SAK EMKM Silvia & Fika (2019), Erawati & Susanti (2022), and Octisari & Tjahjani (2019).
c. Length of Business has a positive and significant effect on the Implementation of SAK EMKM according to Sholeh et al, (2020) and Nirwana & Purnama, (2019)
d. The quality of human resources has a positive and significant effect on the Implementation of SAK EMKM according to Siswanti & Indah (2020) and Alam & Maria (2022)

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