

Determining Factors In Adoption of Accounting Application

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Abstract

The study aims to test the determinant MSME players in the adoption of an accounting application in MSMEs. The low intention of MSME players in using the Business Financial Record Application is not in line with the increase in the number of MSMEs every year. This study using Unified Theory of Acceptance and Use of Technology (UTAUT) Model Venkatesh, Morris, Davis, and Davis (2003) with the CIA Security Information Concept (Qadir & Quadri, 2016) to test the intention and use of accounting applications by MSME players. This study uses a combination of the two constructs as previously used in the study Salam and Ali (2020). The sample is 100 respondents, data processing was carried out by testing the validity and reliability and followed by model tests using PLS analysis from the SEM model. The results of the study showed that Performance Expectancy, Perceived Availability, Perceived Confidentiality have an effect on Intention to Use. Meanwhile, the facilitating condition does not affect actual use and Perceived Availability and Perceived Confidentiality also do not affect the intention to use. This study proves that the intention in using accounting recording applications in MSMEs is highly dependent on the environment, both from the community, relatives and even the government. When they start using and get convenience according to their expectations, they tend to continue using the application. The implication of this study is that the phenomenon of low use and adoption of business digital financial applications is one of the tasks for the government, especially in improving the regional economy. By using a digital financial recording application, MSMEs will get a lot of convenience, especially in terms of capital. MSMEs that have strong capital will be able to increase the income of a region.

Keywords: Unified Theory of Acceptance and Use of Technology, Accounting Application

JEL Classification: M410, M150

INTRODUCTION

Micro, Small and Medium Enterprises (MSMEs) have a huge contribution to improving the economy in Indonesia because they are able to encourage an increase in people's income. In addition, the existence of these MSMEs is able to open up job opportunities and have an impact on reducing the unemployment rate. Based on the source of the www.opendata.jabarprov.go.id website, the number of MSMEs in Kuningan Regency continues to increase. It was recorded that during 2023 in Kuningan Regency the number of MSMEs reached 144,445, an increase of 5.83% from the previous year of 136,029 MSMEs. The increase in the number of MSMEs also shows the increasing need for the community to meet which makes it easier to access online buying and selling transactions, thus opening up new business opportunities to emerge. The pandemic condition also pressures MSME actors to be able to adopt information systems, operate buying and selling transaction systems and make financial records with the help of software/applications. The selection of business financial recording applications that are easier to understand will be increasingly in demand by MSME actors. However, based on the initial survey, it shows that MSME actors still use manual financial recording by and storing it in a book or document, so it is a question for researchers, why are these MSME actors reluctant to use business financial recording applications?

The emerging digital financial applications offer various advantages, including ease of access without space restrictions, ease of operation, and support for speed and accuracy in completing work. The use of digital financial applications, especially accounting applications by MSME players, is actually able to make it easier to make accounting records and reports (Musa, Muhayiddin, Yusoff, Ismail, & Muhamad, 2019). In addition, MSME players themselves should indeed make business financial statements in accordance with the SAK EMKM which is effective as of January 1, 2020. The presentation of financial statements by an MSME is very important in making decisions for the sustainability of its business (Dyt & Halabi, 2007). Therefore, by adopting Cloud Accounting through finance/accounting applications are expected to be able to improve the performance of MSMEs in presenting financial reports.

However, the convenience offered by every financial application is also questionable in its security. Especially according to the results of the research Musa et al. (2019) The main problems faced by MSMEs when deciding to adopt Cloud Accounting is the security of the data. Therefore, the question in this study is whether the increase in the number of MSMEs in Kuningan Regency is balanced by the increase in intention and use of accounting applications (Cloud Accounting) in presenting its financial statements.

This study develops and combines research conducted by Musa et al. (2019)

and Salam and Ali (2020), using the Model Unified Theory of Acceptance and Use of Technology (UTAUT) own Venkatesh et al. (2003) with CIA Security Information Concept (Qadir & Quadri, 2016) to test the user that affect intention and decisions to use accounting applications by MSMEs in Kuningan Regency. This UTAUT model tests 4 constructs that directly affect the intention in using the system, namely Performance Expectancy, Effort Expectancy, Social Influence and Facilitating Conditions (Venkatesh et al., 2003). While the concept of CIA Security Information in research Qadir and Quadri (2016) explained that there are three attributes of the CIA's information system security, namely Confidentiality, Integrity, and Availability. These seven constructs have previously been used by Salam and Ali (2020) and this study uses a similar or replicated research design. However, what distinguishes this study from Salam and Ali (2020) is the object of this research using MSME players in receiving digital accounting recording technology.

LITERATURE REVIEW

The use of accounting applications in a business activity, especially MSMEs, is very important. This can be felt when business players who do not have special expertise in the field of accounting but are able to present the recording and bookkeeping of their business activities with the help of an accounting information system or by adopting cloud accounting in the form of an accounting application. According to Musa et al. (2019) and Tarmidia, Rasid, Alrazia, and Ronic (2014) The adoption of cloud accounting is also able to provide benefits, namely by reducing the costs incurred to store external data such as purchasing hardware or software. Because cloud accounting is

able to store data through digital storage without additional costs. But indeed, what is often problematic with this technology is the ability to maintain data security, because the data stored in cloud computing is business financial data or sensitive data (Boşoteanu, 2016). In addition, several user of acceptance in the use of information systems and technology can affect a person's decision whether or not to use a new information and technology system. As described in the UTAUT model (Unified Theory of Acceptance and Use of Technology).

In theory, the model of acceptance of a technology by individuals has actually been widely researched with various Acceptance Technology models such as the Theory Technology Acceptance Model (TAM) model proposed by Davis (1989). In his research, a decision to use new technology, an individual will be influenced by perceived usefulness and perceived easy of use of these technologies. As various studies related to the theory developed, it emerged to cover the shortcomings of the previous model. Current Model Unified Theory of Acceptance and Use of Technology (UTAUT) which more specifically explains the user that affect the intention in adopting an information system, namely such as the Performance Expectancy, Effort Expectancy, Social Influence and Facilitating Conditions (Salam & Ali, 2020; Venkatesh et al., 2003; Zaini & Hamad, 2020)

Performance Expectancy is the level of confidence of a person in feeling the ease of work and improving their performance because of the help of a system (Bashir, 2020; Salam & Ali, 2020; Venkatesh et al., 2003). Performance Expectancy this is similar to one of the constructs on the TAM model of the Davis (1989) namely Perceived Usefulness. In the

context of MSMEs, business players will feel helped and benefit because the process of accounting and financial bookkeeping and the presentation of financial statements will be easier to settle because of the assistance of the system, namely accounting applications. According to the results of the study Salam and Ali (2020) Performance Expectancy This shows a significant positive influence on Intention to Use on use Cloud Computing. In line with research Bashir (2020) that Performance Expectancy giving confidence to users that by using an information system, work will be easily and quickly completed so that it is able to increase intention in using information systems. Therefore, in the context of MSMEs, Performance Expectancy will make business players more confident in using accounting applications to make it easier to make business bookkeeping and making financial reports.

Effort Expectancy It is one of the characteristics of the acceptance of a technology, namely ease of use. The easier it is for a system to use, the more intentioned a person is in using the information system (Venkatesh et al., 2003). According to the results of the study Salam and Ali (2020) Effort Expectancy has a positive effect on intention in using an information system (cloud computing). Therefore, in the context of MSMEs, it should be effort expectancy This is able to increase confidence that the newly adopted technology is easy to operate and provides benefits, especially on business financial bookkeeping.

Social influence It is a person's level of confidence in using an information system/technology motivated by others that is considered important and

exemplary because they have used new technology/information systems (Venkatesh et al., 2003). Social influence This is one of the user that can affect a person's intention in using new information systems/technologies (Bashir, 2020). Therefore, in the context of MSMEs, when in their social environment, for example in an MSME association, the use of new technology by one MSME can motivate other MSME players to apply new technology as well.

Facilitating Condition it is interpreted as the level of confidence of a person in using a new information system because the organization provides supporting facilities to use the bari system to assist in completing their work. According to Bashir (2020); Venkatesh et al. (2003) and Bashir (2020) The results of his research provide evidence that facilitating condition This is able to encourage a person to be motivated to use new technology because it is facilitated by the organization in question. Therefore, when an MSME provides facilities to its workers in completing bookkeeping or recording their business finances, this condition supports a person to always use the new technology available.

On the Model CIA Security Qadir and Quadri (2016) explained that there is a security triangle that must be fulfilled before a person uses an information system, namely Confidentiality, Integrity, and Availability. More details Tsiakis and Sthephanides (2005) explain Confidentiality is the confidentiality that exists in the system as an element of prevention for unauthorized parties to access the information system used. Integrity is a security system attached to a system that only someone with authority

can access the information system. The last is Availability, It is the provision of security services that are continuously updated to improve security performance in an information system. Based on these three security attributes, it is hoped that it will be able to increase a person's intention in using information systems. Therefore, in the concept of security MSMEs, an accounting application that is adopted and used is expected to increase intention in the use of the accounting application.

Based on the above statement, this study can formulate the following hypotheses:

- H1: Performance Expectancy has a positive effect on Intention to Use Accounting Applications
- H2: Effort Expectancy has a positive effect on Intention to Use Accounting Application
- H3: Social Influence has a positive effect on Intention to Use Accounting Applications
- H4: Facilitating Condition has a positive effect on the Actual Use of accounting applications
- H5: Perceived Confidentiality has a positive effect on Intention to Use Accounting Applications
- H6: Perceived Integrity has a positive effect on Intention to Use Accounting Applications

H7: Perceived Availability has a positive effect on Intention to Use Accounting Applications

H8: Intention to Use has a positive effect on the Actual Use of accounting applications

METHOD, DATA, AND ANALYSIS

The population and sample in this study are MSME players in Kuningan Regency with the number of respondents obtained as many as 100 people with various types of MSMEs. For the selection of the sample itself using a random technique. Data collection was carried out primarily using the distribution of questionnaires online through the google form link.

Testing indicators in this study were carried out by conducting a pilot test first which was distributed to 25 respondents. After that, the validity and reliability of the questionnaire was tested. The model testing for this study uses the Partial Least square (PLS) analysis of the SEM Model.

RESULT AND DISCUSSION

Before testing the model and hypothesis, the researcher retested the validity and reality of the items used in this study. The following are the results of the validity and reality test in Table 2. Based on Table 2, it can be concluded that all items for the 9 factors have met the validity and reliability requirements.

Figure 1. Result on Research Model

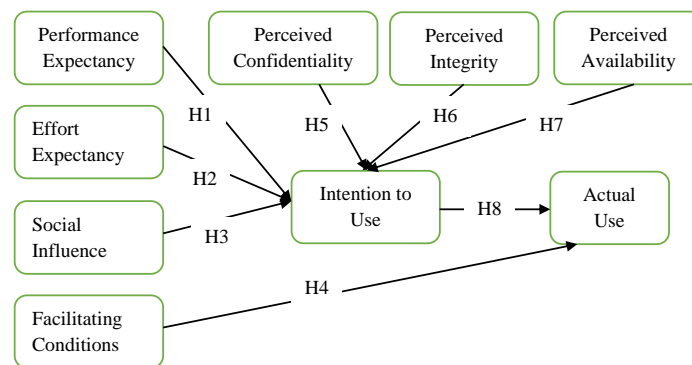


Table 1. Loading Factor and Cronbach Alpha (Validity and Realibility Test)

	Number of items	Loading	Croncbach Alpha
Performance Expectancy (PE)	PE1	0.857	0.836
	PE2	0.814	
	PE3	0.847	
Effort Expectancy (EE)	EE1	0.744	0.758
	EE2	0.777	
	EE3	0.798	
	EE4	0.768	
Social Influence (SI)	S11	0.859	0.897
	S12	0.820	
	S13	0.897	
	S14	0.914	
Facilitating Conditions (FC)	FC1	0.741	0.769
	FC2	0.721	
	FC3	0.799	
	FC4	0.747	
Perceived Confidentiality (PC)	PC1	0.855	0.825
	PC2	0.798	
	PC3	0.813	
Perceived Integrity (PI)	PI1	0.987	0.975
	PI2	0.970	
	PI3	0.937	
Perceived Availability (PA)	PA1	0.833	0.861
	PA2	0.847	
	PA3	0.812	
	PA4	0.817	
Intention to Use (IU)	IU1	0.792	0.785
	IU2	0.754	
	IU3	0.742	
	IU4	0.726	
Actual Use (AU)	AU1	0.921	0.987
	AU2	0.897	
	AU3	0.974	
	AU4	0.931	

Figure 2. Model Result

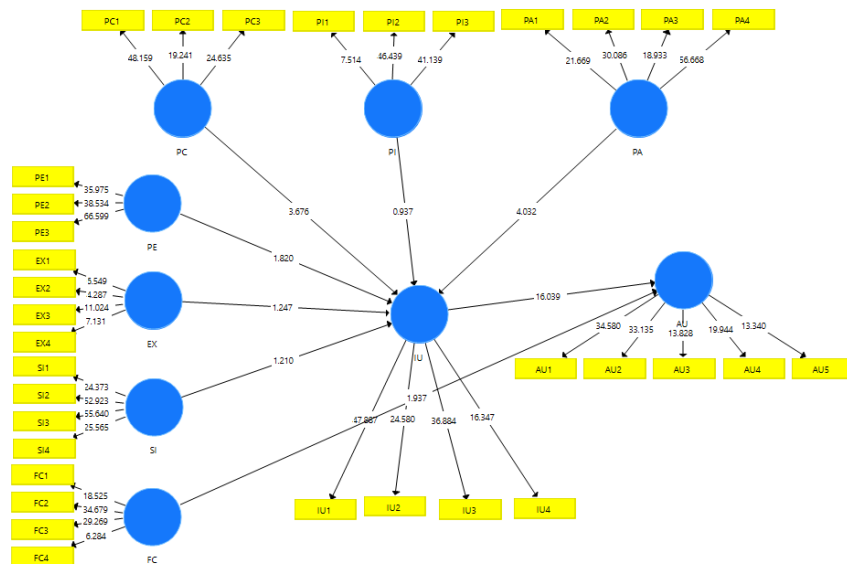


Table 3. Hypothesis Test Result

	Original sample	t stat	Sig	Information
PE → IU	0.266	1.820	0.049	Significant positives
EE → IU	0.179	1.247	0.213	Positive is not significant
SI → IU	0.129	1.229	1.210	Positive is not significant
FC → AU	0.124	1.937	0.043	Significant positives
PC → IU	0.289	3.676	0.000	Significant positives
PI → IU	0.088	0.937	0.349	Positive is not significant
PA → IU	0.393	4.032	0.000	Significant positives
IU → AU	0.770	16.039	0.000	Significant positives

Source: Data processing 2023

Based on Table 3, the test results show that:

1. The effect of PE on IU is 0.266 with a p-value of 0.049 (<0.05), H1 is supported so that Performance Expectancy has a positive and significant effect on Intention to Use.
2. The effect of EX on IU is 0.179 with a p-value of 0.213 (>0.05), so H2 is not supported so that Effort Expectancy has a positive but not

significant effect on Intention to Use.

3. The influence of SI on IU is 0.129 with a p-value of 1.210 (>0.05), so H3 is not supported so that Social Influence has a positive but not significant effect on Intention to Use.
4. The influence of FC on AU is 0.124 with a p-value of 0.043 (<0.05), so H4 is supported so that the Facilitating Condition has a positive and significant effect on Actual Use.

5. The influence of PC on IU is 0.289 with a p-value of 0.000 (<0.05), so H5 is supported so that Perceived Confidentiality has a positive and significant effect on Intention to Use.
6. The effect of PI on IU is 0.088 with a p-value of 0.937 (>0.05), so H6 is not supported so that Perceived Integrity has a positive but not significant effect on Intention to Use.
7. The effect of PA on IU is 0.393 with a p-value of 0.000 (<0.05), so H7 is supported so that Perceived Availability has a positive effect on Intention to Use.
8. The effect of IU on AU is 0.770 with a p-value of 0.000 (<0.05), then H8 is accepted so that Intention to Use has a positive effect on Actual Use.

Based on the interpretation of the results above, the findings in this study are that Performance Expectancy, Perceived Availability, Perceived Confidentiality have a significant positive effect on Intention to Use. The results of this study are in line with (Li, 2021; Salam & Ali, 2020; Venkatesh et al., 2003). Based on these findings, it shows that MSME actors who have a perception of the existence of new technology related to financial recording are able to make their work easier, improve their performance and a guaranteed level of data storage security tend to have the intention to use the new technology (Accounting Application).

MSME actors in Kuningan Regency tend to intend to use accounting recording technology that is able to make work easier, especially in achieving efficiency

and effectiveness of their work. With the existence of supporting technology, they will consider the technology important to optimize the results of their work and have the intention to use the new technology. In addition, with the support of data security from the accounting recording application and the security that is always updated, they tend to be confident, especially when sharing information with stakeholders such as owners, the government and financial service institutions.

However, it is different with the variables Effort Expectation, Social Influence and Perceived Intergrity which show that there is no influence on Intention to Use. These results are in line with research Bashir (2020). The results show that MSME actors in Kuningan Regency lack confidence that new technology will make them feel easy in operating it. Precisely with the existence of new technology, they tend to think that there will be a long process in learning the features displayed, the benefits of the features and the risks of using the application. This makes them reluctant to switch to new technology even though the technology offered is more sophisticated and has good integrity which ultimately makes the intention to use the technology tend to be low. In addition, the social environment also does not guarantee high intentions in using. Even though the surrounding environment or community has used digital accounting records, it makes them think about the benefits that must be greater than the cost. They tend to look at their business ability in subscribing and in terms of supporting human resources so that it affects their intention to use the technology (accounting application)

This study also shows that Facilitating Conditions and Intention to Use also have a

positive and significant effect on Actual Use. The findings show that when these MSME actors have confidence in the new technology and already have the intention to use the technology, they tend to be able to feel the benefits obtained and the guarantee of data security when using the Accounting Recording Application so that they tend to decide to use the new technology (Financial Recording Application) and apply it in their business. The decision to use a new technology shows the magnitude of the benefits compared to the costs sacrificed. In addition, the existence of trust by using new technology is able to increase its business income because there is a much more structured financial convenience and transparency and also increases the trust of interested parties in the financial management of their business. The results of this study are in line with Salam and Ali (2020), Zaini and Hamad (2020) and Bashir (2020).

CONCLUSION

This study provides evidence that Performance Expectancy, Perceived Availability, Perceived Confidentiality have an effect on Intention to Use. In addition, Facilitating Conditions and Intention to Use affect Actual Use. Meanwhile, Effort Expectation, Social Influence and Perceived Intergrity have no effect on intention to use. This study uses MSME objects in Kuningan Regency. The results of this study show that the use of financial recording applications in MSMEs is still dominated by the usefulness and security factors of financial data storage that they feel when using a new technology, besides that new technology also needs to be supported by good human resources, especially understanding the operation of features in the application.

IMPLICATION/LIMITATION AND SUGGESTION

Therefore, the implication of this research is the need for the role of the Regional Government that is able to encourage the motivation of these MSME actors to switch to using digital financial records which clearly has many benefits for the sustainability of these MSMEs, especially for additional capital. When MSME capital is strong and supported by structured financial records, it can help the Government in improving the Regional Economy. The limitations of this study are that this research is only conducted in Kuningan Regency so that it is possible to have differences in results if carried out in different regions. In addition, this research model is still limited to replicas of the research Salam and Ali (2020). Therefore, subsequent research may add new constructs that can be involved in this research model.

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