Factors Influencing the Implementation of SAK EMKM to Msmes in Kesugihan District, Cilacap Regency
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ABSTRACT
This research aims to examine the influence of socialization of SAK EMKM, understanding of accounting and educational level on the implementation of SAK EMKM. The focus of this study is on MSME owners in Kesugihan District, Cilacap Regency. A total of 70 data were collected using survey method with purposive sampling technique. The tool used to analyze the variable relationships in this study is Partial Least Squares (PLS) with SmartPLS implementation. Research results show that educational level does not affect the implementation of SAK EMKM. On the other hand, different understandings of financial reporting and the socialization of SAK EMKM affect the implementation of SAK EMKM.
INTRODUCTION

The growth and development of MSMEs often faces challenges, both financial and non-financial. Financial problems are problems of finance and capital. The reason is that the quality of human resources, business network, technology, organization, management and capital is still low. (Adryant & Rita, 2020).

The Indonesian Accountants Association (IAI), on January 1 2018, implemented SAK EMKM. Even though it is simple, SAK EMKM is considered reliable in providing information regarding the presentation of financial reports. EMKM simply records assets and liabilities according to the acquisition value, because historical costs are the pure measurement basis. The purpose of SAK EMKM is to assist small and medium entrepreneurs in preparing comprehensive financial reports so that they can more easily obtain bank funding assistance.

With the implementation of SAK EMKM, there is a need to create awareness among MSME stakeholders. The goal of organizing training activities, socializing accounting records and introducing SAK EMKM is to help MSMEs provide appropriate and accurate financial information. The socialization provided by the relevant organizations and other parties including SAK EMKM to MSME stakeholders will influence MSME stakeholders in preparing financial statements based on SAK EMKM. The socialization involved in preparing financial statements under SAK EMKM will influence MSME stakeholders' understanding of financial reporting based on SAK EMKM. The more often MSME stakeholders are socialized, the more likely they are to understand SAK EMKM-based financial reporting for the businesses they run. Research (Dewi & Budiantara, 2023) shows that socialization influences the implementation of SAK EMKM in Sragen district. Research (D. Wulandari & Arza, 2022) shows that the socialization of SAK EMKM has an influence on the implementation of SAK EMKM in Padang City.

This study examines the influence of socialization variables, understanding of financial reporting, and educational level on the implementation of SAK EMKM. The research team chose to use the theory of planned behavior in this study. Based on this theory, socialization is a motivational influence on behavior that is not under one's own control or will and is useful for identifying directions for behavior change strategies which will later be able to encourage MSME players to make decisions regarding adjustments to the SAK EMKM standards or rules in presenting financial reports. Understanding financial reports and level of education is a representation of attitude toward behavior where abilities and expertise can increase productivity and make it easier for MSME players to implement SAK EMKM.

LITERATURE REVIEW

With the implementation of SAK EMKM, there is a need for outreach to MSME actors. The aim of holding training activities and socializing accounting records and introducing SAK EMKM is to support MSMEs in producing appropriate and accurate financial information. Socialization provided by related institutions and other parties who understand SAK EMKM to MSME actors will influence MSME actors in preparing financial reports based on SAK EMKM.
Socialization related to the preparation of financial reports in accordance with SAK EMKM will influence the understanding of MSME actors regarding financial reports based on SAK EMKM. The more often MSME actors receive socialization, the more likely MSME actors will understand the preparation of financial reports based on SAK EMKM for the businesses they run. Research (Dewi & Budiantara, 2023) shows that socialization influences the implementation of SAK EMKM in Sragen district. Research (D. Wulandari & Arza, 2022) shows that the socialization of SAK EMKM has an influence on the implementation of SAK EMKM in Padang City. Thus the hypothesis or temporary conjecture is as follows:

**H1:** Socialization affects the implementation of SAK EMKM in MSMEs

Accounting literacy is the ability to record, group, summarize and report one's financial transactions for the purpose of making decisions. This understanding is important for knowing and evaluating business growth and planning for the future. With a full understanding, financial assessment and planning can be done more carefully and maturely. Research (Winarso & Yuniarto, 2023) shows that accounting knowledge affects the implementation of SAK EMKM. The study (Susilowati et al., 2021) also showed that accounting knowledge affects the implementation of SAK EMKM in Surabaya City. Therefore, the provisional hypothesis or conjecture is as follows:

**H2:** Understanding of accounting has a positive impact on the implementation of SAK EMKM in MSMEs

Apart from this, another factor influences the implementation of SAK EMKM is the educational level of economic subjects. The capacity and skills of today's MSME owners are largely determined by the level of education they have received, both formal and informal. Research results (Ismawati et al., 2023) indicate that the owner's education level affects the implementation of SAK EMKM. Therefore, the provisional hypothesis or conjecture is as follows:

**H3:** Education level affects the implementation of SAK EMKM in MSMEs

**METHODOLOGY**

This study uses quantitative research methods with a positivist approach. The number of samples taken from the entire population was 70 people. The respondents of this study are all MSME stakeholders in Kesuighan District, Cilacap Regency. The type of data used in this study is primary data, i.e. research data taken directly from original sources (not through intermediary media), namely by using a questionnaire. This research uses an online survey to obtain data from participants. Questions regarding the topics investigated were included in written questionnaires sent to respondents (Suwono & Hasibuan, 2023). There are five possible answers to each question in this survey. Participants were instructed to select the option they felt provided the most accurate response. A score between 1 (strongly disagree) and 5 (strongly agree) was given and for each answer. The tool used to analyze variable relationships in this study is Partial Least Square (PLS) with the application SmartPLS. This data analysis uses outer model measurements and inner model structural models.
Model Measurement or Outer Loading

This model is necessary to determine the validity and reliability of the indicators. Evaluating this measurement model is reflexive. For this reason, measures such as convergent validity are used, which are considered from the value of the external load. The general rule of thumb used to assess convergent validity is that the factor loading value should be greater than 0.7 for validation studies and the factor loading value should be between 0.6 and 0.7 for validation studies. Exploratory research is always acceptable. However, for research in the early stages of scale development, a factor loading value of 0.5 to 0.6 is considered sufficient. Another method to measure convergent validity is average variance extraction (AVE). If the AVE value of each variable is greater than 0.5, it meets the criterion for convergent validity (Hair et al., 2011).

Structural Model or Inner Model

The structural model can be evaluated using R² for structural dependence and t-tests as well as the significance of the structural path parameter coefficients. Apart from R², it is also necessary to test Q² which aims to test whether the model used has predictive relevance.

Hypothesis Testing

Hypothesis testing in this research aims to test the relationship between independent variables, namely Socialization of SAK EMKM, understanding of accounting, educational level on the implementation of SAK EMKM. Testing of this hypothesis is performed if the value of the T statistic is greater than the value of the T table, meaning the hypothesis is accepted. At the 95% confidence level or α = 5%, the T table value is ≥ 1.96.

RESULTS

This study uses primary data obtained through questionnaires. Questionnaires were distributed using Google Forms and up to 70 questionnaires were completed by respondents.

Convergent validity test

Relevant convergent validity test to compare the correlation score of each item with the construct score from which the results will later be obtained as load factor value. The value of the loading factor is considered high if the correlation coefficient is > 0.70. However, for the first search stage, a value between 0.5 and 0.6 is sufficient. In this study, factor loading values > 0.70 were used. Based on data processing using SmartPLS 3.0, the first stage of the loading factor shows that 10 indicators are always in red: X11, X12, X21, X23, X31. It is considered invalid because the value of the loading factor does not correspond to the minimum measurement. cut-off criteria, namely > 0.70. Therefore, invalid
values must be reprocessed by removing or evaluating the red indicators. So it will produce the following SmartPLS output.

![Diagram](image)

**Figure 1. Outer Loading Stage Two**
Source: Processed Data, 2023

Based on processing data by using SmartPLS 3.0 in the second stage of loading factor, it shows that all indicators can be said that to be valid after eliminating red indicators or indicators that have a value of >0.70. Therefore, the indicators used in this study a re valid and has met the validity convergent test.

Construct Reliability and Validity is a test to measure the reliability of a construct. A construct variable is said to be reliable or consistent if the Cronbach Alpha value is > 0.6. The Cronbach Alpha test results in Table 1 show that the overall structure is reliable and highly consistent due to the composite reliability values: >0.6, specifically 1.000, 0.827, 1.000 and 0.882; with Cronbach Alpha values >0.6, i.e. 1.000, 0.687, 1.000 and 0.802 and with Average Variance Extracted (AVE): >0.5, i.e. 1.000, 0.615, 1.000 and 0.715. The results of internal model testing in Figure 1 show that the R-squared value for SAK EMKM implementation is 0.472, meaning the influence of the variables SAK EMKM socialization, accounting knowledge and level of education to the implementation of SAK EMKM is 47.2%. The remainder is explained by other variables outside of these variables.

**Table 1. Outer Model Test, Validity Test and Reliability Test**

<table>
<thead>
<tr>
<th>Construct</th>
<th>Alpha Cronbach's</th>
<th>Composite Reliability</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Socialization SAK</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>EMKM Understanding</td>
<td>0,887</td>
<td>0,827</td>
<td>0,615</td>
</tr>
<tr>
<td>Accounting Education</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Implementation SAK EMKM</td>
<td>0,802</td>
<td>0,862</td>
<td>0,715</td>
</tr>
</tbody>
</table>

Source: processed data (2023)
Table 2. Path Coefficients

<table>
<thead>
<tr>
<th>Source</th>
<th>Effect of Socialization on the Implementation of SAK EMKM in MSMEs</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: Socialization affects the implementation of SAK EMKM in MSMEs</td>
<td>Table 2 shows that the socialization of SAK EMKM towards implementing SAK EMKM has an initial sample value of 0.156, a T statistical value of 2.061 &gt; T table value (T table significance 5% = 1.96) and P value is 0.040, so it can mean that socialization of SAK EMKM has a significant and significant impact on implementation of SAK EMKM in MSME so that H1 is accepted.</td>
</tr>
<tr>
<td>H2: Understanding Accounting has a positive effect on the implementation of SAK EMKM in MSMEs</td>
<td>Table 2 shows that between Accounting Understanding and the implementation of SAK EMKM has an Original Sample value of 0.579, a T-Statistics value of 6.775 &gt; T-table value (T-table significance 5% = 1.96) and a P-Value value of 0.000, so it can be interpreted that understanding accounting has an influence and significance on the implementation of SAK EMKM to MSMEs so that H2 is accepted.</td>
</tr>
<tr>
<td>H3: The level of education affects the implementation of SAK EMKM in MSMEs</td>
<td>Table 2 shows that the level of education in implementing SAK EMKM has an initial sample value of 0.091, a T-statistic value of 0.923 &lt; T value table value (T-table mean 5% = 1.96) and P value is 0.356, so it can be understood that education level has no influence and is not significant on the implementation of SAK EMKM in MSMEs so H3 is rejected.</td>
</tr>
</tbody>
</table>

DISCUSSION

Effect of Socialization on the Implementation of SAK EMKM in MSMEs

The results of testing the first hypothesis (H1) show that socialization affects the implementation of SAK EMKM. This means that the more socialization involved in the rules or preparation of financial reporting based on SAK EMKM, the better and more orderly the implementation of SAK EMKM will be. The results of this study are consistent with the theory of planned behavior representing perceived behavioral control in that this socialization provides a motivational influence that does not come from control or one’s own will and can provide MSME stakeholders with the necessary knowledge to enforce the rules. This research result is consistent with the research of (D. A. Wulandari & Fitri, 2022), (Adino, 2019) which states that socialization affects the implementation of SAK EMKM in MSMEs, meaning that the more often MSME actors are socialized, the higher the level of work The higher the SAK EMKM implementation. This study disagrees with the research conducted by by (Anjani & Saharsini, 2022) and (Parhusip & Herawati, 2020) that socialization does not have a significant influence on the implementation of SAK EMKM in MSMEs.
Effect of Accounting Literacy on SAK EMKM Implementation Among MSMEs

Accounting literacy has a significant influence on SAK EMKM implementation among MSMEs in Kesugihan District, Regency of Cilacap. Understanding of accounting is the ability of a person to understand accounting and how the accounting process is performed in order to be able to account for financial reports in accordance with the current standards of the enterprise being managed. So, the better you understand your accounting knowledge, the better you will be able to prepare financial statements based on SAK EMKM, thereby enhancing your ability to implement SAK EMKM in MSMEs. A complete understanding of these financial statements is the basis for MSMEs in Kesugihan District, Cilacap Regency to implement SAK EMKM regulations. The findings of this study are consistent with the theory of planned behavior which represents attitudes towards behavior where understanding financial statements is the basis for MSME stakeholders to think rationally and react, reflect on the impact of the actions they take, knowing how to implement the rules therein, in SAK EMKM.

Results

The results of this study are consistent with the research (Alam & Rita, 2021), (Winarso & Yuniarto, 2023) that found that accounting knowledge has a positive and significant impact on the implementation of SAK EMKM.

Effect of Education Level on the Implementation of SAK EMKM in MSMEs

The results of testing the third hypothesis (H3) show that education level does not affect the implementation of SAK EMKM. During the research in Kesugihan District, Cilacap Regency, the majority of MSMEs surveyed had high school education, even though their education level was only high school, they could still apply SAK EMKM by participating in socialization and training. Higher education is not the only institution where MSME stakeholders must think rationally to consider the impact of the actions they take, specifically the implementation of the rules contained in SAK EMKM. Indeed, the SAK EMKM regulation that came into force in 2018 obliges economic actors to accept and apply these standards regardless of their level of education. Therefore, educational level will not affect the desire to receive SAK EMKM. Based on this explanation, we can conclude that the educational level of the owner is not one of the factors influencing the implementation of SAK EMKM in MSMEs in Kesugihan District, Cilacap Regency. The results of testing the third hypothesis are consistent with the research conducted by (Larasati & Farida, 2021) and (Winarso & Yuniarto, 2023) showing that educational level does not affect the implementation of SAK EMKM.

CONCLUSIONS AND RECOMMENDATIONS

From the research results and discussion, the author can draw the following conclusions:

1. The socialization of SAK EMKM has an influence on the implementation of SAK EMKM. The more often MSME stakeholders benefit from the socialization of SAK EMKM, the higher the level of SAK EMKM implementation.
2. Understanding of accounting can prove to have an impact on the implementation of SAK EMKM. This study shows that the majority of respondents answered that understanding accounting is something that the
majority of MSMEs often do. The more one understands one's accounting knowledge, the more implementing SAK EMKM becomes a must-do.

3. A high level of education does not always have a significant influence on the performance of SAK EMKM. For a person with a low level of education but a eagerness to learn, applying SAK EMKM to his company's financial statements is not difficult. Improve the quality of self-understanding and enhance the application of SAK EMKM, including enhancing self-awareness by participating in training or self-study.

Based on the research results, the author offers suggestions following:
1. Therefore, the socialization implementation of SAK EMKM can be improved because it will have an influence on the implementation of SAK EMKM.
2. For future researchers who will study the factors that influence the adoption of SAK EMKM for MSMEs, they should add other variables that are also expected to influence the adoption of SAK EMKM.

FURTHER STUDY

The limitation of this study is the coefficient of determination or R squared in this study: only 0.472, meaning the independent variable in this study only explains 47.2% of the dependent variable. The remainder is explained by other variables outside this study. Hopefully, future research can add additional variables that may influence SAK EMKM implementation. This variable can be age, the younger or working age you are, the more receptive you are to new things. Additionally, future researchers could add additional variables at the firm level: the longer a firm has been around, the better its systems or management, which of course is not difficult to do. currently with SAK EMKM.

REFERENCES


