

The Influence of Management Accounting Information Systems on Management Decision Making on MSMEs in Kupang-NTT District

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Abstract - Management accounting is a systematic liaison network in presenting useful information and can help MSME leaders in an effort to achieve predetermined organizational goals. As an MSME develops, MSME leaders will face various problems in managing their MSMEs. As an MSME develops, MSME leaders will face various problems in managing their MSMEs. So it is necessary to form a management that can assist MSME leaders in carrying out all activities efficiently and effectively. Management will carry out its activities well in different levels of responsibility and capacity. With the large need for formal information, the consequences for MSMEs will be the need to develop information systems that are fast, precise and accurate both in decision making and other parties with an interest in the revolution and technology in data management. With the large need for formal information, the consequences for MSMEs will be the need to develop information systems that are fast, precise and accurate both in decision making and other parties with an interest in the revolution and technology in data management. This study aims to determine the effect of management accounting information systems in reducing uncertainty on the decision-making process by managers. This research is motivated by the lack of management accounting information that is used as a guide for managers in making decisions in MSMEs. The type of research used in this research is descriptive and verificative research. Descriptive research was conducted to obtain an overview of managers' knowledge of management accounting information systems.

While verificative research is intended to determine the relationship between research variables. The method used in this research is survey research. The survey method is carried out

by taking samples from the population and using a questionnaire as a data collection tool.

Keywords: *System, Information, Management Accounting, Decision Making*

I. INTRODUCTION

In carrying out their activities, MSMEs always face various problems. Among them is how MSMEs can operate as efficiently as possible, so that maximum profits can be achieved. To deal with these problems, an adequate internal reporting system is needed, so that in the event of fraud or waste in the production process, it can be addressed immediately. In this internal reporting system, management accounting is required.

Management accounting is a systematic liaison network in presenting useful and powerful information to assist MSME leaders in an effort to achieve predetermined organizational goals. In every MSME management activity, accounting is an important tool as a medium of information regarding the financial situation with the MSME economy. The ultimate goal of accounting activities is the issuance of financial reports (Jogiyanto, 1993:17). [8]

A good accounting record system is needed in order to assist the management of MSMEs in making decisions. One way that these management functions can be achieved is by implementing an accounting information system. Accounting information systems are an important factor in building organizational performance through the collection, storage and processing of financial and accounting data to be evaluated based on their impact on the decision-making process, quality of accounting information, performance evaluation, internal control and facilitating MSME transactions. Through accurate financial and accounting data information, it can be known with certainty the condition of MSMEs, so that

MSME planning in the future is easier to prepare. For all MSMEs, budgeting is an important component in an MSME. Budgeting directs costs towards MSME goals and will cause MSMEs to have a transparent budget. In preparing a budget in an MSME, careful planning is needed so that in its implementation the funds issued are in accordance with their needs and do not deviate from their needs. One way to overcome problems related to the budget is with a good information system that can support MSME business processes. With the application of information systems in the budgeting process, MSMEs can reduce errors in calculating the budget needed to run MSME business processes.

Accounting Information Systems have components that are interrelated and interact to achieve goals. (Romney and Steinbart, 2003:3) [10]. Management accounting information system is an information system that collects operational and financial data, processes it, stores it and reports to users, namely workers, managers and executives (Atkinson, et al. 1995). Traditionally, management accounting information is dominated by financial information, but in its development it turns out that the role of non-financial information is also decisive. Research (Chenhall and Morris, 1986) [3] found empirical evidence regarding the characteristics of useful information according to managerial perceptions, which consist of: broad scope, timeliness, aggregation, and integration. Broad Scope, Characteristics of management accounting system information that is broad in scope representing the dimensions of focus, quantification, and time horizon (Gordon and Narayanan, 1984). Management accounting information system with a broad scope is able to provide information that is internal and external to the organization. In carrying out their duties managers need information from various sources that are broad (Robbins, 1994: 8, in Juniarti and Evelyne, 2003) [9]. Thus, managers need information that has a broad and complete scope that includes economic aspects such as Gross National Product, total market sales, and market share of an industry as well as non-economic factors such as demographic factors, technological developments, sociological changes, and environmental aspects (Collins, 1982). . The broad scope of management accounting information systems is able to provide estimates about the possibility of future events occurring (Laksamana and Muslichah, 2002). Timeliness, Characteristics Timelines (timeliness) which are conceptualized in this study have two sub-dimensions, namely reporting frequency and reporting speed. Frequency is defined by how often information is provided to managers, while speed is defined as the time lag between the need for information and the availability of information (Ritonga and Zainudin,

2002). Information is said to be timely if the information reflects current conditions and is in accordance with the needs of managers (Bodnar, 1995: 399). Decision making regarding the selection of several alternatives in differential accounting can be grouped into two, namely: long-term decisions and short-term decisions. Long-term decisions are decisions taken by managers, where the results of these decisions can provide benefits for more than one year. Alternatives that need to be considered in making long-term decisions include; buy or rent a machine, buy a machine in cash or installments, and so on. Short-term decisions are decisions made by managers, where the results of these decisions can be directly felt in the year in which the decision was taken.

II. RESEARCH METHODS

The type of research used in this research is descriptive and verificative research. Descriptive research was conducted to obtain an overview of managers' knowledge of management accounting information systems. While verificative research is intended to determine the relationship between research variables. The method used in this research is survey research. The survey method is carried out by taking samples from the population and using a questionnaire as a data collection tool. Population and Sample The unit of analysis in this study is MSMEs in Kupang Regency totaling 25 MSMEs, with research respondents being managers of accounting and finance. Testing Research Instruments The Effect of Accounting Information Systems on Management Decision Making. Testing of research measuring instruments to prove whether the measuring instruments used have validity and reliability to measure what should be the measuring function is carried out using respondents as measuring instruments through validity and reliability tests. The analytical method used to obtain an overview of the manager's knowledge of management accounting information systems. Meanwhile, verification analysis was conducted to examine the effect of managers' knowledge of management accounting information systems on Management Decision Making with Simple Regression.

Research conducted on MSMEs on management accounting information systems is very necessary because many MSMEs still carry out traditional bookkeeping (Kamaruddin Ahmad, 2017), [1]. Research on the influence of management accounting information systems on management decision making was developed from the problems studied calculated using Simple Regression with SPSS, the results of the calculation of management

accounting information systems on management decision making. Research on MSMEs in Kupang Regency shows that the Knowledge of Accounting and Finance Managers, most MSME accounting and finance managers have a formal educational background of S1 accounting or management (47.15%). This formal educational background should be sufficient to make accounting and finance managers understand the basic concepts of managerial accounting. However, the absorption of each manager in understanding the concept of managerial accounting and the variety of educational places, allows managers to have a different understanding of the basic concepts of management accounting. Therefore, in this study, an understanding of the basic concepts of managerial accounting is included as one of the indicators that influence the description of managers' knowledge of management accounting information systems. In exploring the understanding of the basic concepts of management accounting, managers are asked to answer 15 questions about the basic concepts of management accounting. The results obtained are the average manager answered 48% of the questions correctly. If the maximum value is 100%, then the 48% answer is actually above the average, or the manager's understanding of the basic concepts of managerial accounting is actually quite good. However, the design of a management accounting information system that can encourage managers to use it interactively, is not enough just to be limited to the understanding of accounting and finance managers about the basic concepts of management accounting. An advanced understanding of the management accounting information system is needed, so that managers who are responsible for accounting and finance can analyze and synthesize the needs for a management accounting information system so that they can then direct managers to use the system interactively. Managers who use management accounting information interactively, will use management accounting information as the basis for carrying out management processes. An indication that the management team is using management accounting information in an interactive style. This study found that the accounting and finance manager team at MSMEs has not been able to design a management accounting information system that is able to direct the top management team to carry out management and control processes interactively. The educational background of S1 does not appear to be sufficient for accounting and finance managers to develop an adequate accounting system for MSMEs. This is because the undergraduate education curriculum is limited to the stage of applying science, but has not yet reached the stage of the ability to perform analysis and synthesis that can lead to the development of science. The formal educational

background of MSME accounting and finance managers is considered more adequate, if they have a minimum educational background of Master's Degree in Accounting or Management. Only 2.7%, Accounting and Finance Managers in MSMEs have an educational background of Masters in Accounting or Management. This formal educational background is not owned by all MSMEs so that it is not enough to make accounting and finance managers to understand the basic concepts of managerial accounting. the absorption of each manager in understanding the concept of managerial accounting and the variety of educational places, allows managers to have a different understanding of the basic concepts of management accounting. Therefore, in this study, it is necessary to design a Management Accounting Information System for the basic concepts of managerial accounting to be included as one of the indicators that influence the description of managers' knowledge of management accounting information systems.

From the results of data processing using SPSS software, the following equation is obtained: $Y = 0.652 X + 0.655 + e$. Manager's knowledge of management accounting information systems on Management Decision Making is 0.652. The value with a positive sign indicates that the manager's knowledge of the management accounting information system is high, the manager's knowledge of the management accounting information system is also higher. The magnitude of the effect of manager's knowledge of management accounting information systems on management decision making = $0.652 \times 0.655 \times 100\% = 42.706\%$. This is in line with research (Faqihudin, 2019).[7], (Siregar Alawiyah, 2018)[12], (Salmia.2018)[11].

III. CONCLUSION

From the research that has been done by the researcher, the researcher can draw several conclusions that manager's knowledge has a significant effect on management decision making. MSME managers currently do not use management accounting information interactively, they tend to still use a diagnostic style in using management accounting information. The use of information with a diagnostic style is the use of management accounting information by managers for the purpose of budgeting and evaluating budget achievements. The focus of the use of diagnostic management accounting information, limited to the suitability of the realization with the budget, has not harmonized the use of management accounting information with the strategic objectives of the organization. Thus, managers who use management accounting information with a diagnostic

style perceive that management accounting information is limited to financial information only.

Suggestion

Based on the research that has been done, the authors try to provide some suggestions so that they can be useful for SMEs, namely:

1. Recruitment of accounting and finance workers with educational backgrounds appropriate to their field of work
2. Encouraging workers in the accounting and finance fields to always carry out self-actualization in accordance with the development needs of the organization.
3. This research is an early study that still has many shortcomings to be able to explore in depth about accounting information systems. Therefore, further research is still needed to reveal, improve and design management accounting information systems needed by banks and other financial service organizations.

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