Original Article

The Role of Accounting System and Organizational Culture on Small and Medium Enterprises Performance in Indonesia

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Abstract: This study analysed the effect of the accounting information system and organisational culture on performance of small and medium enterprises (SMEs) using the e-Peken application in Surabaya City, Indonesia. This study uses a quantitative study with the population of E-Peken application users that SMEs in Surabaya City have used with a total sample of 35 respondents. The data was collected by questionnaire and analysed using multiple linear regression analysis. This study found that the accounting information system has a significant and positive effect on SME performance, which means that the better the SMEs accounting information system, the SMEs performance will also increase. The organisational culture has a significant and positive effect on SMEs performance, which means the success of an organisation in achieving its goals. It can improve the performance of SMEs.

Keywords: Accounting system; Organisational culture; Performance; Small and Medium Enterprises; e-Peken.

1. Introduction

Human resources are an essential part of a company. In the years to come, especially in the era of globalisation, the role of human resources as economic actors will be very large, namely to support the industrial sector as the primary driver of development. To achieve successful development in all fields, increasing human resources is one of the main requirements for improving performance. In addition, human resources also influence the achievement of company goals because they can improve individual and company performance. A driving factor is needed to improve personal performance. One of the driving factors is the Accounting Information System. The accounting information system expected by the company can reduce production costs and achieve organisational goals, while employees need an accounting information system that is fair and adheres to principles. The accounting information system is the main focus because it is one of the most significant and essential components of the accounting information system.

Therefore, the Accounting Information System must be designed according to government regulations and management information needs. Thus, incompleteness or errors that occur in payroll data influence decision-making. The accounting information system is the main focus because it is one of the largest and

most essential components of the accounting information system. Therefore, the Accounting Information System must be designed according to government regulations and management information needs. Thus, incompleteness or errors that occur in payroll data influence decision-making. Apart from compensation in the form of salary, which influences individual performance, other factors can also influence individual performance, one of which is organisational culture. Organisational culture is a pattern of beliefs and values that are understood and shared by members of an organisation, so this pattern gives its meaning to the organisation concerned and becomes the basis for rules of behaviour within the organisation (Sunarso, 2009).

Building a strong organisational culture requires a process because changes in an organisation involve changes in the people within the organisation, including differences in perceptions, desires, attitudes and behaviour. Conformity between organisational characteristics and employee desires must be achieved, leading to a high level of togetherness. In line with this, organisational culture is crucial in improving individual performance. Based on the description explained above, the problem formulation in this research is as follows: (1) Does the accounting information system affect individual performance? (2) does organisational culture influence individual performance? The individual performance in question is MSMEs in Surabaya using the E-Peken application.

2. Literature Review
2.1. Performance

Performance is a translation of achievement. The term performance indicates the execution of fulfilment of a duty (implementation or achievement of a task) or a person's achievement under test conditions (a person's achievement of results when tested) (Nasution, 2010). Performance refers to a series of results obtained by an employee during a specific period. If employees do not do their jobs well, the company will fail. According to Mahsun (2006), performance is a description of the level of achievement of implementing an activity/program/policy in realising an organisation's goals, objectives, vision and mission as stated in an organisation's strategic planning. According to Bangun (2012), performance is the result of work achieved by a person based on job requirements. A job has certain requirements to be carried out to achieve goals, also known as job standards. Individual performance describes the extent to which a person has carried out his main duties to produce the results determined by the group or institution. Based on the definitions above, it can be concluded that individual performance is the result of the work function of a person or group in an organisation, which is influenced by several factors to achieve organisational goals within a certain time period. Sofyandi (2008) states that performance appraisal is an organisational process for evaluating employee work implementation. According to Bangun (2012), performance appraisal is a process carried out by an organisation to evaluate or assess the success of employees in carrying out their duties. According to Mangkunegara (2006), performance appraisal is a systematic evaluation of an employee's work and potential or an assessment in interpreting or determining the value, quality or status of several objects, people or goods.

2.2. Accounting information system

According to Mulyadi (2019), a system is a group of closely related elements that function together to achieve certain goals. Thus, the general understanding of systems can be further detailed, namely as follows: Every system consists of elements. These elements are an integrated part of the system in question. The elements of a system work together to achieve system goals. A system is part of another, larger system. According to Bodnar and Hopwood (2010), an accounting information system is a collection of resources, such as people and equipment, designed to convert financial and other data into information. According to Bastian (2010), an accounting information system is an organisation of forms, records and reports that are coordinated in such a way as to provide the information needed by management to determine basic information needs. In addition, Romney and Steinbart (2012) stated that accounting information systems are human and capital resources in organisations.

2.3. Relationship between Accounting Information Systems and Individual Performance

A good accounting system must fulfil the elements of internal control. The Accounting Information System must involve all related functions to fulfil internal control elements (Agrianto et al., 2014). Suppose the internal control system has a separation of duties and responsibilities in the organisational structure, a good authorisation system, recording procedures, and sound practices in each organisational unit's functions. In that case, the payroll internal control system can be said to be adequate and good. Separating duties and responsibilities can reduce fraud committed in the Accounting Information System so that the duties, authority, and responsibilities of each part related to the Accounting Information System can run well. This makes employees view that the company has acted fairly and avoided fraud that could be

committed, so that employees are more enthusiastic about working and have better performance, because the company has promoted a good and fair work climate. From the description above and previous research, a hypothesis can be proposed as follows:

H1: Accounting Information Systems Have a Positive Influence on Individual Performance

2.4. The Relationship between Organizational Culture and Individual Performance

The success of an organisation in achieving its goals is not only determined by the successful implementation of management principles, such as planning, organising, leading and controlling, but organisational culture is also more determined. Employees who understand the organisation's overall values will make these values into an organisational personality. These values and beliefs will be translated into daily behaviour at work, which will become the individual performance of employees (Xenikou and Simosi, 2006). Chatman and Bersade (1997) reveal that a strong organisational culture positively influences companies. A strong organisational culture helps the performance of business organisations because it creates an extraordinary level in employees. A strong organisational culture helps organisational performance by providing structure and the control needed without relying on rigid formal bureaucracy, which can suppress the growth of motivation and innovation. Rashid et al. (2003) also support this statement that company organisational culture positively influences individual performance. Organisational culture helps managers act as leaders in several ways to improve organisational performance.

Harris and Mossholder (1996) indicate that organisational culture is the centre of all factors originating from human resource management. Organisational culture has been proven to influence individual attitudes regarding commitment, motivation, morale, satisfaction, and performance outcomes. Good individual performance and enjoyable work outcomes, such as job satisfaction, tend to occur in organisations depending on the match between individual characteristics and organisational culture. According to Holmes and Marsden (1996), company or organisational culture influences employees' behaviour, way of working and motivation to achieve organisational performance. Cultural dimensions influence employee participation in performance improvement efforts. Suharto and Cahyono (2005) also stated that organisational culture can significantly impact long-term economic performance and will become an even more important factor in determining organisational success. A strong organisational culture will trigger employees to think and behave according to organisational values. The compatibility between organisational culture and members who support it will increase job satisfaction and individual performance, thereby improving overall organisational performance (Sutanto, 2002). From the description above and previous research, a hypothesis can be proposed as follows:

H2: Organisational culture has a positive influence on individual performance.

3. Materials and Methods

This study uses a conclusive, causal approach, namely research which aims to test a specific or clear hypothesis by displaying a cause-and-effect relationship or stating the influence of the Accounting Information System and organisational culture on individual performance. This research can build a theory to explain, predict, and control a phenomenon. Population is a generalised area consisting of objects or subjects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions drawn (Sugiyono, 2007). The population in this research are MSMEs in the city of Surabaya who have used the E-Peken application. The sampling technique is a portion of the population consisting of several members selected from the population. The sampling technique used in this research is probability sampling, which provides an equal opportunity for each element or member of the population to be selected as a sample member (Sugiyono, 2008). The method used is simple random sampling. It is said to be simple because, according to Sugiyono (2008), the sampling of sample members from the population is carried out randomly without paying attention to the strata in the population. The simple random sampling method is relatively simple because it only requires one stage of the sampling procedure.

The type of data used in this research is subject data, that is, it is a type of research data in the form of opinions, attitudes, experiences, or characteristics of a person or group of people who are research subjects (respondents). Researchers collected data using a questionnaire. The data source used in this research is primary data, data sources obtained directly from respondents who are the research targets. Primary data is in the form of opinions of MSMEs that have used the E-Peken application in their sales activities. The data collection technique in this research was carried out using a survey method through questionnaires to obtain primary data and to obtain data in the form of a general description of the individual performance process using the E-Peken application. A questionnaire is a list of questions filled in by respondents. A variable can be given various values, while the operational definition of a variable is determining a construct so that it becomes a measurable variable. This research uses dependent and independent variables, which use the following measurements:

- The dependent variable, Individual performance (KI) is the result of work employees achieve based on job requirements. The indicators are as follows:
1. Prioritise company interests over personal interests.
2. Able to complete work with company expectations.
3. Discipline in working with existing regulations within the company.
4. Have special skills in completing the job.
5. Have full responsibility for the work and work results achieved.
6. Carrying out work with various creative and innovative ideas and plans.
7. Able to build good cooperation with all work units.

- Independent variables, which consist of:
1. An Accounting Information System (SP) is a regulation within the organisation regarding what and how SMEs carry out their sales and payment activities using the E-Peken application.
2. Organisational culture (BO) is a system of shared values and beliefs that interact with an organisation's people, structures and systems to produce norms of behaviour.

Data analysis techniques are methods used to analyse data to solve problems or test hypotheses. The data analysis technique used in this research is quantitative data analysis, which uses statistical methods to measure numbers—carrying out multiple linear regression (multiple linear regression). This analysis model is used to determine the influence of the independent variable on the dependent variable. The formulation of the multiple linear regression model is as follows:

$KI = a + b1SP + b2BO + e$

Whereas:
KI = Individual performance
a = Intercept Coefficient
SP = Accounting Information System
BO = Organisational culture
b1,2 = Regression coefficient
e = error factor.

4. Results

In this study, the data were obtained by distributing questionnaires to all MSMEs in Surabaya who had used the E-Peken application. The discussion in the description departs from the description of the research subjects, namely describing the characteristics of the respondents as research subjects, which include age, gender and education, totalling 35 respondents. This is used to reveal the identity of respondents, which is interpreted from the data processing results through frequency tabulation to calculate empirical nominal tendencies. The dissemination process is by collecting all information regarding all MSMEs. The distribution was carried out simultaneously, considering that the population was only in one place and the time given to collect questionnaire answers from respondents was only 2 weeks. The following are the characteristics of research respondents based on age, length of time as a taxpayer and gender, respondents used as research samples.

4.1. Accounting Information System

Payroll occurs routinely in a company over several constant periods. Payroll will require a well-structured system to provide useful information to those who need it. For more details on the frequency of respondent responses based on all aspects of the Accounting Information System can be seen in Table 1.

Table 1. Results of Respondents' Response for Accounting Information Systems

No	Statement	Response				
		SS	S	CS	TS	STS
1	In the Accounting Information System, attendance time validation is always carried out	9	15	6	3	2
2	In the Accounting Information System, working time validation is always carried out	6	19	7	2	1
3	The supervisor always confirms data regarding the number of hours worked	11	20	3	1	0
4	A sales list has been created according to the activities involved in the sales activity	8	17	6	2	2

5	In the Accounting Information System, sales files are always updated	7	16	6	4	2
6	Sales are classified by product	9	21	3	2	0
7	The sales procedure involves the accounting and finance departments with clear rules	8	19	4	3	1
8	Sales receives payment indicating the number of orders received and their details	11	19	4	1	0
9	The Accounting Information System is always informed about deductions made to products	12	22	1	0	0

Table 1 captures the highest percentage value, the score or agree answer, which means that most respondents, on average, gave an agreed response to statements regarding respondents' responses to the Accounting Information System in MSMEs.

4.2. Organisational Culture

Organisational culture is a series of values and strategies, leadership style, vision and mission as well as norms of trust and understanding held by members of an organisation and considered as truth for new members, which becomes a guide for each organisational element of a company to form attitudes and behaviour. For more details on the frequency of respondent responses based on all aspects of organisational culture can be seen in Table 2.

Table 2. Results of Respondents' Response for Organisational Culture

No	Statement	Response				
		SS	S	CS	TS	STS
1	You are given the opportunity to take your own initiative by the company leadership in carrying out your work	11	20	3	1	0
2	You are given the opportunity to be more aggressive and innovative in carrying out work with a high level of difficulty	8	17	6	2	2
3	The company has work standards that are used as direction in carrying out work	7	16	6	4	2
4	You are encouraged to work professionally with other work units in a coordinated manner	9	21	3	2	0
5	You get help and support from company leaders in increasing your capabilities to carry out work	8	19	4	3	1
6	There are standard and written regulations or norms as well as a company code of ethics which serve as guidelines for behaviour	11	19	4	1	0
7	You work as a professional unit regardless of differences in position/status/expertise	12	22	1	0	0
8	The company properly formulates policies that regulate the reward system and salary/wage increases for employees	8	17	6	2	2
9	The company acts fairly in resolving conflicts that occur until they are resolved	7	16	6	4	2
10	Communication that occurs between leaders, employees and between fellow employees is well regulated based on certain authorities	9	21	3	2	0

Table 2 displays the highest percentage value in the score or agree answer, which means that the majority of respondents agreed to statements regarding the respondent's response to organisational culture.

Global Journal of Business, Economics & Social Development
Vol. 2, No. 1, May 2024, pp.35-42.

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4.3. Individual Performance

Performance is an achievement. Performance refers to a series of results obtained by an MSME during a certain period. The company will fail if an MSME does not do its job well. For more details on the frequency of respondent responses based on all aspects of organisational culture can be seen in Table 3.

Table 3. Results of Respondents' Response for Individual Performance

No	Statement	Response				
		SS	S	CS	TS	STS
1	An MSME prioritises company interests over personal interests	8	19	4	3	1
2	An MSME can complete work according to the company's expectations	11	19	4	1	0
3	An MSME is disciplined in working with existing company regulations	12	22	1	0	0
4	An MSME has special skills in completing work	8	17	6	2	2
5	An MSME has full responsibility for the work and work results achieved	7	16	6	4	2
6	An MSME carries out work with various creative and innovative ideas and plans	9	21	3	2	0
7	An MSME can build good cooperation with all work units	8	17	6	2	2

Table 3 describes the highest percentage value in the score or agree answer, which means that most respondents, on average, gave an agreed response to statements regarding respondents' responses to individual performance in MSMEs. The test results from the t-test appear in Table 4:

Table 4. Result of Hypothesis Testing

Model	Unstandardised Coefficients		Standardised Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.423	5.845		0.072	0.943
1 Accounting Information System	0.150	0.102	0.204	2.468	0.015
Organisational Culture	0.572	0.140	0.569	4.098	0.000

a. Dependent Variable: Individual Performance

Table 4 shows the significance level for the accounting information system and organisational culture is smaller than alpha = 0.050 (level of significance), indicating that the influence of the Accounting Information System and organisational culture on individual performance in MSMEs using the t-test is significant.

5. Discussion

5.1. Relationship between Accounting Information Systems and Individual Performance

The result found that the Accounting Information System variable significantly and positively affects individual performance in MSMEs. This research indicates that an accounting system is necessary for an MSME because it directly relates to buyers. The Accounting Information System handles payment transactions for sales made by MSME employees. The accounting system for most companies is a system of procedures and records that can determine precisely how much income each employee should receive. The results of this research support the research of Sutoro (2020), which shows that the Accounting Information System significantly affects individual performance.

5.2. Relationship between Organizational Culture and Individual Performance

The results of testing the second hypothesis using the t-test show that organisational culture variables significantly and positively affect individual performance in MSMEs. The results of this research indicate that the success of an organisation in achieving its goals is not only determined by the successful

implementation of management principles, such as planning, organising, leading and controlling, but other factors are more determining, namely organisational culture. Employees who understand the organisation's overall values will make these values into an organisational personality. These values and beliefs will be translated into daily behaviour at work, which will become the individual performance of employees. The results of this research support research from (Giantari and Riana, 2017), with research results showing that organisational culture has a significant and positive effect on the performance of medium-scale wood processing individuals in five cities, namely Surabaya, Gresik, Sidoarjo, Mojokerto and Pasuruan.

6. Conclusions

This study concludes that accounting information systems and organisational culture are suitable for research on individual performance. This study shows that the Accounting Information System variable has a significant and positive influence on the performance of MSMEs. This means that the better the accounting system in the company, the more individual performance there will be. The results of testing the second hypothesis show that organisational culture variables have a significant and positive influence on the individual performance of MSMEs, which means that the success of an organisation in achieving its goals can increase individual performance.

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