

The Impact of The Use of Accounting Information and Environmental Uncertainty on The Success of Small and Medium Enterprises (SMEs)

Karina Silaen^{1,*}, Arisman Parhusip², Montaris Silaen³

¹Accounting, Faculty of Economics and Business, Institut Bisnis dan Komputer Indonesia, Medan, Indonesia

^{2,3}Management, Faculty of Economics and Business, Institut Bisnis dan Komputer Indonesia, Medan, Indonesia

Email address:

¹karin.laen@gmail.com, ²arismanparhusip01@gmail.com, ³05monsil@gmail.com

*Corresponding author

Submitted: 20-11-2024 Reviewed: 24-11-2024 Revised: 10-12-2024 Accepted: 30-07-2024 Published: 03-01-2025

Abstract: This study aims to analyze the influence of accounting information usage and environmental uncertainty on the business success of SMEs in Medan City. The research employs a quantitative method with a t-test approach to test the hypotheses. The results indicate that accounting information usage does not have a significant impact on business success, as evidenced by a significance value of 0.805 (>0.05), leading to the rejection of the first hypothesis (H1). Conversely, environmental uncertainty has a positive and significant effect on SME business success, with a significance value of 0.001 (<0.05), confirming the acceptance of the second hypothesis (H1). These findings suggest that in uncertain environments, SMEs in Medan City need more flexible adaptation strategies to sustain and enhance their business success. Additionally, although accounting information is an essential factor in business management, this study's results indicate that its usage does not directly impact SME success in Medan City. Therefore, a more comprehensive approach to implementing accounting information is needed to provide more tangible benefits for small and medium-sized enterprises.

Keywords: accounting information, environmental uncertainty, business success, SMEs.

INTRODUCTION

One of the main goals of every entrepreneur is to achieve optimal business performance, which can be seen from the aspects of financial performance and company image. Accounting information plays an important role in determining the success of a business, especially in decision-making related to market development, pricing, and appropriate business strategies (Alhazami et al., 2024). However, financial accounting practices in Indonesian SMEs are still low and have many weaknesses due to several factors, such as low education levels, lack of understanding of financial accounting standards (SAK), and the absence of regulations that require the preparation of financial statements for SMEs (Rosyidah & Achyani, 2022). As a result, many SMEs are unable to survive in running their businesses.

Capital is a crucial aspect in establishing and running a company, because it determines the ability of business actors to finance business operations (Atlantika et al., 2024). Business capital must be available before production activities begin, considering that capital is a company's asset that can generate profits in the future (Ringgo, 2024). The amount of capital will affect the development of the business in achieving income (Anisa & Mustofa, 2021). Although capital is very necessary, many SMEs experience obstacles in managing capital optimally so that their businesses can grow. One of the phenomena that often occurs in SMEs is instability in capital management, which has an impact on decreasing business success. Based on a survey of five businesses, it was found that unstable capital management is the main obstacle in maintaining their business continuity.

Accounting information has a very important role in achieving business success, especially for small businesses. Financial statements can be the basis for small business management in strategic decision-making, such as market development, price trend analysis, and the provision of information for the government and creditors (banks) (Azzahra et al., 2024). The obligation to prepare accounting records for small businesses has been regulated in the 2008 Small Business Law and tax regulations. However, in reality, many SMEs in Indonesia still do not apply accounting information systematically in managing their businesses. Accounting information is quantitative data about economic activities that are useful in business decision-making, selection of alternative actions, as well as strategic planning and supervision of operations management (Azzahra et al., 2024). Even though accounting practices in SMEs are still low, accounting information can still be used as a basis for decision-making to improve business success. Based on a survey of two businesses, it was found that the application of accounting information in business operations is still relatively low.

Environmental uncertainty is defined as the perception of members of an organization in predicting the impact of external factors on the company (El Farabi, 2021). The environment includes a variety of social and political factors that affect the decision-making process of an organization. In conditions of high environmental uncertainty, managers need relevant information in order to achieve maximum performance. Environmental uncertainty is closely related to management accounting information systems. This factor complicates the planning and management process, as external conditions can affect a company's managerial strategy. This phenomenon also affects the success of SMEs, where high environmental uncertainty often leads to a decline in business performance. Based on a survey of five businesses, it was found that they experienced difficulties in achieving business targets due to environmental uncertainty. Deep (Hasibuan et al., 2023) found that the relationship between management accounting systems and performance is influenced by awareness of environmental uncertainty.

Based on data from the Medan City Cooperatives and MSMEs Office, the percentage of success of SMEs in 2021 shows that the culinary business sector has the highest success rate, which is 64%, while the lowest percentage is 0%. The phenomenon found in this study shows that there are still many SMEs that run their businesses without utilizing accounting information, which results in a decrease in business success. In fact, accounting information can be the basis for better decision-making in achieving business success. In Indonesia, there are still many small entrepreneurs who have not applied accounting information optimally in their business.

THEORETICAL REVIEW

Business Success

Business success is the achievement of business goals characterized by growth, profits, and operational sustainability in the long term (Aji et al., 2023). This success is influenced by various factors, such as effective management, the right marketing strategy, product or service innovation, and the ability to manage resources efficiently. In addition, external factors such as market conditions, competition, and government policies also play a role in determining the success of a business. Business actors who are able to adapt to change, understand customer needs, and manage risks well tend to achieve success more easily. In addition, the use of technology and digitalization in business is also increasingly a key factor in increasing competitiveness in the modern era. Therefore, the success of a business depends not only on the company's internal factors, but also on its ability to respond to the dynamics of the ever-changing business environment.

Use of Accounting Information

The use of accounting information refers to the use of financial data generated by accounting systems to support the decision-making process in an organization or company (Cahyani & Nurabiah, 2024). This information includes financial statements such as balance sheets, income statements, and cash flow statements used by various parties, including management, investors, creditors, and governments, to assess financial performance, manage resources, and plan effective business strategies. In general, accounting information is divided into two types, namely financial accounting information used by external parties such as investors and creditors to assess the company's financial condition, and managerial accounting information used by internal management in making operational and strategic decisions. With accurate and relevant accounting information, organizations can increase transparency, efficiency, and effectiveness in managing their finances and business operations.

Use of Accounting Information

Environmental uncertainty is an external condition that can affect a company's operations and hinder an individual's ability to accurately predict things within an organization's environment (Siregar et al., 2024). This uncertainty is an important factor because it can make planning and management difficult, especially in the face of unexpected events in the future. In uncertain operational situations, planning becomes more complex due to the mismatch between the strategy made and the conditions to come. Environmental uncertainty also affects job performance by creating challenges for decision-makers in organizations. Unpredictable social and physical factors can lead to inconsistencies in business strategies, making companies less effective in the face of competition. Therefore, managers need to obtain relevant information to anticipate various uncertainties and make more informed decisions to improve the company's competitiveness.

Small and Medium Enterprises (SMEs)

Small and Medium Enterprises (SMEs) are a type of business that has a small to medium scale based on the number of workers, assets, and turnover owned (Suryani, 2018). SMEs play an important role in the economy because they are able to create jobs, increase people's income, and encourage regional and national economic growth. The criteria for SMEs are generally determined based on government regulations, such as the number of assets, annual turnover, and the number of workers employed. Small businesses typically have smaller assets and turnover than medium-sized businesses, but both have great flexibility in dealing with market changes. The existence of SMEs is also often associated with innovation and entrepreneurship, because many SMEs develop new products or services according to consumer needs (Abdullah et al., 2023). With its strategic role, SMEs receive special attention from the government through various support programs, such as access to capital, training, and marketing assistance to increase business competitiveness and sustainability.

Conceptual Framework

Every research requires clarity of the starting point or foundation of thinking in solving problems, so it is necessary to prepare a theoretical framework that describes the research viewpoint (Purwono et al., 2019). The use of accounting information plays an important role in business decision-making, planning, management, and business evaluation, so that it can support business success. In addition, environmental uncertainty also affects business performance, both positively and negatively. Various studies show that environmental uncertainty can have an impact on the relationship between company performance and business success, so adaptive management is key in dealing with changes in the business environment.

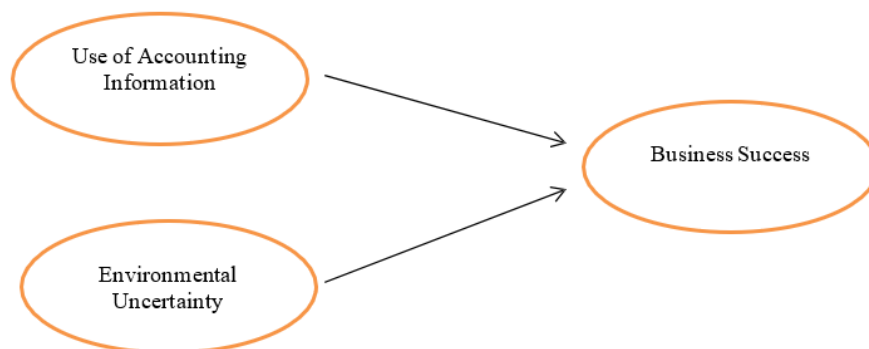


Figure 1. Conceptual Framework Model

METHODS

Types of Research and Variables

The approach in this study uses an associative quantitative approach. Quantitative is a type of research where the problem is not determined at the beginning, but the problem is found after the researcher goes into the field (Wijaya, 2019). The population in this study is 124 businesses registered with the Medan City Cooperatives and MSMEs Office, while the sample was selected using the purposive sampling technique, which is

a method of determining the sample with certain considerations (Nuvitasari & Martiana, 2019), where the criteria used are small and medium enterprises that present records of their business financial statements.

The instrument tests in this study include validity tests and reliability tests. The validity test aims to measure the validity of a questionnaire, where a questionnaire is said to be valid if the questions asked are able to reveal something measured (Dilasari & Yosita, 2022). The validity was tested by correlating the score of the question item with the total score of the variable, then compared with the r table for $df = n-2$ at a significance level of 5% of 0.2759, provided that $r \text{ count} > r \text{ table}$ means valid, and $r \text{ count} < r \text{ table}$ means invalid. Based on the results of the validity test, the business success variable (Y) with 10 question items had a calculated r value ranging from 0.510 to 0.684, the variable for the use of accounting information (X1) with 6 question items had a calculated r value between 0.565 to 0.781, and the environmental uncertainty variable (X2) with 6 question items had a calculated r value between 0.667 to 0.821, so that all questions were declared valid because the calculated r was greater than the r table. Furthermore, reliability tests were used to measure the consistency of respondents' answers to the questionnaire over time (Dilasari & Yosita, 2022). This test uses Cronbach's Alpha, where a variable is said to be reliable if the value of Cronbach's Alpha > 0.60 . The results of the reliability test showed that the business success variable had a value of 0.821, the variable of the use of accounting information of 0.722, and the variable of environmental uncertainty of 0.819, so that all variables were declared reliable.

The data analysis technique in this study uses descriptive statistics, which aims to describe the data that has been collected systematically without intending to make generalized conclusions or generalizations (Nadirah et al., 2022). The analysis technique used is multiple regression analysis with the following equations:

$$Y = a + bX_1 + bX_2 + e \dots\dots\dots (1)$$

Information:

- Y : Dependent variable
- a : Constant
- β : Regression Coefficient
- X : Independent variable
- X1 : The first independent variable
- X2 : Second independent variable
- e : Residual Value

Hypothesis Testing

The t-test is used to test whether an independent variable has an effect on the dependent variable assuming that the other variable is considered zero (Nadirah et al., 2022). This test is carried out by establishing the following basic hypothesis:

- a. H_0 : The use of accounting information does not have a significant effect on the success of the business.
- b. H_a : The use of accounting information has a significant effect on business success.

With a significance level of 5%, the test criteria are determined as follows:

- a. If the significance value $t < 0.05$, then H_0 is rejected and H_a is accepted, which means that there is a significant influence between the independent variables on the dependent variables.
- b. If the significance value $t > 0.05$, then H_0 is accepted and H_a rejected, which means that there is no significant influence between the independent variables on the dependent variables.

RESULTS

Data Analysis

Descriptive Statistics

The descriptive statistics used in this study are mean values, standard deviations, maximum, and minimum with N being a sample or the number of respondents.

Table 1. Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Success effort	50	17	24	20,46	2,072
Use Accounting Information	50	15	24	19,48	2,197
Uncertainty milieu	50	28	40	34,42	3,169

Based on table 1, descriptive statistical analysis shows that the business success variable has a minimum value of 17, a maximum of 24, an average of 20.46, and a standard deviation of 2.072; The variable of the use of accounting information had a minimum value of 15, a maximum of 24, an average of 19.48, and a standard deviation of 2.197; Meanwhile, the environmental uncertainty variable had a minimum value of 28, a maximum of 40, an average of 34.42, and a standard deviation of 3.169. Because the mean of each variable is greater than the standard deviation, the descriptive data on the three variables can be said to be good.

Multiple Regression Analysis

Based on the calculation of multiple liner regression between business success, the use of accounting information and environmental uncertainty using IBM SPSS 28, the results of the multiple linear regression analysis are as follows.

Table 2. Multiple Liner Regression Analysis Results

Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	17,787	4,006		4,440	,000
1 Use of Accounting information	-,050	,201	-,033	-,248	,805
Environmental Uncertainty	,906	,190	,628	4,770	,000

Based on the multiple regression equation, the analysis that can be taken is as follows:

- a. The constant value of 17.787 indicates that if the variables of accounting information use and environmental uncertainty are zero, then the success of the business will remain at 17.787.
- b. The value of the coefficient of using accounting information is -0.050, which means that every increase in the use of accounting information actually decreases the success of the business by 0.050 in SMEs in Medan City.
- c. The value of the environmental uncertainty coefficient is 0.906 with a positive value, which shows that every increase in environmental uncertainty will increase business success by 0.906 in SMEs in Medan City.

Hypothesis Testing

This test was carried out to find out whether the variables that are free from the use of accounting information and environmental uncertainty have a persalical effect on the bound variable (business success). In this test, if t calculates $> t$ table or $\text{sig} < 0.05$ then H_0 is rejected and H_a is accepted, which means that the use of accounting information and environmental uncertainty have a perdue effect on business success. With $\alpha = 5\%$ (significant 0.05), $(n - k)$ $Df=47$, then the t -value of the table is obtained as 1.667, following the results obtained using IBM SPSS 28.

Table 3. Test t

Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	17,787	4,006		4,440	,000
1 Use of Accounting information	-,050	,201	-,033	-,248	,805
Environmental Uncertainty	,906	,190	,628	4,770	,000

- a. The effect of the use of accounting information on business success shows that the t -value of -0.248 is smaller than the t -table 1.677 ($-0.248 < 1.677$), with a significance value of 0.805 which is greater than 0.05 ($0.805 > 0.05$). Therefore, H_a is rejected, which means that the use of accounting information has no effect on the success of the business.
- b. The effect of environmental uncertainty on business success shows that the calculated t -value of 4.770 is greater than the t -table 1.677 ($4.770 > 1.677$), with a significance value of 0.001 which is smaller than 0.05 ($0.001 < 0.05$). Therefore, H_a is accepted, which means that environmental uncertainty affects the success of the business.

DISCUSSION

This study focuses on testing whether the use of accounting information (X1) and environmental uncertainty (X2) affect the success of the business (Y). The following is a discussion of the results of the data analysis that has been obtained.

The Effect of the Use of Accounting Information on Business Success

Accounting information is part of an information system that aims to provide data to managers to improve the effectiveness of decision-making (Amalia, 2023). Based on the results of the t-test, the use of accounting information has no partial effect on business success, which is shown by the calculated t-value (-0.248) is smaller than the t-table (1.677) and the significance value of 0.805 is greater than 0.05. This means that the use of accounting information does not have a significant effect on the success of SMEs in Medan City. This result is in contrast to the research (Qomariyah, 2023), which found that the use of accounting information had a positive effect on the success of business in convection center SMEs in Tingkir District, Salatiga. Based on observations in the field, many business actors do not pay attention to filling out questionnaires, which may affect the results of this study.

The Effect of Environmental Uncertainty on Business Success

Environmental uncertainty is an external condition that can affect a company's operations (Siregar et al., 2024). Deep (Semekto, 2021) states that uncertainty is an individual's inability to predict something accurately. The results of the t-test showed that environmental uncertainty had a partial effect on the success of the business, with the t-count value (4.770) greater than the t-table (1.677) and the significance value of 0.001 less than 0.05. This means that environmental uncertainty has a positive effect on the success of SMEs in Medan City. These results are in line with research (Asystasia & Siregar, 2024), which states that in conditions of high environmental uncertainty, an organization needs better accounting information characteristics to predict future conditions.

CONCLUSION

Based on the results of the research and discussions that have been carried out, it can be concluded that the use of accounting information does not have a positive effect on the success of SMEs in Medan City. This is evidenced by a significance value of 0.805 which is greater than 0.05, so the first hypothesis (H1) is rejected. On the contrary, environmental uncertainty has proven to have a positive influence on the success of SMEs in Medan City. This result is supported by a significance value of 0.001 which is smaller than 0.05, so the second hypothesis (H1) is accepted. Thus, it can be concluded that in the face of environmental uncertainty, SMEs need to adapt and develop more flexible strategies in order to increase the success of their businesses.

REFERENCES

- Abdullah, A., Baso, A. B. A. N., Ilham, I., & Sulkifli, S. (2023). Digital Marketing, Inovasi Produk Dan Sosial Capital Pengaruhnya Terhadap Peningkatan Kinerja Pemasaran (Studi Kasus Pada UMKM Produk Koral Dan Ikan Hias). *Indo-Fintech Intellectuals: Journal of Economics and Business*, 3(2), 90–100.
- Aji, G., Febrianti, E., Karima, D. A., Iqbal, A. D., & Setiani, N. E. (2023). Analisis Strategi Pengembangan Bisnis Pada Pt Goto Gojek Tokopedia Untuk Pertumbuhan Jangka Panjang Pasca Ipo. *GEMILANG: Jurnal Manajemen Dan Akuntansi*, 3(3), 49–59.
- Alhazami, L., Judijanto, L., Harto, B., Sulistianingsih, S., Utami, A. T., Rustam, H. A., *Journal of Management and Business Analytics*, Volume 01, No. 01, January 2025, pp. 1-10

- & Meta, W. (2024). *MANAJEMEN KEUANGAN: Praktik bagi Wirausaha Pemula*. PT. Sonpedia Publishing Indonesia.
- Amalia, M. M. (2023). Pengaruh Sistem Informasi Akuntansi, Kualitas Laporan Keuangan, Efektivitas Pengambilan Keputusan terhadap Kinerja UMKM Di Jakarta. *Jurnal Akuntansi Dan Keuangan West Science*, 2(02), 97–107.
- Anisa, A. T. N., & Mustofa, N. H. (2021). Pengaruh karakteristik wirausaha, modal usaha, strategi pemasaran terhadap perkembangan usaha mikro kecil menengah dengan inovasi sebagai variabel intervening. *SKETSA BISNIS (e-Jurnal)*, 8(2), 82–98.
- Asystasia, W. A., & Siregar, S. A. (2024). PENGARUH KARAKTERISTIK INFORMASI SISTEM AKUNTANSI MANAJEMEN TERHADAP KINERJA MANAJERIAL DENGAN VARIABEL MODERASI KETIDAKPASTIAN LINGKUNGAN DAN DESENTRALISASI PADA PT. KARYA HEVEA INDONESIA. *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA)*, 8(1), 1773–1786.
- Atlantika, Y. N., SE, M. M., Sabinus Beni, S. P., Salfarini, E. M., SM, M. M., Gudianto, C., Kom, S., & Kom, M. (2024). *STUDI KELAYAKAN BISNIS*. Uwais Inspirasi Indonesia.
- Azzahra, F., Solihin, A., & Wijaya, S. (2024). Analisis Manajemen Keuangan Dan Pembiayaan Pada Pengembangan Kewirausahaan Dan Ukm Di Pekon Sinar Petir. *Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (Mea)*, 8(3), 2107–2121.
- Cahyani, S., & Nurabiah, N. (2024). Penerapan Sistem Informasi Akuntansi Menggunakan Software Accurate Dalam Pengambilan Keputusan UMKM di Kota Mataram. *BIOS: Jurnal Teknologi Informasi Dan Rekayasa Komputer*, 5(1), 20–29.
- Dilasari, E. M., & Yosita, G. (2022). Pengaruh Cita Rasa Dan Promosi Melalui Media Sosial Terhadap Keputusan Pembelian Konsumen Kopi Janji Jiwa Bandar Lampung. *REVENUE: Jurnal Manajemen Bisnis Islam*, 3(1), 25–40.
- El Farabi, M. N. (2021). Ketidakpastian Lingkungan Organisasi Berimplikasi Terhadap Pemilihan Sistem Pengendalian Manajemen. *JABE (Journal of Applied Business and Economic)*, 7(2), 225–238.
- Hasibuan, A. N., Fauzi, A., Firmansyah, L. A., Mufidah, S., Mahawani, S. P., Syafitri, S. A., & Nursafitri, D. (2023). Pengaruh Karakteristik Akuntansi Manajemen Dan Ketidakpastian Lingkungan Bisnis Terhadap Kinerja Manajerial. *Jurnal Akuntansi Dan Manajemen Bisnis*, 3(3), 126–136.
- Nadirah, S. P., Pramana, A. D. R., & Zari, N. (2022). *metodologi penelitian kualitatif, kuantitatif, mix method (mengelola Penelitian Dengan Mendeley dan Nvivo)*. CV. Azka Pustaka.
- Nuvtasari, A., & Martiana, N. (2019). Implementasi SAK EMKM sebagai dasar penyusunan laporan keuangan usaha mikro kecil dan menengah (UMKM). *International Journal of Social Science and Business*, 3(3), 341–347.
- Purwono, F. H., Ulya, A. U., Purnasari, N., & Juniutmoko, R. (2019). *Metodologi*

Penelitian (Kuantitatif, Kualitatif dan Mix Method). Guepedia.

- Qomariyah, E. L. (2023). *Pengaruh Modal Usaha, Strategi Pemasaran, Dan Penggunaan Informasi Akuntansi Terhadap Keberhasilan usaha (Studi Kasus UMKM di Kecamatan Kayen Kabupaten Pati)*. IAIN KUDUS.
- Ringgo, D. (2024). *ANALISIS MODAL KERJA DALAM MENINGKATKAN RETURN ON ASSETS (ROA) PERUSAHAAN PT. Indofood Sukses Makmur Tbk periode 2018-2022*. Universitas Muhammadiyah Sumatera Barat.
- Rosyidah, K. L., & Achyani, F. (2022). Analisis Persepsi Serta Pengetahuan Akuntansi Pemilik UMKM Mengenai Penyusunan Laporan Keuangan. *International Student Conference on Accounting and Business, 1*.
- Semekto, A. (2021). Ketidakpastian Lingkungan dan Lingkup Sistem Informasi Akuntansi Manajemen Terhadap Kinerja Manajerial Pada Usaha Mikro, Kecil dan Menengah (UMKM) di Surabaya. *JRAP (Jurnal Riset Akuntansi Dan Perpajakan)*, 8(2), 235–242.
- Siregar, I. F., Rasyad, R., Onasis, D., & Hardi, H. (2024). KETIDAKPASTIAN LINGKUNGAN PADA KINERJA: KONSEPTUALISASI DAN PENILAIAN BIBLIOMETRIC. *Jurnal Akuntansi Kompetitif*, 7(1), 1–45.
- Suryani, S. (2018). Analisis Pengembangan Usaha Mikro Kecil dan Menengah (UMKM) di Kabupaten Bengkalis-Riau. *Jurnal Ekonomi KIAM*, 29(1), 1–10.
- Wijaya, H. (2019). *Analisis Data Kualitatif: sebuah tinjauan teori & praktik*. Sekolah Tinggi Theologia Jaffray.