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# THE INFLUENCE OF ACCOUNTING INFORMATION SYSTEMS, FINANCIAL REPORT QUALITY, DECISION MAKING EFFECTIVENESS, AND WORK MOTIVATION ON MSME PERFORMANCE IN LAMONGAN REGENCY

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ABSTRACT

*This study is a study conducted to determine the effect of accounting information systems, quality of financial reports, effectiveness of decision making and work motivation on the performance of MSME in Lamongan Regency. This study uses a quantitative approach with data sources derived from primary data obtained from distributing questionnaires. Questionnaires were distributed to MSME actors in Lamongan Regency. The sampling technique in this study used a purposive sampling technique with a sample size of 100 respondents. The scale points used to conduct this study were a Likert scale of 1 to 5 points. The software used to conduct this study was SPSS version 24. The results of this study indicate that accounting information systems, quality of financial reports, effectiveness of decision making and work motivation have a significant effect on MSME performance. This study provides a comprehensive understanding of the effect of accounting information systems, quality of financial reports, effectiveness of decision making and work motivation on MSME performance in Lamongan Regency.*

## INTRODUCTION

According to Kompasiana.com (2022) in Lamongan Regency, the micro, small and medium enterprises (MSMEs) sector is one type of business that has been affected by the pandemic in recent years. Although the number of MSMEs is increasing, it has not been balanced by an increase in the quality of MSMEs.

In this study, the author uses four variables, namely accounting information systems, financial report quality, decision-making effectiveness, work motivation and MSME performance. The selection of these variables was chosen by the author based on the most measurement level based on previous studies.

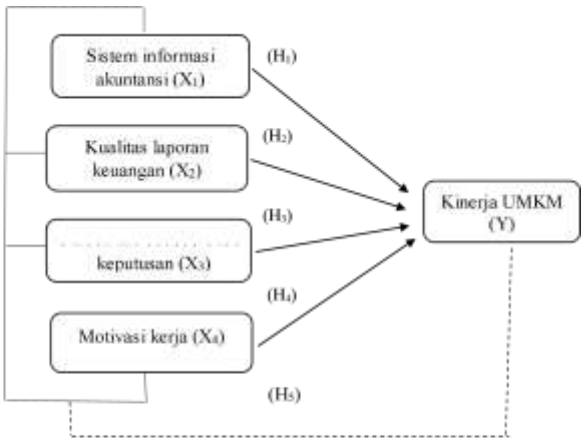
The problem that may arise related to the accounting information system is that developing technology causes changes in the trading system, transactions, and also money circulation which requires MSMEs to be able to compete in the era of globalization. The implementation of this system is an application of the use of information technology in carrying out business, Pratiwi (2021:5)

The problem that may arise related to financial reports is that most MSME owners are unable to make good and correct financial report records and do not record company performance reports. Many MSMEs have not been able to access government policies on capital, because business actors are not yet accustomed to compiling and making financial reports to describe the company's operations and financial conditions.

The problem that may arise related to the effectiveness of decision-making is that the tight competition and development of the business world need to increase efforts for every entrepreneur by treating decision-making seriously and competently to compete with other companies, Ratnawati, et al., (2021:364)

Problems that may arise related to work motivation are that low or poor work motivation will be detrimental to an organization or company which will later hinder the goals of the organization or company, Lumbantobing (2020)

Based on the background above, the author is interested in conducting research on the influence of accounting information systems, quality of financial reports, effectiveness of decision making and work motivation on the performance of MSMEs in Lamongan Regency.



**Gambar 1.** Analysis model

## RESEARCH METHODS

This study uses quantitative research methods. This study was conducted to conduct testing using measurable data and then obtain conclusions that will be generalized. This study was carried out consisting of two variables, namely independent and dependent (Sugiyono, 2019).

This quantitative research was conducted to determine the influence of accounting information systems, quality of financial reports, effectiveness of decision making, work motivation on the performance of MSMEs in Lamongan Regency.

The data source in this study is primary data obtained by direct data collection. Primary data for this study were obtained from questionnaire answers distributed to respondents of MSME actors in Lamongan district.

The population in this study came from a direct survey conducted by researchers on MSMEs in Lamongan Regency. The sampling technique used was purposive sampling with the criteria being MSME actors registered with the Lamongan Regency Cooperative and MSME Service, MSMEs that have been established for more than one year and MSMEs that already have a NIB.

Data analysis techniques are methods that aim to analyze data to make it easier to understand and learn. This study uses multiple linear regression analysis. With the help of research technology using the Statistical Product and Service Solution (SPSS) program. The existence of multiple linear regression analysis is useful for knowing the direction and magnitude of the influence of independent variables on dependent variables (Ghozali, 2016). This study discusses the relationship between independent variables and dependent variables. Where the independent variables are accounting information systems, quality of financial reports, effectiveness of decision making, and work motivation, while the dependent variable is the performance of MSMEs in Lamongan Regency.

## RESULTS AND DISCUSSION

### Hypothesis Test

### Partial Test (T)

**Table Of Partial Test Results**

Coefficients[a]

| Model | | Unstandardized Coefficients B | Unstandardized Coefficients Std. Error | Standardized Coefficients Beta | t | Sig. | Tolerance | VIF |
|---|---|---|---|---|---|---|---|---|
| 1 | (Constant) | 4,059 | ,280 | | 14,503 | ,000 | | |
| | X1 | ,228 | ,020 | ,433 | 11,349 | ,000 | ,612 | 1,633 |
| | X2 | ,173 | ,020 | ,298 | 8,508 | ,000 | ,725 | 1,379 |
| | X3 | ,218 | ,020 | ,384 | 11,085 | ,000 | ,742 | 1,348 |
| | X4 | ,070 | ,020 | ,130 | 3,413 | ,001 | ,610 | 1,639 |

## DISCUSSION

### The Influence of Accounting Information Systems on MSME Performance in Lamongan Regency

The results of data management show that the accounting information system (X1) has an effect on the performance of MSMEs (Y). This can be proven by the results of the partial test (t), namely the accounting information system variable (X1) obtained a calculated t value of And t table of 11.349 Furthermore, the significant value is 1.985 So that Sig>0.05 then H1 is accepted. So that partially the accounting information system variable (X1) has an effect on the performance variable of MSMEs (Y).

This can be explained that the use of information technology information systems in business management can improve the performance of MSMEs, when MSMEs understand the accounting information system, they will implement it in their business operations. The implementation of this system will facilitate the company's tasks which ultimately lead to the progress of MSME performance.

The results of this study support the proposed hypothesis and are in line with the research of Prasetyo and Ambarwati (2021) which states that accounting information has a significant positive effect on the performance of MSMEs in the Special Region of Yogyakarta.

**The Influence of Financial Report Quality on MSME Performance in Lamongan Regency**

The results of data management show that the quality of financial reports (X2) affects the performance of MSMEs (Y). This can be proven by the results of the partial test (t), namely the variable quality of financial reports (X2) obtained a calculated t value of And t table of 8.508 Furthermore, the significant value is 1.985 So that Sig>0.05 then H1 is accepted. So that partially the accounting information system variable (X1) affects the MSME performance variable (Y).

The results of this study are in line with the research of Amelia (2021) and Rahmawati et al. (2021) which stated that the quality of financial reports of MSME actors has a significant effect on MSME performance. This means that the quality of effective financial reports produces several benefits in improving business performance.

**The Influence of Decision-Making Effectiveness on MSME Performance in Lamongan Regency**

The results of data management show that decision-making effectiveness (X3) has an effect on MSME performance (Y). This can be proven by the results of the partial test (t), namely the decision-making effectiveness variable (X3) obtained a calculated t value of And t table of 11.085 Furthermore, the significant value is 1.985 So that Sig>0.05 then H1 is accepted. So that partially the accounting information system variable (X1) has an effect on the MSME performance variable (Y).

The results of this study are in line with the research of Lestari and Rustiana (2022) which states that decision-making effectiveness has an effect on the performance of micro, small, and medium enterprises. This is possible because decision-making effectiveness is very helpful for MSME actors such as helping in recording important tasks such as financial reporting.

**The Influence of Work Motivation on MSME Performance in Lamongan Regency**

The results of data management show that work motivation (X4) has an effect on MSME performance (Y). This can be proven by the results of the partial test (t), namely the work motivation variable (X4) obtained a calculated t value of And t table of 3.413 Furthermore, the significant value is 1.985 So that Sig> 0.05 then H1 is accepted. So that partially the accounting information system variable (X1) has an effect on the MSME performance variable (Y).

The results of this study are in line with the research of Eva Mufida, (2019) which states that work motivation has a positive effect on MSMEs in the city of Pasuruan. A comfortable work environment, the existence of recognized MSMEs, the opportunity to develop themselves, and the opportunity for MSME owners to guide or direct their employees so that they can complete their tasks well, these conditions will improve MSME performance.

**Simultaneous Test (F)**

**Tabel 4. 17 Hasil Simultaneous Test Results (Uji F)**

ANOVA[a]

| Sum of Squares | df | Mean Square | F | Sig. |
|---|---|---|---|---|
| 29,282 | 4 | 7,321 | 11,312 | ,000[b] |
| 61,478 | 95 | ,647 | | |
| 90,760 | 99 | | | |

Based on the results of the F test, it can be seen that the calculated F value is greater than the F table. Where the calculated F is 11.312 while the F table value is 2.70. The p-value of 0.000 is smaller than 0.05, so it is concluded that the independent variables jointly affect the dependent variable.

**CONCLUSION**

Based on the research results and explanations presented, there are the following conclusions:
The test results show that the accounting information system variable has a significant effect on the performance variable of MSMEs in Lamongan Regency. The test results show that the quality of financial reports has a significant effect on the performance variable of MSMEs in Lamongan Regency. The test results show that the variable of decision-making effectiveness has a significant effect on the performance of MSMEs in Lamongan Regency. The test results show that the variable of work motivation has a significant effect on the performance of MSMEs in Lamongan Regency. There is a simultaneous influence between the accounting information system, the quality of financial reports, the effectiveness of decision making, and work motivation on the performance of MSMEs in Lamongan Regency. Because each variable has benefits and can be used together.

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