

LITERATURE REVIEW: THE EFFECT OF ACCOUNTING INFORMATION SYSTEMS ON THE PERFORMANCE OF MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs)

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ABSTRACT

This study examines the effect of Accounting Information Systems (AIS) on the performance of Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. The research addresses the question of whether AIS implementation and utilization can enhance MSMEs performance. A literature review approach with a qualitative descriptive method was applied, analyzing nine national scientific articles published between 2016 and 2025 that were systematically selected. The results indicate that six studies found AIS to have a significant positive effect on MSMEs performance, particularly in improving financial records, report preparation, and decision-making. In contrast, three studies reported no significant impact, largely due to limited human resources, lack of accounting knowledge, and inadequate technological facilities. These findings highlight that the effectiveness of AIS depends on the readiness of MSMEs in terms of skills, resources, and technology adoption. The study implies that strengthening accounting literacy, enhancing information technology capacity, and providing government support and infrastructure are essential to optimize AIS implementation across MSMEs sectors.

Keywords: accounting information system, MSMEs, MSMEs performance

INTRODUCTION

Micro, small, and medium enterprises (MSMEs) in Indonesia play a very important role in the country's economy. They contribute more than 60% of Indonesia's Gross Domestic Product (GDP) and are able to absorb a large number of workers (Kadeni & Srijani, 2020). In addition, MSMEs also play a role in economic equality and poverty alleviation, with their distribution across 34 provinces throughout Indonesia. However, MSMEs face major challenges, particularly in terms of efficient and computerized financial management, which often hinders business progress and sustainability.

Accounting Information Systems (AIS) are one solution for improving the quality of financial management in MSMEs. With the implementation of AIS, MSMEs can record transactions more systematically, produce more accurate financial reports, and support more effective decision-making. However, the implementation of AIS in MSMEs is often constrained by limited human resources, low accounting literacy, and a lack of technological infrastructure (Mikraj et al., 2024). This shows that the adoption of technology in MSMEs must be accompanied by an increase in human resource capacity and the provision of adequate infrastructure to support its effectiveness.

Although many studies show that AIS has great potential in improving the performance of MSMEs, the results obtained are still mixed. Some studies indicate a significant positive impact, while others state that AIS has not yet had an optimal impact due to limitations in the human resources and technology sectors (Hanif & Kurniawati, 2024). Therefore, there is a gap in research related to the impact of AIS on MSMEs, particularly in terms of the factors that influence its success in this sector.

The problem statement that arises is how the implementation of AIS can affect the performance of MSMEs in Indonesia, given the existing limitations in terms of human resources and technology. The purpose of this study is to assess the extent to which the implementation of IS can improve the performance of MSMEs and identify the factors that influence its effectiveness in the Indonesian context.

LITERATURE REVIEW

According to Law Number 20 of 2008, Micro, Small, and Medium Enterprises (MSMEs) are productive businesses owned and/or managed by individuals or individual business entities. This definition covers three types of businesses: Micro, Small, and Medium. MSMEs play a very important role in the economy, especially for small communities. According to Kadeni & Srijani (2020), MSMEs play three roles in the lives of small communities, namely: a) as a source of employment that can lift communities out of poverty, b) as a means of equalizing the economic level of small communities through the spread of MSMEs across 34 provinces in Indonesia, and c) as a source of foreign exchange for the country.

Performance is an important factor in determining the success of an organization in achieving its goals. It is important for everyone to constantly evaluate performance, as this can be used as input for improvement and enhancement (Arifin & Nurchaya, 2018). Mawuntu & Aotama (2022) explain that MSMEs performance is an assessment of work results that includes financial and non-financial indicators. These indicators include: net profit margin, efficiency ratio, customer satisfaction, customer profitability, product innovation, production cycle effectiveness, employee satisfaction and productivity, and employee training.

An Accounting Information System (AIS) is a system within an organization that is responsible for preparing information obtained from the collection and management of transaction data that is useful for all users both inside and outside the company (Yohana, 2021). According to Romney and Steinbart in

Susanto (2003), an accounting information system is a system that collects, records, stores, and processes data into useful information to assist in the decision-making process. Paulus (2016) states that the important functions formed by the Accounting Information System in an organization include: a) collecting and storing data on activities and transactions, b) processing data into core information that can be used in the decision-making process, and c) exercising proper control over organizational assets.

Previous studies have shown that the implementation of Accounting Information Systems (AIS) has a significant impact on the performance of MSMEs. According to Hanif & Kurniawati (2024), proper adoption of AIS can improve structured financial recording, thereby facilitating the preparation of more accurate and timely financial reports. This is in line with the research by Maya & Husda (2024), which reveals that the integration of e-commerce with AIS accelerates the reporting process and increases the competitiveness of MSMEs in an increasingly competitive market. On the other hand, Lubis & Lufriansyah (2024) found that the quality of financial reports generated through AIS, acts as a mediating variable in improving MSME performance. With more transparent and accurate reports, MSMEs can make better decisions in financial planning and business expansion.

However, despite many studies showing positive results, several other studies report limitations in the application of AIS in MSMEs. Mikraj et al. (2024) note that many MSMEs are still unable to utilize AIS optimally due to limitations in human resources (HR) and existing technological infrastructure. Research by Firdhaus & Akbar (2022) also highlights that the implementation of AIS does not always have a significant effect on the performance of MSMEs in Surabaya, because most MSMEs still use manual recording systems that are not well integrated. This shows that the success of AIS implementation is highly dependent on the technical readiness and HR available in the MSMEs.

Research by Juita (2016) also revealed that many MSMEs recognize the importance of accounting information, but still use very simple systems that do not comply with accounting standards. This results in inaccurate reports that cannot be relied upon for strategic decision-making. Therefore, although AIS has great potential to improve MSMEs performance, the main challenge lies in the low level of accounting literacy and limited understanding of technology among MSMEs players.

In line with this, Ardiani et al. (2024) emphasize the importance of a good understanding of the perceived usefulness and ease of use of technology in the adoption of AIS. The acceptance of technology by MSMEs actors is influenced by how easy and useful the system is in their operational context. Therefore, to ensure the effectiveness of AIS, it is important for the government and related institutions to provide adequate training for MSMEs, as well as to provide infrastructure that can support the adoption of this technology.

Based on these findings, this study confirms that AIS can have a significant positive impact on MSMEs performance, provided that its implementation is supported by improved technical skills, accounting knowledge, and adequate access to technology. Therefore, it is important to adopt a holistic approach in supporting the implementation of AIS in MSMEs, including policy support from the government and the provision of appropriate training programs.

METHOD, DATA, AND ANALYSIS

The method used in this study is a literature review, which involves understanding and studying theories from various literature studies related to the research. A literature review is a library-based study

that involves reading various books and journals related to the research topic. Data collection was carried out through a literature review of reference sources such as relevant journals and books for analysis (Waruwu, 2023).

This study used a literature study method with a descriptive qualitative approach. The data used consisted of nine national scientific articles published between 2016 and 2025. The articles were selected systematically using the keywords “Accounting Information System” and “MSME performance” through databases such as Google Scholar, DOAJ, SINTA, and Garuda. The inclusion criteria used include: (1) articles published in accredited national journals and have undergone peer review, (2) research discussing the relationship between AIS and MSME performance, and (3) articles that can be accessed in full-text form.

Nine selected articles were then analyzed and synthesized to find patterns of consistency, differences in results, and research gaps that could be used as a basis for further study. The focus of this study was on national journals so that the findings would be more relevant to Indonesia.

RESULT AND DISCUSSION

The following is an analysis of the significant and insignificant impacts of accounting information systems (AIS) on MSMEs performance based on various existing studies, linking them to relevant theories and policies.

Several studies show that AIS has a significant impact on MSMEs performance. This may be because the adoption of this system improves transaction recording, speeds up financial reporting, and supports more accurate business decisions (Maya & Husda, 2024; Lubis & Lufriansyah, 2024). However, in several other studies, the results were insignificant. The main causes of this failure are often related to limited human resources, low accounting literacy, and a lack of adequate technological infrastructure (Firdhaus & Akbar, 2022). According to the Technology Acceptance Model (TAM) theory, perceptions of the usefulness and ease of use of technology are determining factors in the successful adoption of technology within an organization (Ardiani et al., 2024).

These differences in results underscore the importance of MSMEs readiness in terms of capital, information technology (IT) skills, and accounting knowledge. In MSMEs with adequate capital, trained human resources, and good access to technology, AIS can function optimally and improve performance (Hanif & Kurniawati, 2024). Conversely, in MSMEs that are still limited in terms of capital and human resources, even though AIS has been implemented, its benefits cannot be maximized (Juita, 2016). This shows that the success of AIS adoption is greatly influenced by contextual factors in each MSMEs.

The role of IT skills and accounting literacy in the successful implementation of AIS is very important. Research by Lubis & Lufriansyah (2024) found that the quality of financial reports is a mediating factor that strengthens the relationship between AIS and MSMEs performance. Thus, improving accounting literacy and IT skills can improve the quality of financial reports and enhance decision-making, which in turn will affect MSMEs performance. This is in line with policies that emphasize the importance of training and literacy for MSMEs actors.

Other studies show that although many MSMEs understand the importance of accounting information systems, they still rely on manual methods for financial recording (Mikraj et al., 2024). This indicates that technology adoption is not only a matter of technological readiness, but also the mental

readiness and knowledge of business actors. Therefore, it is important for the government to provide intensive training that can increase MSMEs' understanding of the use of AIS and its benefits in supporting their operations.

Government policies that support the digitization of MSMEs are very relevant to overcoming this problem. The government can provide incentives or subsidies for MSMEs to access accounting software that is more affordable and suits their needs. This policy will make it easier for MSMEs to implement AIS effectively, especially for those with limited capital. In addition, the establishment of mentoring programs to assist MSMEs in adopting AIS also needs to be strengthened.

Successful implementation of AIS requires holistic support, including technology, human resources, and appropriate policies. This study shows that although AIS has great potential to improve the performance of MSMEs, the results are highly dependent on contextual factors such as capital, IT skills, and available technological infrastructure. Therefore, policies that support technology integration in MSMEs must be implemented with consideration of the readiness of MSMEs in terms of human resources and technology.

Overall, this study suggests that the government should strengthen its MSMEs digitization policies by providing training, better access to technology, and incentives that support the implementation of AIS. This will not only improve the performance of individual MSMEs, but also contribute to increasing the competitiveness of Indonesian MSMEs in the global market. The implementation of appropriate policies can accelerate the AIS adoption process and help MSMEs to grow and develop more optimally.

CONCLUSION

This study shows that Accounting Information Systems (AIS) have great potential to improve the performance of MSMEs, particularly in terms of more orderly financial recording, more accurate reporting, and support for more effective decision-making. Based on the nine articles analyzed, six articles show that AIS have a positive effect on MSME performance, while the other three show that the implementation of AIS is not yet optimal. This is due to limitations in accounting literacy, human resources, and available technological infrastructure. This study is also in line with the Technology Acceptance Model (TAM) theory, which states that perceptions of the usefulness and ease of use of technology play an important role in the adoption of AIS by MSMEs actors.

IMPLICATION/LIMITATION AND SUGGESTIONS

Theoretical Implications

This study reinforces the concept that the implementation of information technology, particularly AIS, has the potential to improve the performance of MSMEs through improvements in accounting processes and decision making. Further studies are expected to explore in greater depth the relationship between technology adoption and the ability of MSMEs to adapt to new technologies. This study could also expand the TAM model to include specific factors that are more relevant to the context of MSMEs in Indonesia.

Managerial Implications

For MSME Owners: MSME owners are advised to improve their accounting literacy and technological skills through training appropriate to the scale of their business. The use of simple and easy-to-use accounting applications can help improve the quality of financial reports and support better decision-making. Owners also need to consider investing in technology that supports operational and financial efficiency to strengthen the competitiveness of their business.

Policy Implications

For the Government: The government should provide training and mentoring programs for MSMEs on technology-based financial management. In addition, the government needs to provide incentives for digitization and access to affordable accounting software for MSMEs. This policy will help accelerate the adoption of AIS and improve the efficiency and accuracy of MSMEs financial reports throughout Indonesia, which in turn will increase their competitiveness in the global market.

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