The Influence of Working Experience and Education Level on The Quality of Financial Statements Based on SAK-EMKM (A Case Study at Kediri Residency Coffee Shop)

Shofia Hikmah Wati[1*], Maslichah[2], Erfan Efendi[3]
[1,2,3]Accounting Major, Faculty of Economics and Business Universitas Islam Malang
*Email Correspondence: *shofiahikmah01@gmail.com*

ABSTRACT

This study aims to find out whether work experience and education level can affect the quality of financial statements based on the Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM). The research method used is quantitative with a correlational approach. The number of samples in this study used 40 café employees in Kediri Residency who met the criteria. The sampling technique in this study uses a purposive sampling method with data processing using the SPSS application. The results of the study show that work experience (X1) partly affects the quality of financial statements (Y) based on SAK-EMKM, while education level (X2) also partially affects the quality of financial statements (Y). Work experience (X1) has a more dominant influence.

Keywords: Working experience, education level, financial statements

INTRODUCTION

The number of Micro, Small, and Medium Enterprises (MSMEs) actors in Indonesia is growing annually, which indicates that the growth of MSMEs is one of the main drivers of the nation's economy. This growth in MSMEs can also be seen as a positive development for the country's economic sector as a whole because a large number of MSMEs will create jobs that are anticipated to absorb a lot of labor, which will lower unemployment and support Indonesia's economic growth (Khairani, 2023).

Micro, Small, and Medium Enterprises (MSMEs) are a focus and concern of the government in developing existing MSME units because success for MSMEs will provide benefits in improving the community's economy and making MSMEs independent and more creative and active in innovating new ideas for the success and development of the business being run (Susanti et al., 2023). Micro, Small, and Medium Enterprises (MSMEs) are small-scale activities, which can be managed by a group of people or groups of individuals who aim to establish a business. Micro, Small, and Medium Enterprises (MSMEs) and financial statements are an inseparable unit. Financial reports are information provided to users related to the condition of the company and the purpose is to describe the state of the company and decision making (Kareja et al., 2023).

All people who have extensive experience will interact more easily in carrying out good work in organizations, and companies. Thus, experienced people have a greater chance of doing tasks well than inexperienced people. Experience is the process of forming knowledge or skills about the methods of a job due to the employee's involvement in carrying out job duties. Work experience is a measure of the length of time or tenure a person has taken to understand the tasks of a job and has performed them well. The longer the employee works in the organizational field, the more experienced the employee will be in dealing with and solving work problems (Sukriani, 2018).

The low education of human resources in MSMEs is because MSMEs employ resources that only have an initial 9-year basic education level including elementary and junior high school. However, if human resources with a high level of education are employed, the problem of paying salaries is not enough, because the income of MSMEs is still relatively small (Auliah & Kaukab, 2019).

Good financial reports must be prepared by human resources who have sufficient knowledge. In addition, human resources in MSMEs have a minimum education level of senior high school, it would be even better if they have a senior high school educational background because it will be easier and understand to prepare financial reports according to applicable regulations (Auliah & Kaukab, 2019).

The financial accounting standards for entities without accountability was the accounting standard that MSME actors followed. Whereas MSME actors find it challenging to prepare these financial reports in their application. Therefore, the IAI Financial Accounting Standards Board (DSAK) compiled SAK ETAP in order to realize advanced, independent, and well-innovated Indonesian MSMEs. Currently, DSAK has ratified the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK-EMKM), which will be used by MSME actors in the preparation of financial reports, and it went into effect on January 1, 2018 (Mutiari, 2021).

The main objective of SAK-EMKM is to provide an accounting framework that fits the characteristics and needs of business entities on a micro, small, and medium scale. SAK-EMKM aims to provide more relevant, simple, and easy-to-implement guidelines for business entities with limited resources and diverse operational complexities. It is expected that SAK-EMKM, business entities in these categories can produce more accurate and transparent financial statements, which in turn will support a better decision-making process for business owners, and other interested external parties (Astuti & Indrianto, 2023).

LITERATURE REVIEW

Working Experience

Education refers to a process, technique, and method of learning aimed at transferring knowledge from one individual to another through systematic and organized procedures. This process takes place over a relatively long period. According to Hasibuan cited in (Mandang & Lumanauw, 2017), education is a series of activities involving processes, techniques, and methods of learning. Its main purpose is to transfer knowledge from one individual to another through a series of structured and systematically organized steps.

Education level refers to several structured education levels in Indonesia and is the responsibility of the Ministry of Education and Culture. This education level consists of four stages: early childhood, primary, secondary, and tertiary. Each stage has its characteristics and provides education suitable for the development of learners at each stage. According to Andrew E. Sikula cited in (Yasin, 2021), education level is a long-term journey process involving systematic and organized steps. In this process, managerial manpower acquires conceptual and theoretical knowledge to achieve general objectives.

From the explanations above, it can be concluded that the education level is highly essential for an employee. With higher education levels, an individual can bring positive impacts not only on themselves but also on the organization they work for. A higher education level also has a significant influence on carrying out and completing tasks effectively. This is because adequate education provides employees with broader knowledge and skills, making them more capable of addressing various challenges they may encounter.

Education Level

According to Foster and Seeker (2001) cited in (Suryani, 2017), work experience can be defined as the length of time an individual engages in various tasks, in line with their skills and

e_Jurnal Ilmiah Riset Akuntansi Vol. 13 No. 01 2024, Hal 750-758
http://jim.unisma.ac.id/index.php/jra, ISSN :2302-706

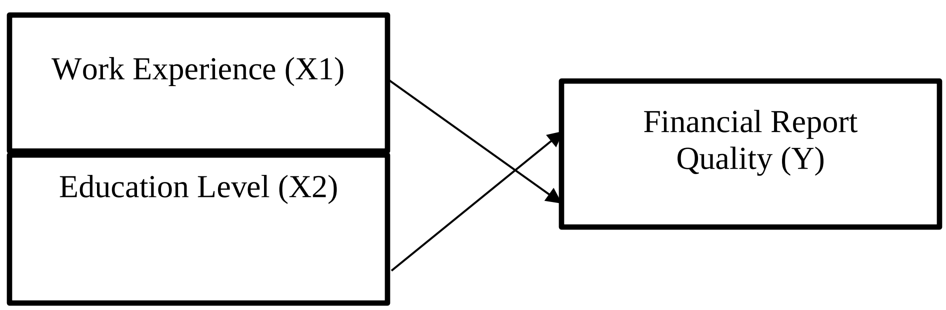
abilities. An experienced worker will demonstrate solid and smooth skills, respond quickly to signals, anticipate possible difficulties, be ready to tackle challenges and work calmly. Additionally, experienced workers also possess physical abilities, extensive knowledge, and the skills required to carry out their tasks. Meanwhile, according to Robbins and Timothy (2008) cited in (Hariani et al., 2019), work experience reflects the level of mastery of knowledge and skills an individual has in their job, which can be measured by the length of their employment or the knowledge and skills they possess to improve their performance. Work experience can be considered as the accumulation of knowledge acquired by an employee through working for a sufficiently long period. This experience has the potential to inspire the employee's future career direction.

The Quality Of Financial Statements

Financial reports present the structure of the financial position and financial performance of an entity, quantifying its history in monetary terms. The benefits of financial reports indicate the financial condition of a company, including the profits earned. Financial reports can reveal the assets owned, and liabilities to be fulfilled, and assist business stakeholders in decision-making (IAI, 2018).

The Indonesian Institute of Accountants (IAI) has developed specific standards to assist Micro, Small, and Medium Enterprises (MSMEs) in achieving good and transparent financial management. SAK-EMKM (Financial Accounting Standards for Micro, Small, and Medium Entities) is an accounting standard designed for entities without significant public accountability. In its development, SAK-EMKM offers advantages over SAK-ETAP, the previous accounting standard used for MSMEs (Indonesian Institute of Accountants, 2009).

Conceptual Framework



Hypotheses

H0 = Work Experience and Education Level influence the quality of financial statements.
H1 = Work Experience influences the quality of financial statements.
H2 = Education Level influences the quality of financial statements.

RESEARCH METHODS

In this study, researchers used three variables, namely the independent variables of work experience and education level, while the dependent variable was the quality of financial statements. The population used in this study amounted to 40 respondents from 10 cafes located in the karesidenan with criteria used to select samples to fill out the questionnaire in this research are as follows:

1. Two employees with positions as administrative staff/financial staff.
2. Two employees with positions as baristas.
3. Work experience of at least 6 months to 2-3 years in cafes located in Kertosono District and Kediri City.

4. Minimum education level of high school diploma or equivalent.

In this study the sampling technique used purposive sample. Multiple linear regression analysis is used in this study's data analysis. In this study, the data was processed using the SPSS application including descriptive statistics, data quality test, normality test, classical assumption test, and hypothesis test

Operational Definition of Variables

Independent Variable

Quality of Financial Statements

Rosdiani (2011) defines the quality of financial reports as the extent to which the presented financial statements reflect accurate and honest information. The quality of financial reports is assessed based on the extent and completeness of financial records prepared to form financial statements, the discipline in recording every transaction (ensuring no transactions are omitted from the accounting records), the components of financial statements, and the accounting standards utilized. The questionnaire items for this variable are as follows:

1. The financial reports generated by the café help users to predict the future based on past results and current events.
2. The café completes financial reporting on time (punctually).
3. The financial reports generated by the café are by reality (presented honestly).
4. The financial reports generated by the café, when tested or verified, do not differ significantly from those published.
5. The financial reports generated by the café can be compared with reports from previous periods.
6. The financial reports generated can be compared with those of similar cafés.
7. The financial reports generated by the café provide information.
8. The financial reports generated by the café can be understood by users.
9. The financial reports generated by the café are presented in a format and terminology tailored to the understanding limits of the users.

Work Experience

Robbins and Timothy (2008) in Hariani et al., (2019) state that work experience reflects the level of mastery of knowledge and skills in one's job, which can be measured by the length of work experience or the knowledge and skills possessed to improve performance. The questionnaire items for this variable are as follows:

1. Work experience of more than 2 years greatly helps in completing tasks.
2. I have been working for 2 years.
3. I am highly skilled in my job.
4. I have work experience in the financial department, so the financial reports I provide are of high quality.
5. The longer one works in the finance field, the easier it becomes to minimize errors in financial report recording.
6. The more experience someone has working in the finance field, the better and higher quality the financial reports produced.

Education Level

Hasibuan in Mandang & Lumanauw (2017) reveals that education is a series of activities involving processes, techniques, and learning methods. The questionnaire items for this variable are as follows:

1. Employee placement is adjusted based on their educational background.

2. The level of education adds value in completing financial reports.
3. An employee must have a basic understanding of accounting to prepare financial reports.
4. In financial reporting, an employee must have at least a high school diploma.
5. Companies are required to provide training for employees related to the preparation of financial reports.
6. Employees need to be trained in basic financial reporting with the development of established financial accounting standards

Data Collection and Methods

The researcher presents a questionnaire where respondents are asked to answer according to their opinions. To facilitate data analysis, the Likert scale is used, which has levels, but the distances between levels are not definite (Sugiyono, 2013: 132). The following ordinal scale is used in this study:

1. Strongly Agree (SS) is given a score of 5
2. Agree (S) is given a score of 4
3. Neutral (N) is given a score of 3
4. Disagree (TS) is given a score of 2
5. Strongly Disagree (STS) is given a score of 1

Data Analysis Method

This research aims to determine the influence of the relationship between independent variables consisting of work experience and education level with the dependent variable, quality of financial reports. The data analysis employed in this study utilizes multiple linear regression analysis. In this research, the multiple linear regression equation formulated is as follows:

$$Y = a + b1X1 + b2X2 + e$$

RESEARCH RESULTS AND DISCUSSION

Research Overview

The population in this study includes Café Se-Karesidenan Kediri which consists of areas in Kertosono District and Kediri City which are known in number. This study uses primary data obtained directly through questionnaires in the form of Google Forms distributed to respondents, namely two employees with the position of admin staff / financial staff and two employees with the position of barista.

Descriptive Statistics

Descriptive Statistics

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
X1	40	3.17	5	4.129	0.50429
X2	40	2.67	5	3.958	0.55046
Y	40	3.22	5	4.1085	0.4622
Valid N (listwise)	40				

The descriptive statistical results for variable (X1) Work Experience show that there is a minimum value of 3.17, a maximum value of 5, and an average of 4.12. The standard deviation of the financial report quality variable is 0.504. The descriptive statistical results for the variable (X2) Education Level show that there is a minimum value of 2.67, a maximum value of 5 and an average of 3.958. The standard deviation of the financial report quality variable is 0.550. Descriptive statistical results for the variable (Y) The quality of financial statements shows that there is a minimum value of 3.22, a maximum value of 5, and an average of 4.108. The standard deviation of the financial report quality variable is 0.462

Normality Test

Normality Test

One-Sample Kolmogorov-Smirnov Test				
		X1	X2	Y
N		40	40	40
Normal Parametersa,b	*Mean*	24.78	23.75	36.98
	Std. Deviation	3.228	3.303	3.591
Most Extreme Differences	*Absolute*	0.081	0.12	0.128
	Positive	0.081	0.12	0.128
	Negative	-0.058	-0.103	-0.088
Test Statistic		0.081	0.12	0.128
Asymp. Sig. (2-tailed)c		.200d	0.152	0.099

Kolmogorov-Smirnov value for the Financial Statement Quality variable (Y) is 0.128 and Asymp.Sig is 0.099. The significance value of 0.099 is greater than 0.05, this indicates that the dependent variable (Y) Quality of Financial Statements has met the assumption of normality or normally distributed data.

Multicollinearity Test

Multicollinearity Test

Variable	*Tolerance*	VIF	Description
Work Experience (X1)	0,576	1.736	there is no multicollinearity
Education Level (X2)	0,576	1.736	there is no multicollinearity

Based on the test results above, it was found that the work experience variable (X1) and the education level variable (X2) has a tolerance value of 0.576> 0.10 and a VIF value of 1.736 < 10. So it can be concluded that the work experience variable does not occur multicollinearity.

Heteroscedasticity Test

Heteroscedasticity Test

No	Variable	t	Sig	Description
1	Work Experience (X1)	1.259	0.216	there is no heteroscedasticity
2	Education Level (X2)	1.133	0.264	there is no heteroscedasticity

The heteroscedasticity test can be explained as follows:

1. The Work Experience variable (X1) shows a t value of 1.259 and a significance value of 0.216> 0.05. So it can be concluded that the work experience variable does not occur heteroscedasticity.
2. The Education Level Variable (X2) shows a t value of 1.133 and a significance value of 0.264> 0.05. So it can be concluded that the education level variable does not occur heteroscedasticity.

Multiple Linear Regression Analysis

Multiple Linear Regression Analysis

Models		*Unstandardized Coefficients*		*Standardized Coefficients*	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.63	3.537		2.44	0.02
	Work_Experience	0.758	0.179	0.552	4.233	0.001
	Education_Level	0.403	0.164	0.32	2.457	0.019

Based on Table 4.9, the multiple linear regression results are obtained as follows:

$$Y = a + b1X1 + b2X2 + e$$
$$= 8{,}63 + 0{,}758X1 + 0{,}403X2 + e$$
$$(0.01) \quad + (0.019)$$

Hypothesis Test

Simultaneous F Test

F Test (Simultaneous Test)

ANOVA[a]						
Models		*Sum of Squares*	df	*Mean Square*	F	Sig.
1	Regression	429.071	2	214.536	32.545	0.001
	Residuals	243.904	37	6.592		
	Total	672.975	39			

It can be explained that the F value is 32.545 with an F significance value of 0.001 <0.05 significance value so that, H1 is accepted and H0 is rejected. It can be interpreted that the variable work experience (X1) and education level (X2) simultaneously affect the quality of financial reports (Y).

Test Coefficient of Determination (R^2)

Test Coefficient of Determination

Model Summary				
Models	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.798a	0.638	0.618	2.567

The Adjusted R Square value is 0.618 or 61.8%. It can be interpreted that the independent variables (work experience and education level) in explaining the dependent variable (quality of financial statements) are 38.2%. While the percentage of 38.2% is explained by other variables not used in the study.

Partial Test (t-Test)

Partial Test (t-Test)

Coefficientsa						
Models		*Unstandardized Coefficients*		*Standardized Coefficients*	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.63	3.537		2.440	0.02
	Work Experience	0.758	0.179	0.552	4.233	0.001
	Education Level	0.403	0.164	0.32	2.457	0.019

It can be explained as follows:

1. The test results for the Work Experience variable (X1) show a t-count value of 2.440> t-table 2.026 with a significance value of 0.02 < p-value 0.05, then Ha is accepted. The conclusion is that the work experience variable has a positive influence on the quality of financial statements. From the results of hypothesis testing (partially), the t-test was obtained at 2.440 and a significance value of 0.02. If the significant value of t is 0.00 <0.05, then H1 is accepted. It can be concluded that the work experience variable has a positive effect on the quality of financial statements. The increase in work experience of an employee will have an impact on improving the quality of financial statements based on SAK-EMKM at Café in the Kediri area.
2. The test results for the Work Experience variable (X2) show a t-count value of 4.233> t-table 2.026 with a significance value of 0.001 < p-value 0.05, so Ha is accepted. The conclusion is that the work experience variable has a positive influence on the quality of financial statements. From the results of hypothesis testing (partially), the t-test is 4.233 and a significant value of

0.001. The significant value of t 0.001 <0.05, then H2 is accepted. It can be concluded that the variable level of education has a positive effect on the quality of financial statements. In other words, increasing the level of education of an employee will have an impact on improving the quality of financial statements based on SAK-EMKM at Café in the Kediri area.

CONCLUSIONS AND SUGGESTION

Conclusion

1. The research results show that work experience and education level have a significant and simultaneous influence on the quality of financial statements based on SAK-EMKM.
2. The results indicate that work experience (X1) partially affects the quality of financial statements (Y) based on SAK-EMKM, while the level of education (X2) also partially affects the quality of financial statements (Y). Work experience (X1) has a more dominant influence.

Suggestion

1. It is recommended for future research to expand the scope beyond the Kediri prefecture, such as the poor prefecture or Surabaya, and to include additional samples.
2. For Future researchers, it is expected to improve the research model by adding several variables such as the quality of training (Muzahid, 2014), utilization of information technology (Budiono et al., 2018), use of technology (Sukriani, 2018a) and accounting understanding (Prayoga et al., 2022) which theoretically affect the quality of financial statements and are expected to improve writing and literacy related to the preparation of financial statements.
3. Future researchers can use the interview method so that it is possible to obtain data with faster time and more detailed and detailed data. business actors are expected to select employees according to their educational background in very important parts such as in the preparation of financial statements. In addition, employee experience must be appropriate and supported by sufficient training so that the information presented in the financial statements has a high level of quality.

BIBLIOGRAPHY

Arisandi, D., Shar, A., & Putri, M. (2022). Analisis Faktor Yang Mempengaruhi Kualitas Laporan Keuangan Pada Pelaku UMKM di Kota Bengkulu. Ekonomi, Keuangan, Investasi dan Syariah (EKUITAS), 3(4), 818–826. https://doi.org/10.47065/ekuitas.v3i4.1541

Astuti, H., & Indrianto, A. D. (2023). Analisis Akuntabilitas Penyusunan Laporan Keuangan Berdasarkan SAK-EMKM. 12.

Auliah, M. R., & Kaukab, M. E. (2019). Pengaruh Tingkat Pendidikan, Pemahaman Akuntansi, Dan Pelatihan Penyusunan Laporan Keuangan Terhadap Pelaporan Keuangan UMKM Berdasarkan SAK ETAP (Studi Kasus Pada UMKM Di Kabupaten Wonosobo). 1(1).

Ayem, S. (2021). Pengaruh Pelatihan Dan Pemahaman PSAK EMKM Terhadap Kualitas Laporan Keuangan UMKM Daerah Tanjung Selor Kartara. 3.

Budiono, V. S., Muchlis, M., & Masri, I. (2018). Analisis Pengaruh Pendidikan Dan Pelatihan, Pengalaman Kerja Serta Pemanfaatan Teknologi Informasi Terhadap Kualitas Laporan Keuangan Pemerintah Daerah (Studi Kasus Pada Pemerintah Kota Depok). Jurnal Wahana Akuntansi, 13(2), 110–128. https://doi.org/10.21009/wahana.13.022

Cahyani, A. D. (2020). Pengaruh Akuntansi Berbasis SAK EMKM, Kualitas Sumber Daya Manusia, Dan Karakteristik Usaha Terhadap Kualitas Laporan Keuangan.

Hariani, M., Arifin, S., & Putra, A. R. (2019). Pengaruh Iklim Organisasi, Pengalaman Kerja Dan Motivasi Kerja Terhadap Komitmen Kerja Karyawan. 03(02).

Istiqamah, I., & Destalia, M. (n.d.). Pengelolaan Keuangan (Financial Management) Berdasarkan Analisis Standar Akuntansi Keuangan Entittas Tanpa Akuntabilitas Publik (SAK ETAP) (Studi Kasus Pada Kopi Suway Lampung).

Kareja, N., Alfiyah, N., & Wicaksono, D. A. (2023). Tinjauan kesiapan penyusunan laporan keuangan sesuai SAK EMKM pada UMKM di Banyuwangi. 5(7).

Khairani, A. & H. (2023). Pemahaman Wajib Pajak Usaha Mikro Kecil dan Menengah (UMKM) Tentang Kewajiban Perpajakan UMKM. Jurnal Riset Akuntansi dan Bisnis, 23(2). https://doi.org/10.30596/16296

Mandang, E. F., & Lumanauw, B. (2017). Pengaruh Tingkat Pendidikan dan Pelatihan Terhadap Kinerja Karyawan pada PT. BANK RAKYAT INDONESIA (PERSERO), Tbk Cabang Manado.

Mutiari, K. N. (2021). Pengaruh Tingkat Pendidikan, Pemahaman Akuntansi, Sosialisasi, Dan Penerapan Akuntansi Terhadap Penyusunan Laporan Keuangan UMKM Berdasarkan SAK EMKM.

Muzahid, M. (2014). Pengaruh Tingkat Pendidikan, Kualitas Pelatihan, Dan Lama Pengalaman Kerja Pegawai Terhadap Kualitas Laporan Keuangan Satuan Kerja Perangkat Daerah (SKPD) Di Kabupaten Aceh Utara. Jurnal Akuntansi, 2(2).

Prayoga, A., Wulandari, H. K., & Ernitawati, Y. (2022). Pengaruh Pemahaman Akuntansi, Tingkat Pendidikan, Pengalaman Kerja dan Ukuran Usaha Terhadap Kualitas Laporan Keuangan (Studi Empiris pada UMKM di Kabupaten Brebes). 6(3).

Setyowati, L., Isthika, W., & Pratiwi, R. D. (2016). Faktor-Faktor Yang Mempengaruhi Kualitas Laporan Keuangan Pemerintah Daerah Kota Semarang. Kinerja, 20(2), 179–191. https://doi.org/10.24002/kinerja.v20i2.843

Sukriani, L. (2018a). Pengaruh Tingkat Pendidikan,Pengalaman Kerja, Pelatihan, Dan Penggunaan Teknologi Informasi Terhadap Kualitas Laporan Keuangan BUMDES Di Kecamatan Negara. 9(3).

Sukriani, L. (2018b). Pengaruh Tingkat Pendidikan, Pengalaman Kerja, Pelatihan, Dan Penggunaan Teknologi Informasi Terhadap Kualitas Laporan Keuangan BUMDES Di Kecamatan Negara. 9(3).

Suryani, D. (2017). Pengaruh Pendidikan, Pelatihan, Beban Kerja, Pengalaman Kerja, dan Pemahaman Standar Akuntansi Pemerintahan terhadap Kemampuan Penyusunan Laporan Keuangan oleh Pejabat Penatausahaan Keuangan pada Satuan Kerja Perangkat Daerah di Lingkungan Pemerintah kabupaten Aceh Utara.

Susanti, D. A., Mulyani, U. R., Fadhlan, A., & Yuwanda, T. (2023). Pengaruh Ukuran Usaha, Persepsi Pemilik Dan Lama Usaha Terhadap Pemahaman UMKM Dalam Penyusunan Laporan Keuangan Berdasarkan SAK-EMKM (Studi Pada UMKM Di Kabupaten Demak). JEBI (Jurnal Ekonomi dan Bisnis Islam), 7(1), 24. https://doi.org/10.15548/jebi.v7i1.386

Suliyanto. (2011). Ekonometrika Terapan: Teori Dan Aplikasi Dengan SPSS. ANDI Yogyakarta.

Yasin, S. N. (2021). Pengaruh Pengalaman Kerja, Pendidikan dan Pelatihan (DIKLAT) Dan Tingkat Pendidikan Terhadap Kinerja Pegawai Di DINAS PENDIDIKAN Kabupaten Soppeng. 1(1).

Zein, S., Yasyifa, L., Ghozi, R., Harahap, E., Badruzzaman, F., & Darmawan, D. (2019). Pengolahan Dan Analisis Data Kunatitatif Menggunakan Aplikasi SPSS. 4.