

## Analysis of Accounting Behavior in the Preparation of Financial Reports in the Culinary Sector of MSMEs in North Sumatra

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**Abstract:** *This study aims to analyze accounting behavior in the preparation of financial reports by culinary MSMEs in North Sumatra Province. The approach used in this study is qualitative with descriptive methods. Data were obtained through interviews, observations, and documentation of culinary MSMEs. The results show that the accounting behavior of MSMEs is still relatively simple and unsystematic, characterized by irregular financial recording and the use of manual recording methods. Behavioral factors such as perception, motivation, and attitude influence the preparation of financial reports. Negative perceptions of accounting as something complicated lead to low interest in financial recording, while situational motivation and a lack of concern also affect the quality of financial reports. The level of understanding of MSMEs regarding the importance of financial reports in accordance with accounting standards (SAK EMKM) is also still low. In addition, there are various obstacles faced, such as limited accounting knowledge, lack of time, the absence of separation of personal and business finances, and minimal training and technological support. Thus, efforts are needed to improve accounting literacy, behavioral changes, and support from various parties to improve the quality of MSME financial reports.*

**Keywords:** *Behavioral Accounting, Financial Reporting, MSMEs, MSME SAK and Culinary Sector*

### Introduction

The development of the Micro, Small, and Medium Enterprises (MSMEs) sector in Indonesia, particularly in North Sumatra Province, has demonstrated a significant contribution to regional economic growth. The culinary MSME sector is one of the fastest-growing subsectors due to high public demand and ease of starting a business. However, behind this growth, various fundamental problems remain, particularly in financial management and suboptimal financial reporting. Ideally, financial reporting is crucial for supporting business sustainability, as it serves as the basis for economic decision-making. Good financial reporting provides relevant, reliable, and comparable information. However, in practice, many culinary MSMEs have not systematically prepared financial reports in accordance with applicable accounting standards, such as SAK EMKM. This is due to limited knowledge and skills, as well as low awareness of the importance of good financial record-keeping.

In addition to technical factors, behavioral aspects are also important factors influencing the preparation of financial reports. Behavioral accounting views the process of preparing and using accounting information as inseparable from individual psychological factors, such as perception, motivation, attitude, and cognitive bias. In the context of MSMEs, business owners often rely on intuition and personal experience in managing finances, rather than an approach based on data and accounting principles. This situation has the potential to lead to errors in recording, inappropriate decision-making, and low-quality financial information. Furthermore, business environmental pressures, time constraints, and minimal external oversight can also influence the behavior of MSME owners in preparing financial reports. In some

cases, business owners tend to neglect complete transaction recording or even use simplified recording that does not reflect the true financial condition. This indicates that accounting behavior is influenced not only by technical skills but also by complex internal and external factors.

According to data from the Ministry of Cooperatives and SMEs of the Republic of Indonesia, the number of MSMEs in Indonesia has reached approximately 65 million business units, contributing more than 60% to Gross Domestic Product (GDP) and absorbing approximately 97% of the national workforce. At the regional level, North Sumatra Province has hundreds of thousands of active MSMEs, with the culinary sector being one of the most dominant. Medan is even known as a center for culinary MSME growth due to its high economic activity and public consumption.

**Table 1.1 Level of Financial Report Preparation in MSMEs in Indonesia**

No	Indicator	Percentage	Source
1	MSMEs that have not prepared financial reports according to accounting standards	70%–80%	Bank Indonesia & Financial Services Authority
2	MSMEs that record their finances routinely and in a structured manner	±20%	Financial Services Authority
3	MSMEs that use simple recording (manual/memory-based)	Majority	Bank Indonesia

The data above shows that the level of financial reporting among MSMEs in Indonesia remains relatively low. According to reports from Bank Indonesia and the Financial Services Authority, approximately 70% to 80% of MSMEs have not prepared financial reports in accordance with applicable accounting standards. This indicates that most MSMEs are unable to produce quality financial reports, both in terms of completeness and reliability of information. Furthermore, only around 20% of MSMEs maintain regular and structured financial records. This means that most businesses still lack a consistent and sustainable record-keeping system. This low level of record-keeping practices makes it difficult to monitor the business's financial condition, such as cash flow, profit and loss, and overall financial position.

Furthermore, the majority of MSMEs still use simple recording methods, such as manual recording or even relying solely on memory. This practice carries a high risk of recording errors and missing important information, resulting in financial reports that do not reflect the true condition of the business. Overall, this situation indicates that the quality of MSME financial information still does not meet established standards, such as the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). The low quality of these financial reports is not only caused by limited technical knowledge but is also closely related to the behavior of business actors regarding the importance of financial recording and reporting. Therefore, the behavioral accounting aspect is important to further study in understanding this phenomenon.

Based on these conditions, it is crucial to analyze the accounting behavior of culinary MSMEs in preparing financial reports, particularly in North Sumatra. This research is expected to provide a deeper understanding of the behavioral factors that influence the quality of financial reports, thus providing a basis for formulating strategies for fostering and enhancing the capacity of MSMEs. This, in turn, can improve the quality of financial reports and ultimately support the sustainability and competitiveness of MSMEs at the regional and national levels.

## Formulation of the problem

1. What is the accounting behavior of culinary sector MSMEs in preparing financial reports in North Sumatra Province?
2. What behavioral factors (such as perception, motivation, and attitude) influence the preparation of financial reports in the culinary sector of MSMEs?
3. What is the level of understanding of MSME actors regarding the importance of financial reports in accordance with accounting standards (SAK EMKM)?
4. How does accounting behavior influence the quality of financial reports produced by MSMEs in the culinary sector?
5. What are the obstacles faced by MSMEs in preparing financial reports in a systematic and structured manner?

## Relevant Concepts and Theories

### 2.1 Behavioral Accounting

Behavioral accounting is a branch of accounting that examines the relationship between accounting systems and the behavior of the people involved. According to Siegel & Ramanauskas-Marconi (2019), behavioral accounting emphasizes that accounting information is not only technical in nature but is also influenced by individual perceptions, attitudes, and decisions. Furthermore, Birnberg (2020) explains that behavioral accounting focuses on how individuals process accounting information and how that information influences decision-making. In the context of MSMEs, the behavior of business actors significantly determines whether financial reports are prepared correctly. Therefore, behavioral accounting is crucial in understanding the quality of financial reports, as the human factor plays a dominant role in the financial recording and reporting process.

### 2.2 Financial Reports

Financial statements are the final result of the accounting process, presenting an entity's financial information. According to the Indonesian Institute of Accountants (2020), financial statements aim to provide information on the financial position, performance, and cash flow that is useful to users in making economic decisions. Furthermore, Kieso, Weygandt, & Warfield (2020) state that financial statements must possess qualitative characteristics such as relevance, reliability, comparability, and understandability. In the context of MSMEs, financial statements often fall short of these characteristics due to the limited capabilities and behavior of business actors in maintaining financial records.

### 2.3 Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM)

The Indonesian Accounting Standards for MSMEs (SAK EMKM) are accounting standards specifically designed for MSMEs to simplify and simplify their implementation. According to the Indonesian Institute of Accountants (2019), the SAK EMKM aims to assist MSMEs in preparing simple financial reports while still complying with generally accepted accounting principles. Furthermore, Hery (2020) stated that the implementation of the SAK EMKM can increase the transparency and accountability of MSME financial reports, thereby facilitating access to financing from financial institutions. However, the implementation of the SAK EMKM still faces various obstacles, particularly related to the behavior and understanding of MSMEs.

## 2.4 Micro, Small, and Medium Enterprises (MSMEs)

MSMEs are an economic sector that plays a strategic role in the national economy. According to the Ministry of Cooperatives and SMEs of the Republic of Indonesia (2021), MSMEs are productive businesses owned by individuals or business entities that meet certain criteria based on assets and turnover. According to Tambunan (2020), MSMEs are characterized by small business scale, limited capital, and simple management, including financial aspects. In the culinary sector, MSMEs tend to have high transaction volumes but low record-keeping, which impacts the quality of financial reports.

## 2.5 Individual Behavior in Accounting

Individual behavior is a crucial factor in determining the quality of accounting information. According to Robbins & Judge (2020), individual behavior is influenced by factors such as perception, motivation, attitude, and experience. Furthermore, Schiff & Lewin (2019) state that in the accounting context, individual behavior can influence the recording, reporting, and interpretation of financial information. In MSMEs, the behavior of business actors often determines whether they prepare financial reports in a disciplined manner.

## 2.6 Quality of Financial Reports

The quality of financial reports reflects the extent to which the information presented can be used for decision-making. According to Dechow & Schrand (2020), the quality of financial reports is determined by the relevance and reliability of the information presented. Furthermore, Sari & Suaryana (2021) state that the quality of MSME financial reports is influenced by the level of accounting understanding and the behavior of business actors in maintaining financial records. Therefore, the better an individual's accounting behavior, the higher the quality of the resulting financial reports.

## 2.7 The Relationship between Behavioral Accounting and the Preparation of Financial Statements

Behavioral accounting is closely related to financial statement preparation, as the process involves human decisions. According to Libby, Rennekamp, & Seybert (2020), accounting decisions are often influenced by cognitive biases and psychological factors. Research by Putri & Cahyoadi (2023) shows that individual behavior significantly influences the quality of financial statements, with service quality as an intervening variable. This suggests that in the context of MSMEs, business actor behavior is a key factor in determining whether financial statements are prepared properly and according to standards.

## Implementation Method

### 3.1 Types and Approaches of Research

This study uses a qualitative approach with a descriptive approach. This approach is used to understand social phenomena in depth, particularly regarding the accounting behavior of MSMEs in preparing financial reports. According to Creswell (2019), qualitative research aims to explore and understand the meanings individuals or groups attach to a social issue. Furthermore, Moleong (2021) states that qualitative research emphasizes an in-depth understanding of phenomena using natural settings as a direct data source. Therefore, this approach is considered appropriate for examining subjective and contextual accounting behavior.

### 3.2 Location and Time of Research

This research was conducted on MSMEs in the culinary sector in North Sumatra Province, with a focus on areas with high culinary business activity, such as Medan.

According to Yin (2020), the selection of locations in qualitative research must consider the context relevant to the phenomenon being studied so that the data obtained is in-depth and rich in information.

The research period is planned for  $\pm 3$  months, which includes the stages of data collection, analysis, and report preparation.

### 3.3 Research Subjects and Informants

The subjects in this study were MSMEs in the culinary sector directly involved in the management and preparation of financial reports. Informants were selected using a purposive sampling technique.

According to Etikan (2019), purposive sampling is a sample selection technique based on certain considerations that are in accordance with research objectives.

The informant criteria in this study include:

1. Owner or manager of culinary MSMEs
2. Have been running a business for at least 1 year
3. Directly involved in financial recording or management

### 3.4 Types and Sources of Data

This research uses two types of data, namely primary data and secondary data.

According to Saunders (2019), primary data is data obtained directly from primary sources through interactions with informants, while secondary data is supporting data obtained from documents, reports, and related literature.

1. Primary data: results of interviews with MSME actors
2. Secondary data: financial report documents, business notebooks, and related literature

### 3.5 Data Collection Techniques

Data collection techniques in this study include:

1. Interview  
In-depth interviews were conducted to gather information regarding the accounting behavior of MSMEs. According to Brinkmann (2019), qualitative interviews aim to deeply understand individual experiences and perspectives.
2. Observation  
Observations were conducted by directly observing financial recording practices in MSMEs. According to Angrosino (2020), observation allows researchers to obtain factual data related to actual behavior in the field.
3. Documentation  
Documentation is conducted by collecting data in the form of financial records, transaction notes, and other supporting documents. According to Bowen (2019), document analysis is an important method in qualitative research to complement interview and observation data.

### 3.6 Data Analysis Techniques

Data analysis in this study uses an interactive model.

According to Miles, Huberman, & Saldaña (2020), qualitative data analysis consists of three main stages, namely:

1. Data reduction: simplifying and selecting relevant data
2. Data presentation: arranging data in narrative or tabular form
3. Drawing conclusions: drawing meaning from the data that has been analyzed

### 3.7 Data Validity Test

Data validity testing is carried out to ensure the validity and reliability of research data.

According to Tracy (2020), data validity in qualitative research can be carried out through several techniques, including:

1. Source triangulation
2. Engineering triangulation
3. Member check

In addition, Nowell (2019) emphasized the importance of consistency in the data analysis process to increase the credibility of the research.

### 3.8 Conclusion Drawing Techniques

Conclusions are drawn inductively, based on data obtained in the field. According to Patton (2020), an inductive approach in qualitative research allows researchers to discover patterns, themes, and meanings from the data without relying rigidly on initial hypotheses. With this approach, the research is expected to provide a comprehensive overview of accounting behavior in the preparation of financial reports for MSMEs in the culinary sector.

## Results and Discussion

### Accounting behavior of culinary sector MSMEs in preparing financial reports in North Sumatra Province

The accounting behavior of culinary MSMEs in North Sumatra Province is still dominated by a practical and experience-based approach, rather than the systematic application of accounting principles. In practice, most business owners prioritize operational activities such as production and sales, while financial record-keeping is often considered secondary. This condition reflects that accounting has not yet become an integral part of business management. Based on field findings, financial record-keeping practices in culinary MSMEs tend to be simple, with some business owners relying solely on memory to record transactions. This indicates a tendency toward a lack of discipline in routine financial record-keeping. Furthermore, many MSME owners have not separated personal finances from business finances, resulting in financial reports that do not reflect the true condition of the business. This behavior indicates a low awareness of the importance of accurate and reliable financial information.

Psychologically, the accounting behavior of MSMEs is also influenced by individual perceptions and motivations. Some business owners perceive financial reporting as complicated and unimportant, especially for small businesses. This perception leads to low motivation to learn and implement standardized financial record keeping. Conversely, business owners with a better understanding of the benefits of financial reporting tend to demonstrate more disciplined financial record keeping and reporting practices. Furthermore, experience plays a significant role in shaping accounting behavior. MSMEs with longer operating periods tend to have better record keeping practices, even if they are still simple. However, experience without adequate accounting knowledge can still potentially produce inaccurate financial information.

Business environmental factors also influence accounting behavior. Minimal oversight, low external demands, and limited access to accounting training discourage MSMEs from systematically preparing

financial reports. In many cases, financial reports are prepared only when needed, for example, for loan applications or for specific administrative purposes. Therefore, it can be concluded that the accounting behavior of MSMEs in the culinary sector in North Sumatra remains rudimentary and does not fully comply with applicable accounting principles. This behavior is influenced by various factors, such as perception, motivation, experience, and the business environment. Therefore, efforts are needed to increase awareness and understanding of the importance of financial reports among MSMEs, along with support from various parties to encourage behavioral change for the better.

### **What behavioral factors (such as perception, motivation, and attitude) influence the preparation of financial reports in the culinary sector of MSMEs?**

Financial reporting in the culinary sector for MSMEs is not only influenced by technical skills but also by individual behavioral factors, such as perception, motivation, and attitude. These three factors play a crucial role in determining how business actors understand, respond to, and implement accounting practices in their operations.

First, MSMEs' perceptions of financial reporting are a key factor influencing accounting behavior. Most culinary entrepreneurs perceive preparing financial reports as complex, time-consuming, and offering no direct benefit to increased sales. This perception leads to a low level of interest in systematic financial record-keeping. Conversely, entrepreneurs with positive perceptions—for example, viewing financial reports as a tool for determining profit and loss and controlling finances—tend to be more disciplined in preparing financial reports.

Second, motivation is also a crucial factor in encouraging MSMEs to record and report their finances. Motivation can come from within (intrinsic), such as the desire to grow their business, or from outside (extrinsic), such as demands from financial institutions or the need to apply for credit. In practice, many MSMEs in the culinary sector are only motivated to prepare financial reports when there is an urgent need, for example, when applying for a bank loan. This suggests that motivation is still situational and has not yet become a sustainable habit.

Third, business owners' attitudes toward accounting also determine the quality of their financial reports. Attitudes reflect an individual's tendency to accept or reject a practice. MSMEs with positive attitudes toward accounting are more open to learning about financial record-keeping and tend to consistently implement it. Conversely, those who are indifferent or view accounting as unimportant will result in poor-quality financial record-keeping, often resulting in it being ignored.

In addition to these three main factors, other behavioral factors also contribute, such as habits, experience, and self-confidence in financial management. Business owners who are accustomed to keeping records from the start will find it easier to prepare financial reports on an ongoing basis. However, for those without these habits, the adaptation process becomes more difficult.

Overall, perception, motivation, and attitude are interrelated factors in shaping the accounting behavior of MSMEs in the culinary sector. When these three factors are positive, financial reporting tends to be better and more structured. Conversely, if these three factors are weak, accounting practices tend to be neglected. Therefore, efforts are needed to improve understanding, change mindsets, and provide education and mentoring to MSMEs so that accounting behavior can develop in a positive direction.

### **The level of understanding of MSME actors regarding the importance of financial reports in accordance with accounting standards (SAK EMKM)**

The level of understanding among MSMEs regarding the importance of financial reports in accordance with the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) is still relatively low, especially among MSMEs in the culinary sector. This is evident in the fact that many business owners are still unable to prepare complete and systematic financial reports in accordance with applicable standards. Most MSMEs only maintain simple record-keeping, such as recording income and expenses without properly categorizing transactions. This low level of understanding is due to the limited accounting knowledge possessed by business owners. Many MSMEs lack an educational background in accounting, so they have difficulty understanding basic concepts such as recording transactions, preparing profit and loss statements, and balance sheets. Furthermore, the terms and procedures in SAK EMKM are often considered complex, giving rise to the perception that accounting is difficult to apply to small businesses.

Besides knowledge, the lack of socialization and training related to the Indonesian Accounting Standards for MSMEs also contributes to this low level of understanding. Not all MSMEs have access to information or guidance regarding the importance of implementing accounting standards. As a result, they tend to operate their businesses based on experience and habit without referring to clear guidelines. On the other hand, a small number of MSMEs understand the importance of standardized financial reporting. These business owners generally recognize that good financial reporting can help them control cash flow, understand their business's financial condition, and facilitate access to financing from financial institutions. This understanding is usually acquired through education, training, or experience interacting with external parties such as banks or consultants.

However, despite this understanding, not all MSMEs are able to consistently implement the Indonesian Financial Accounting Standards (SAK) for MSMEs. This indicates a gap between understanding and practice. Some business owners recognize the importance of financial reports, but lack the skills or time to prepare them regularly. Overall, MSMEs' understanding of the importance of financial reports in accordance with the Indonesian Financial Accounting Standards (SAK) for MSMEs still needs to be improved. Continuous education, training, and mentoring are crucial for improving the skills and awareness of business owners. With this increased understanding, it is hoped that MSMEs will be able to prepare higher-quality financial reports, thereby supporting decision-making and business sustainability.

### **The influence of accounting behavior on the quality of financial reports produced by MSMEs in the culinary sector**

Accounting behavior significantly influences the quality of financial reports produced by culinary MSMEs. The quality of financial reports is determined not only by an understanding of accounting techniques but also by how business actors behave, act, and make decisions during the financial recording and reporting process. In practice, individual behavior is a key factor in determining whether financial reports are prepared accurately, completely, and reliably. In culinary MSMEs, simple and unsystematic accounting behavior often results in low-quality financial reports. Many business actors do not maintain routine record-keeping, mix personal and business finances, and do not group transactions according to



accounting principles. As a result, the resulting financial reports tend not to reflect the actual financial condition, making them difficult to use as a basis for decision-making.

Furthermore, discipline in financial record-keeping significantly impacts report quality. MSMEs that consistently record every transaction will produce more accurate and complete financial reports. Conversely, inconsistent behavior, such as recording only when necessary, will result in invalid financial data and potentially lead to errors in profit or cash flow calculations. Perceptions and attitudes toward accounting also influence the quality of financial reports. Business owners who view accounting as important tend to be more serious about preparing financial reports. They will strive to understand proper recording methods and apply them to their daily business activities. Conversely, business owners with negative perceptions of accounting tend to neglect financial recording, resulting in lower-quality reports.

Motivation is also a driving factor in improving the quality of financial reports. MSMEs with high motivation, such as a desire to expand their business or gain access to financing, will be more motivated to prepare good financial reports. This is because financial reports are often a requirement for credit applications or collaboration with other parties. Therefore, strong motivation can encourage better accounting practices and impact the quality of financial reports. On the other hand, limited accounting knowledge and skills can also hinder good practices. Even if a business owner intends to prepare financial reports, a lack of understanding of accounting principles can lead to errors in recording. This demonstrates that accounting practices are influenced not only by internal factors such as attitude and motivation, but also by an individual's ability to understand accounting.

Overall, accounting behavior is closely related to the quality of financial reports in the culinary sector of MSMEs. Positive behavior, such as disciplined record-keeping, a good understanding, and a supportive attitude, will result in quality financial reports. Conversely, unfavorable behavior will result in low-quality financial information. Therefore, improving the quality of financial reports requires not only technical training but also behavioral changes among MSMEs to increase awareness and concern for the importance of accounting in business management.

### **What are the obstacles faced by MSMEs in preparing financial reports in a systematic and structured manner**

MSMEs, particularly in the culinary sector, still face various obstacles in preparing systematic and structured financial reports. These obstacles are not only technical but also relate to behavioral aspects, resources, and the business environment. One major obstacle is limited knowledge and understanding of accounting. Many MSMEs lack an educational background in accounting, so they struggle to grasp basic concepts such as recording transactions, grouping accounts, and preparing financial reports. Standards such as the Indonesian Financial Accounting Standards (SAK) for MSMEs are often considered complex, leading business owners to avoid implementing them and opt for simpler recording methods.

Furthermore, limited time and focus on business operations are also significant obstacles. MSMEs in the culinary sector generally prioritize production, service, and sales, often neglecting financial record-keeping. Busy business activities, especially with high daily transactions, mean that business owners feel they don't have enough time for routine record-keeping. Another obstacle is low awareness and perception of the importance of financial reporting. Some MSMEs believe that financial reports are unnecessary as

long as the business is operating and generating profits. This perception leads to inconsistent financial record-keeping, often only done when necessary, such as when applying for a loan.

Furthermore, the lack of separation between personal and business finances is a fairly common obstacle. Many MSMEs mix the two types of finances, making it difficult to clearly understand the business's financial condition. This results in inaccurate financial reports and complicates business performance evaluations. Another frequently encountered obstacle is limited resources and technology. Some MSMEs still use manual record-keeping methods, such as notebooks, or even rely solely on memory. The limited use of applications or digital record-keeping systems makes the record-keeping process less efficient and prone to errors.

Furthermore, the lack of mentoring and training from relevant parties is also a hindering factor. Not all MSMEs have access to education or training on proper financial reporting. As a result, they lack clear guidance in implementing accounting practices. Overall, the obstacles faced by MSMEs in preparing financial reports are complex and interrelated, ranging from knowledge, time, behavior, to external support. Therefore, comprehensive efforts are needed, such as improving accounting literacy, providing ongoing training, and utilizing simple and easy-to-use technology, so that MSMEs can prepare financial reports systematically and structured.

## Conclusion and Suggestions

### 5.1 Conclusion

Based on the results of a study on the Analysis of Accounting Behavior in the Preparation of Financial Reports for MSMEs in the Culinary Sector in North Sumatra Province, it can be concluded that the accounting behavior of MSMEs is still relatively simple and not fully systematic. Most business owners do not maintain routine and structured financial records, and many still rely on manual recording or memory. This indicates that accounting has not yet become a primary component of business management.

Behavioral factors such as perception, motivation, and attitude significantly influence the preparation of financial reports. Negative perceptions of accounting as complex contribute to low interest in financial record-keeping. MSMEs' motivation is also situational, arising only when there is a specific need, such as applying for a loan. Furthermore, a lack of awareness of the importance of financial reports contributes to the low quality of financial record-keeping.

MSMEs still have low levels of understanding of the importance of financial reporting in accordance with accounting standards (SAK EMKM). Limited knowledge, minimal training, and inadequate outreach are the main causes of this situation. While some businesses understand the importance of financial reporting, not all are able to implement it consistently.

Accounting behavior has been shown to influence the quality of financial reports. Positive behavior, such as disciplined record-keeping and good understanding, will result in more accurate and reliable financial reports. Conversely, negative behavior will result in lower-quality financial information.

The challenges faced by MSMEs in preparing financial reports include limited accounting knowledge, lack of time, low awareness, lack of separation of personal and business finances, and minimal technological support and training. These challenges are interrelated and impact the ability of business owners to prepare financial reports systematically.

## 5.2 Suggestions

Based on the conclusions above, the following suggestions can be given:

1. For MSMEs

MSMEs are expected to raise awareness of the importance of financial reporting in supporting business continuity. Furthermore, entrepreneurs need to get into the habit of regularly recording their finances and separating personal and business finances.

2. For the Government and Related Institutions

The government and relevant agencies are expected to improve training and mentoring programs regarding the preparation of financial reports based on the MSME Financial Accounting Standards (SAK). Continuous and practical outreach is essential to help MSMEs understand and apply accounting more easily.

3. For Academics

This research is expected to serve as a reference for further research, particularly on behavioral accounting in MSMEs. Future researchers are advised to develop quantitative approaches or add other variables, such as financial literacy or technology use.

4. For Further Researchers

It is hoped that future researchers can expand the research objects, both in terms of business sectors and regions, and use more varied methods to obtain more comprehensive results.

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