

THE ROLE OF PERCEIVED SAFETY SYSTEM ACCOUNTING AND ITS IMPACT ON FINANCIAL PERFORMANCE (SURVEY OF SMES IN CIMAHY CITY)

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Abstract

This study aims to analyse the influence of Perceived Safety System Accounting (PSSA) on Intention to Adopt Digital Payment (IADP) and its impact on Financial Performance (FP) among small and medium enterprises (SMEs) in Cimahi City. This study uses a quantitative approach with purposive sampling techniques on 376 respondents. Data analysis was conducted using Structural Equation Modelling (SEM) with the assistance of AMOS software. The results indicate that PSSA significantly influences IADP, and IADP significantly influences FP. Additionally, IADP was found to be a significant mediating variable in the relationship between PSSA and FP. These findings indicate that perceptions of accounting system security can increase SME actors' intentions to adopt digital payments, which ultimately has a positive impact on their business financial performance. In other words, while perceptions of security are important, their impact on financial performance will only be felt if SME actors actually adopt digital payment systems. These results underscore the importance of enhancing literacy and trust in financial technology as part of efforts to accelerate the digital transformation of the SME sector in Indonesia.

Keywords: *Perceived Safety System Accounting, Intention to Adopt Digital Payment, Financial Performance, SMEs, Digital Payment.*

INTRODUCTION

Indonesia's digital financial transactions recorded rapid growth during the January-March 2022 period. According to a report by Bank Indonesia (BI), the value of electronic money transactions grew by 42.06% in the first quarter of 2022. BI also estimates that the transaction value will grow by 18.03% to Rp360 trillion throughout 2022 (Rahman, 2022). One of the benefits of digital payments is that transactions are easier, faster, and can reduce costs. A payment system is considered efficient if it can minimise costs while maximising the benefits of a transaction.

One of the driving factors behind Indonesia's digital economic growth is the digital payment system (Birny, 2022). According to IDC research, by 2025 there will be 125 million new e-wallet users, making Indonesia the country with the most e-wallet users in Southeast Asia (Birny, 2022). Financial Technology (Fintech) is an innovation in financial services that provides convenience to the public by simplifying transactions. Fintech is a technology-based industry that provides various financial services. There are several Financial Technology services such as digital payments, lending, financing, financial planning, and investment.

Currently, the impact of the Russia-Ukraine war on GDP and inflation in countries around the world is deeply felt. Therefore, efficiency is increasingly needed, including through digitalisation, particularly the digitalisation of payment systems. Nor Meydia, Head of Business Development at Xendit, emphasises the importance of digital payments for businesses. 'For B2C companies, this will enable businesses to enter a market with customers who have high digital literacy, particularly those aged 25-34, who account for over 50% of online spending,' she explained (Birny, 2022). (Martha Rahayu, 2022) noted that the ease of checkout on websites and apps can boost merchant sales conversions. Innovations in payment page (checkout) features allow transaction information to be accessed completely and easily on a single page, enabling consumers to save time when making

payments on merchant websites or apps. This has the potential to drive higher sales conversions for merchants. Over the past five years, Dea stated that Midtrans has reduced the time required to complete online payments by up to 70% (Martha Rahayu, 2022).

The term 'digital payment' refers to a payment method where payment data and instructions are transmitted via digital devices, such as mobile phones (Sahi et al., 2022). In Indonesia, there are several types of digital payments, one of which is the e-wallet or digital wallet. Currently, many banks have launched their own digital wallet versions. In addition to banks, private companies have also launched their own digital wallets, such as Gopay, OVO, DANA, Shopee Pay, and others (Dimas, 2022).

The Central Statistics Agency released 2020 e-commerce statistics with some interesting facts. People are increasingly fond of buying goods online, but most payments are made via cash on delivery (COD) or direct cash payments. One of the contributing factors, according to researcher Thomas Dewaranu from the Centre for Indonesian Policy Studies, is trust. The public is not yet fully confident in the storage or transactions of digital money (VoA Indonesia, 2021). In rural areas, people are uncomfortable using digital payments such as e-wallets or even fintech because they lack trust. Some people have concerns about information from television regarding loan scams or through the radio (VoA Indonesia, 2021). Additionally, the issue currently concerning fintech businesses is cybercrime. The losses from cybercrime are difficult to estimate and verify, as besides financial losses, other losses due to damaged, lost, or leaked private data can lead to a decline in a company's reputation (B. Shekar & Prabha, 2020). Cybercrime attacks have impacted all countries worldwide, particularly those still in the early stages of developing information and communication technology, as evidenced by a drastic increase in cybercrime rates (Kshetri, 2019).

A Kompas survey in January 2022 recorded that 67.8% of respondents had made transactions on online sites. Meanwhile, the results of a survey by the Indonesian Internet Service Providers Association (APJII) in June 2020 reported that 56.8% of respondents shopped online. Based on the results of these two studies, there is a growing trend in transaction activities within the digital ecosystem. However, payment methods still lean toward conventional methods. The findings show that more than half of respondents most frequently use cash payment methods. The majority use cash payments. SMEs are encouraged to utilise digital platforms to record their financial reports. Neat financial records facilitate business development. Transaction records are an important basis for assessing performance, particularly the balance sheet, making it easier for SME players to formulate business strategies. According to Arga Wirandika, Head of Field Activation at Moodah.id, profit and loss statements and balance sheets are very important. With these reports, applying for loans from banks or financing institutions becomes easier because the business conditions are clear and measurable (Patricia, 2020)

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Perceived safety system accounting

An accounting information system is certainly not immune to the risk of system damage. Various threats can damage the effectiveness of the system and even destroy all existing data. Users naturally require a system that is comfortable and efficient to use. System security will encourage user interest in using the Accounting Information System, as information security is believed to provide benefits to system users. According to Titisari (2015), good and reliable technology is technology that is considered safe for its users. System security is part of the system's quality, which will ultimately influence user satisfaction with the accounting information system. Perceived safety of the accounting system can be measured through indicators such as: not worrying about providing information, believing that information is protected, and believing that the security of money on electronic devices is guaranteed during transactions (Waspada, 2012). (Mudjiyanti, Kusbandiyah, and Wardani, 2023) reveal that perceived safety of the accounting system measures the extent to

which users of accounting information systems feel safe when using certain digital services. In this study, perceived safety of the accounting system is defined as the perception of SME entrepreneurs as users of accounting information systems who feel safe when using fintech services.

Intention to adopt digital payment

Intention/interest is the desire to perform a behaviour (Rehman et al., 2019). Ajzen (1991) revealed that intention is an important indicator of the extent to which individuals perform certain behaviours and how much effort they put into performing actual behaviours (Rehman et al., 2019). One study on consumers in Thailand concluded that the intention to purchase online is influenced by attitude toward behaviour, subjective norm, and perceived behavioural control (Laohapensang, 2009), and that consumer purchase intention significantly influences consumer behaviour to purchase online (Rehman et al., 2019). Previous researchers have revealed that intention plays an important role in influencing consumers' actual behaviour in transactions ((He et al., 2008); (Laohapensang, 2009); (Pavlou & Fygenson, 2006)). Based on the above discussion, it can be concluded that intention is the primary factor determining an individual's behaviour. Therefore, it can be concluded that the intention to adopt digital payment is the desire to use digital payment.

Financial performance

Financial performance is the capacity of a company or other corporate entity to manage and use its financial resources effectively and efficiently to achieve its objectives (Sri Handayani et al., 2024). A company's financial performance reflects its condition and growth in line with its objectives, benchmarks, and established standards. Financial statements serve as the primary basis for stakeholders to assess a company's financial condition. Some common financial performance indicators used by companies include income statements, balance sheets, and cash flow statements. Financial performance evaluation plays a crucial role in supporting strategic decision-making by management or the company by providing financial information to creditors, investors, and stakeholders. This evaluation also aids in financial planning and management.

H1: Perceived safety system accounting berpengaruh terhadap Intention to adopt digital payment.

H2: Intention to adopt digital payment berpengaruh terhadap financial performance

H3: Perceived safety system accounting berpengaruh terhadap financial performance melalui Intention to adopt digital payment

RESEARCH METHODS

This type of research is quantitative method. Descriptive analysis is statistics used to analyse data by describing or depicting the collected data as it is without intending to make general conclusions or generalisations. Quantitative methods, on the other hand, are research methods used to study a specific population or sample, employing purposive sampling techniques, data collection using research instruments, and statistical data analysis with the aim of testing pre-established hypotheses (Sugiyono, 2012). This study was conducted in the city of Cimahi. The unit of analysis for this study was the SMEs in the city of Cimahi. The sample size used in this study was 376 SMEs in the city of Cimahi.

RESULTS AND DISCUSSION

RESULTS

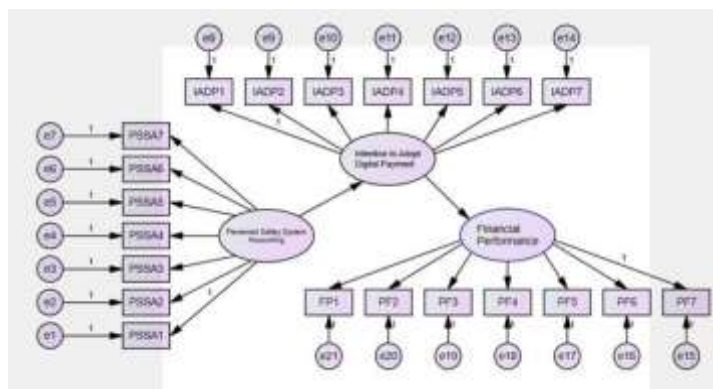


Figure 1. Structural Equation Modelling (SEM) model AMOS

Based on the results of testing using Structural Equation Modelling (SEM) with the help of AMOS software conducted on 376 samples of SMEs actors in Cimahi City, it was found that the research model construct had good values. This can be seen from the Chi-square/df value of 1.964 (< 3), RMSEA of 0.048 (< 0.08), and other index values that meet the criteria standards such as CFI (0.955), TLI (0.947), GFI (0.912), and AGFI (0.891). Therefore, it can be concluded that the research model can be further analysed to test the hypotheses.

Table 1. Hypothesis Testing Results

Hipotesis	Jalur	Estimate	C.R.	P-value	Kesimpulan
H1	PSSA → IADP	0,62	4,71	< 0.001	Accepted
H2	IADP → FP	0,58	5,03	< 0.001	Accepted
H3	PSSA → IADP → FP	0,36	—	< 0.001	Accepted (Mediation)

DISCUSSION

The results of this study indicate that Perceived Safety System Accounting (PSSA) plays an important role in encouraging SMEs to adopt digital payment systems (Intention to Adopt Digital Payment). These findings are consistent with previous studies (Titisari, 2015; Mudjiyanti et al., 2023) which emphasise that a sense of security in the use of information systems can increase trust and encourage the adoption of new technologies. Based on the research results, it was also found that the Intention to adopt digital payment variable has a significant influence on financial performance (FP). This means that the use of digital payment systems can help SMEs become more operationally efficient, accelerate transaction processes, and improve accountability in financial reporting. This is reflected in indicators such as transaction efficiency, ease of recording, and operational cost savings. Another interesting finding in this study is the role of the Intention to adopt digital payment variable as a significant mediator in linking Perceived safety system accounting with financial performance. In other words, while perceptions of system security are important, their impact on financial performance only becomes evident when SMEs actually begin using digital payment systems in their business activities. The findings of this study align with the Theory of Planned Behaviour (Ajzen, 1991), which states that intention is the primary factor determining actual behaviour. In this context, PSSA fosters the intention to adopt, and this intention serves as a crucial link toward improving SME financial performance.

CONCLUSION

Based on the results of the study, it was concluded that perceived safety system accounting influences the intention to adopt digital payment. The intention to adopt digital payment influences financial performance, and perceived safety system accounting influences financial performance through the intention to adopt digital payment.

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