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### Exploration of the Use of Management Accounting Systems in Improving the Financial Performance of Small And Medium Enterprises in Lhoksukon District

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#### ABSTRACT

*This study aims to explore the application of Management Accounting System (MAS) in improving the financial performance of Small and Medium Enterprises (SMEs) in Lhoksukon District, North Aceh. MAS is a system designed to assist in more structured financial management, including planning, controlling, and decision-making based on accounting data. Although MAS has been proven to improve financial transparency and operational efficiency, its application in Lhoksukon is still very limited. This study uses a qualitative approach with in-depth interviews and direct observation of 100 MSMEs' engaged in the trade, livestock, and small industry sectors, as well as village government officials. The results of the study show the application of the Management Accounting System (MAS) in MSMEs' in Lhoksukon District. Of the 100 MSME actors interviewed, only 31 have adopted SAM, with the trade and small industry sectors showing a higher adoption rate than the agriculture and livestock sectors. Although MAS has been proven to improve the efficiency of financial management, many MSME actors still use manual recording due to limited knowledge, implementation costs, and time for training. These findings indicate the need for further support to educate MSMEs' about the benefits of MAS and provide broader access to training.*

### 1. INTRODUCTION

Efficient financial management is a key factor in supporting the success of Small and Medium Enterprises (SMEs) in facing competition in the market. One of the instruments that can improve the financial management of SMEs is the Management Accounting System (MAS). MAS refers to an information system used to support planning, control, and decision-making in an organization. With the proper implementation of MAS, SMEs can monitor cash flow, prepare budgets, calculate costs, and make strategic decisions based on accurate accounting data (Mulyadi, 2016).

The implementation of MAS not only increases financial transparency but also helps business actors to identify savings opportunities and improve operational efficiency. By managing resources more systematically, MSMEs' can reduce waste, maximize profits, and survive in a competitive economic environment (Suryanto & Suryani, 2017). However, the level of adoption of MAS in MSMEs' in many regions is still low. This is due to various challenges, including limited knowledge of accounting, lack of skilled human resources, and limited access to technology and training (Bastian, 2018).

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In Indonesia, many MSMEs' rely on manual recording or very simple accounting systems. The implementation of a more structured MAS can have a significant impact on improving financial performance. Therefore, it is important to explore further how MAS can be applied to MSMEs' and how it impacts their financial performance, especially in a more specific context at the regional level. Lhoksukon District, located in North Aceh Regency, is one of the areas that has many MSMEs' in various business sectors. Based on data from the Cooperatives and MSMEs' Service of North Aceh Regency, in 2023, there were 1,662 MSMEs' spread across the trade, industry, livestock, agriculture, and other sectors. The trade sector is the most dominant, considering the large number of micro and small businesses involved in the buying and selling of goods and services. However, even though the number of MSMEs' is quite significant, the application of more advanced accounting systems, such as MAS, is still very limited.

One of the main problems faced by MSMEs' in Lhoksukon District is the low level of understanding and implementation of a more structured accounting system. Many MSMEs' still rely on manual recording and do not utilize technology to manage their finances effectively. Limited knowledge of MSMEs' and challenges in accessing training or modern accounting software are major obstacles to improving the financial performance of MSMEs'. For example, the trade sector, which has great potential to implement MSMEs', tends to focus more on daily operations than on long-term financial management, resulting in less than optimal decision-making. This phenomenon not only occurs in Lhoksukon District but is also reflected in the data on MSMEs' in North Aceh as a whole. Based on data from the North Aceh Cooperative and MSME Service in 2023, of the total 11,625 MSMEs', most of them are micro-enterprises that face similar challenges, especially in terms of implementing MAS to support more professional financial management. Although many MSMEs' in the trade sector have the potential to be more structured in using MAS, in reality, the implementation of this system is still far from optimal. Only around 35% of MSMEs' in Lhoksukon District have started implementing MAS with limited results.

The implementation of MAS in the Lhoksukon District faces several major obstacles. One of them is the limited human resources skilled in accounting, especially in simpler and more informal sectors, such as agriculture and animal husbandry. In addition, cost constraints and access to more modern accounting software are also obstacles. Many MSMEs' cannot yet purchase software or take training on the use of MAS. Therefore, it is important to identify how the implementation of MAS can be carried out more efficiently and by the characteristics of MSMEs' in the area, as well as how it impacts their financial performance. In facing these challenges, there is a great opportunity to improve the financial performance of MSMEs' by providing better training and access to accounting technology. Training and mentoring programs involving local governments, financial institutions, and MSMEs' associations can help business actors understand the importance of MAS and facilitate wider adoption of this system.

This study aims to determine how the implementation of the Management Accounting System (MAS) can improve the financial performance of MSMEs' in Lhoksukon District. With the right approach, MAS can be a very useful tool in improving operational efficiency and competitiveness of MSMEs' in the Lhoksukon District.

## **2. LITERATURE REVIEW**

### **Management Accounting System (MAS)**

Management Accounting System (MAS) is a set of procedures and tools used to collect, process, and analyze financial and non-financial data to support planning, control, and decision-making in an organization. MAS helps organizations monitor operational activities and ensure resources are used efficiently to achieve established financial goals (Auliya et al., 2025). Mulyadi (2016) stated that MAS focuses on cost management and performance measurement to help companies plan and manage budgets better, so that decisions taken are more appropriate and have a positive impact on business sustainability.

For Small and Medium Enterprises (SMEs), the implementation of MAS can reduce dependence on manual recording methods that are inefficient and prone to errors. By adopting a more structured system, SMEs can monitor cash flow, manage expenses, and evaluate profit and loss better. This is important for SMEs that often operate with limited resources and need a system that can optimize financial management. Suryanto and Suryani (2017) emphasize that MAS provides the information needed to make better decisions, such as determining selling prices, managing costs, and improving cash flow.

The implementation of MAS in MSMEs' is a lack of understanding and resources to implement this system effectively. Many MSMEs' still rely on manual recording and feel that they do not need a more complex accounting system. Setiawan and Fauzi (2020) noted that the limited human resources with accounting skills are one of the biggest obstacles to the implementation of MAS. Therefore, the government and related institutions need to provide training and education on the benefits of MAS so that MSMEs' can optimize their financial management.

### **Decision-making**

Making explains how information gathered through accounting systems, including MAS, can be used by managers or business owners to make better and more informed decisions. Effective decision making in business requires accurate and relevant data, which allows managers to predict the impact of each decision and choose the most profitable alternative. Anthony and Govindarajan (2007) explain that decision making based on good accounting information can improve efficiency and help companies achieve their goals.

Making the right decisions is often a challenge, especially for business owners who have limited knowledge of accounting and financial management. With MAS, MSMEs' can obtain clearer information about cash flow, operating costs, and profit margins, all of which can be used to make more strategic decisions. For example, MAS can help MSME owners decide when to reduce costs, increase selling prices, or diversify products to increase profits.

Making not only depends on the availability of good information, but also on the managerial capacity to interpret and apply that information in a broader context. According to Setiawan and Fauzi (2020), although MSMEs' may have accurate data through MAS, the decisions taken are not always optimal if the business owner does not have sufficient managerial capacity. Therefore, in addition to implementing MAS, managerial training and capacity building in decision making are essential to maximize the potential of MAS in improving financial performance.

### **Operational Efficiency**

The theory of operational efficiency focuses on the optimal use of resources in a company's operational activities to achieve maximum results. This efficiency is important to ensure that the company can reduce waste, optimize expenses, and increase productivity. In the context of MSMEs', operational efficiency is crucial because most MSMEs' operate with limited resources, both in terms of capital, time, and labor. Suryanto and Suryani (2017) stated that the implementation of MAS in MSMEs' allows business owners to more easily monitor costs and profits, so that resource management can be carried out more efficiently.

The implementation of MAS in MSMEs' will help these businesses to assess and control costs more accurately, so that they can reduce unnecessary waste and increase profitability. For example, by using data generated by MAS, MSMEs' can evaluate the costs of raw materials, labor, and overhead, and adjust prices or find alternative cost reductions to increase profit margins. In this way, MAS not only provides financial information but also raises awareness of the importance of efficient cost management among MSMEs'.

The application of MAS to improve operational efficiency cannot be separated from the limited resources available to MSMEs'. Setiawan and Fauzi (2020) noted that although accounting systems can improve efficiency, their implementation among MSMEs' is often hampered by a lack of knowledge and understanding of how to use the information generated. Therefore, in addition to the application of MAS, MSMEs' need to receive training on how to

interpret financial data and practical ways to apply the results of the analysis to improve their operational efficiency.

### **Managerial Capacity**

Capacity refers to the ability of managers or business owners to manage and utilize existing resources in the organization to achieve company goals. In the context of MSMEs', low managerial capacity can be a major obstacle in implementing more advanced managerial systems, such as MAS. According to Setiawan and Fauzi (2020), managerial capacity in MSMEs' is often limited by limited knowledge in accounting and financial management. Therefore, training and development of managerial capacity are very important to support effective implementation of MAS. MSMEs' owners, especially in the micro sector, often do not have a formal educational background in accounting and financial management. This results in a low understanding of the importance of using a good accounting system to improve efficiency and financial performance. With the right training, MSMEs' owners and managers can improve their managerial capacity, which in turn allows them to optimally utilize MAS. Through improved managerial capacity, MSMEs' can make better decisions in financial management and business strategy. In addition to formal education, the ability to manage change and adapt to technology is also part of managerial capacity. This theory emphasizes the importance of managerial readiness in accepting and implementing new technologies, such as accounting software. Mulyadi (2016) emphasized that although information technology can bring major changes in operational efficiency, managers who are not ready or do not have sufficient skills will have difficulty implementing these changes.

### **Technology and Accessibility**

Technology and accessibility focus on how factors such as cost, knowledge, and infrastructure can affect the adoption of technology in business. In the context of MSMEs', the adoption of technology, including accounting software, is highly dependent on these factors. Setiawan and Fauzi (2020) stated that technology accessibility is one of the biggest obstacles in implementing MAS in MSMEs', especially in areas with limited infrastructure. Without adequate access, MSMEs' will find it difficult to utilize technology that can improve their performance. One of the main challenges in implementing MAS is the high cost of accounting software and training to use the system. For MSMEs' with limited capital, these costs are often a major obstacle. Therefore, the government or related institutions need to provide access to technology at affordable prices or even free of charge, as well as provide adequate training so that MSMEs' can optimize the use of technology in their financial management. In addition, Setiawan and Fauzi (2020) also revealed that technology knowledge greatly influences the decision of MSMEs' to adopt MAS. Appropriate training and mentoring are needed to improve the ability of MSMEs' to use available information technology. With the help of good training and mentoring programs, MSMEs' can increase accessibility to technology and ultimately be able to utilize MAS to improve their efficiency and financial performance.

## **3. RESEARCH METHODOLOGY**

This study aims to explore the use of Management Accounting Systems (MAS) in improving the financial performance of Small and Medium Enterprises (SMEs) in Lhoksukon District, North Aceh, with an in-depth qualitative approach. Primary data were obtained through in-depth interviews with SME actors, financial managers, accounting consultants, and village government officials, as well as direct observation of SMEs' financial and management practices. The research sample consisted of 100 SMEs engaged in the trade, agriculture, and small industry sectors, selected through purposive sampling. The collected data will be analyzed using qualitative data analysis techniques according to Miles and Huberman (2014), which include collection, reduction, presentation, and concluding. This study is expected to provide insight into the challenges and benefits of implementing MAS in SMEs in the Lhoksukon District area.

#### 4. RESULTS AND DISCUSSION

This study successfully interviewed 100 Small and Medium Enterprises (SMEs) spread across the trade, agriculture, livestock, and small industry sectors in Lhoksukon District, as well as 5 village officials involved in the use of Management Accounting Systems (MAS) to improve the financial performance of SMEs. Based on in-depth interviews and direct observations, the main findings of this study indicate that although the use of MAS has a positive impact on the financial management and performance of SMEs, there are still many SMEs that have not implemented this system optimally. The following is the number of SMEs from various sectors and those who have used the Management Accounting System (MAS) in Lhoksukon District.

**Table 1. Distribution of the Use of Management Accounting Systems (MAS) in MSMEs' Based on Business Sector**

Sector	Business fields	Number of MSMEs'	Use of MAS
Trade Sector	Food stalls	10	3
	Coffee shop	11	8
	Grocery Business	7	5
	Online Shop Business	3	3
	Breakdown Business	2	0
	Selling Clothes	2	1
	Workshop Business	2	0
	Selling Wet Cakes	2	0
	Ready to Eat Sales	6	0
	Stall	2	0
	Selling Sponge Cake	2	2
	Selling Credit	2	2
	Selling Meatballs	2	0
Agricultural Sector	Selling Vegetables	11	0
	Selling Vegetables Around	2	0
Industrial Sector	Furniture Business	2	0
	Tofu and Tempeh Business	2	0
	Laundry Business	2	2
	Motorbike Wash Business	2	0
	Car Wash Business	2	1
	Electronic Repair Business	2	2
	Printing Business	2	2
Fisheries Sector	Sell Fish	2	0
	Fish Processing Business	2	0
Transportation Sector	Transportation Services	2	0
Livestock Sector	Chicken Farming	7	0
	Cattle Farming	2	0
	Goat Farming	5	0
	Duck Farming	4	0
<b>Total</b>		<b>100</b>	<b>31</b>

Source: Data Processed, 2025

This table illustrates the distribution of the use of Management Accounting Systems (MAS) in MSMEs' in various business sectors. Overall, only 31 out of 100 MSMEs' use MAS, reflecting a low level of adoption. The industrial sector has the highest use of MAS, with 50% of MSMEs' in this sector implementing the system, especially in businesses such as laundry and electronic repair. In contrast, the agriculture and livestock sectors have almost no use of MAS, indicating that businesses in this sector rely more on manual recording and may not feel the need for a more formal system. The trade sector also shows varying use of MAS, with several businesses such as coffee shops and online shops starting to use MAS, while businesses such as food stalls and clothing stores still have low use of MAS. This indicates a great opportunity to introduce and educate MSMEs' about the importance of using MAS to improve the efficiency and transparency of their financial management.

Based on interviews conducted with MSMEs' in Lhoksukon District, the use of Management Accounting Systems (MAS) in small and medium enterprises in various sectors shows quite significant variations. Several business actors, especially those with larger business scales or more regular transactions, have adopted MAS to facilitate financial management and transaction recording. However, many small business actors still use manual recording methods, citing reasons such as not understanding how to use MAS, concerns about additional costs, and the complexity of managing their finances. Another obstacle that is often found is the lack of time for training on the use of MAS, which makes it difficult for many business actors to switch to a digital system. The following are details of the implementation of MAS in several business sectors in the Lhoksukon District.

**Table 2. Implementation of MAS in MSMEs' Based on Business Sector and Business Actors' Perceptions**

Business Sector	Business fields	Number of MSMEs'	MAS Usage	Interview Results
Trading	Food stalls	10	3	Some food stalls in Lhoksukon District use MAS because it is easier to calculate income and expenses. Many people still use the manual method because they do not understand the computerized system.
	Coffee shop	11	8	Many people have used MAS because it is more efficient for managing finances, but have difficulty learning due to a lack of training time.
	Grocery Business	7	5	Some have tried using MAS, but some still use the manual because they are afraid of additional costs.
	Online Shop Business	3	3	Everyone is using MAS, it is more organized and easier to manage expenses and stock of goods.
	Breakdown Business	2	0	Don't use MAS because it's more convenient with manual records, so small businesses don't need MAS.

	Selling Clothes	2	1	One uses MAS because it feels easier to manage finances. Others still use a manual because they don't understand how to use MAS.
	Workshop Business	2	0	Still using the manual method because it's simpler and not yet interested in trying MAS.
	Selling Wet Cakes	2	0	Still using manual records because there are not many large transactions.
<b>Agriculture</b>	Selling Vegetables	11	0	Still using manual records because the vegetable business is not too complicated.
	Selling Vegetables Around	2	0	I don't use MAS, because manual recording is enough to manage money and goods.
<b>Industry</b>	Furniture Business	2	0	Don't use MAS because there aren't many transactions.
	Tofu and Tempeh Business	2	0	Still using manual records, MAS is not needed for small businesses.
	Laundry Business	2	2	Already using MAS to manage daily transactions more easily.
	Motorbike Wash Business	2	0	More comfortable with manual recording, because there are not many transactions.
<b>Fishery</b>	Sell Fish	2	0	Still using manual records, there are not many transactions that need to be recorded.
	Fish Processing Business	2	0	Don't use MAS because the transaction is still simple.
<b>Transportation</b>	Transportation Services	2	0	Without using MAS, manual recording is sufficient because transportation services are simpler.
<b>Farm</b>	Chicken Farming	7	0	Don't use MAS, more comfortable using manual notes, small business.
	Cattle Farming	2	0	Manual recording is sufficient, there is not much expenditure on cattle farming.
	Goat Farming	5	0	Still using manual notes, it's easier, and I don't feel the need to use MAS.
	Duck Farming	4	0	Prefer manual recording because the duck farming business is small and not complicated.

Source: Data Processed (2025)

Based on the results of interviews with MSME actors in Lhoksukon District, the use of Management Accounting Systems (MAS) in various business sectors shows quite significant variations. The following is an explanation related to the use of MAS in several sectors: (1). Trading. Trading includes (a). Food Stalls: Out of 10 food stalls, 3 of them have used MAS to calculate income and expenses, because it is considered easier and more efficient. However, many still use the manual method because they feel they do not understand how to use MAS. (b). Coffee Shop: As many as 8 out of 11 coffee shops have used MAS, because it is more efficient in managing finances. However, the difficulty faced is the lack of time for training on using MAS. (c). Grocery Business: 5 out of 7 grocery businesses use SAM, although some still use manual records because they are worried about the additional costs associated with using MAS. (d). Online Shop Business: All 3 online shop businesses have used MAS, which is considered more organized and easier to manage expenses and stock of goods. €. Glassware Business: No glassware business uses MAS, because they feel more comfortable with manual records, and their small business does not need a management accounting system. (f). Clothing Sales: Of the 2 clothing sales businesses, one of them has used MAS to facilitate financial management. The other is still using the manual method because it does not understand how to use MAS. (g). Workshop Business: Both workshop businesses still use manual methods because they are considered simpler and are not yet interested in trying MAS. (h). Selling Wet Cakes: Both wet cake businesses still use manual records, because there are not many large transactions that require more complex records. (2). Agriculture, includes; (a). Vegetable Sales: Of the 11 vegetable sales businesses, all of them still use manual records because the vegetable business is considered not too complicated and does not require complicated records. (b). Mobile Vegetable Sales: 2 mobile vegetable sales businesses also do not use MAS, because they feel that manual recording is sufficient for managing money and goods. (3). Industry, includes; (a). Furniture Business: Both furniture businesses still use manual recording, because there are not many transactions, and it is not considered necessary to use MAS. (b). Tofu and Tempeh Business: Just like the furniture business, the tofu and tempeh business also still using manual records, because the transactions that occur are still simple and do not require an accounting system. (c). Laundry Business: Both laundry businesses have used MAS to simplify daily transaction management. (d). Motorcycle Washing Business: Secondly, motorcycle washing businesses are more comfortable using manual recording, because there are not many transactions that need to be recorded. (4). Fisheries, include; (a). Selling Fish: Both fish selling businesses still use manual records, because there are not many transactions that require further recording. (b). Fish Processing Business: Similar to the fish selling business, the fish processing business also does not use SAM, because the transactions are still simple. (5). Transportation, includes Transportation Services: Both transportation service businesses do not use MAS and feel that manual recording is sufficient because their business is relatively simple. (6). Farm, includes: (a). Chicken Farming: Of the 7 chicken farming businesses, all of them prefer to use manual records because they are small businesses and do not require a management accounting system. (b). Cattle Farming: 2 cattle farming businesses also prefer manual recording, because their expenses are not much. (c). Goat Farming: Of the 5 goat farming businesses, all of them still use manual recording, because it is considered easier and more practical. (d). Duck Farming: 4 duck farming businesses also prefer manual recording, because duck farming businesses are considered small and uncomplicated.

Overall, most MSMEs' in Lhoksukon District still tend to use manual recording rather than Management Accounting Systems (MAS), especially for small-scale businesses or with less complex transactions. The use of MAS is more common in larger businesses or those with more regular transactions, such as coffee shops, online shops, laundry businesses, and several other businesses. The obstacles faced by MSMEs' in using MAS are the lack of understanding and time for training, as well as concerns about additional costs that may arise. Most MSMEs' that have adopted MAS, especially in the trade and small industry sectors, reported an increase in financial transparency and the ability to monitor business developments.

*"Mr. Ilyas, the owner of the Sejahtra Dua shop, one of the entrepreneurs in the trade sector, said, with SAM, it is easier for me to manage cash flow and record every transaction. Business finances are clearer, and I can see profits and losses more precisely" Interview on November 23, 2024 .*

This finding is in line with the recognition of other MSME actors that the use of MAS helps them plan and manage finances more efficiently. However, more than 60% of the interviewed MSMEs' have not fully implemented MAS in their operations. Most of them still rely on manual recording or simple methods in financial management. A business owner in the agricultural sector stated,

*"Mr. Aldi, the owner of a goat trading business, one of the entrepreneurs in the livestock sector, said, I don't feel the need to use a complicated system. We are more accustomed to the manual method and feel that is enough " Interview on November 24, 2024 .*

This indicates limited knowledge and skills in using technology-based accounting systems. Some factors that hinder the use of MAS among MSMEs' include limited knowledge about the importance of a structured accounting system, as well as limited access to training or consultation related to MAS. Many MSMEs' admit that they do not know how to start implementing MAS in their businesses. In addition, cost issues are also a major obstacle. An MSME in the small industry sector said,

*"Mrs. Miftah, the owner of a tempeh production business, one of the entrepreneurs in the industrial sector, said, we feel that this system requires quite a large cost to implement. So we are still using the manual system only " Interview On November 23, 2024 .*

Regarding the role of village officials, interview results show that they play an active role in providing guidance and counseling regarding the importance of accounting in managing MSMEs' finances.

*One of the village officials, Mr. Zulfadli as the secretary of the village of Bungkung, LT stated, "We provide routine training on good financial management, but the main challenge is the lack of basic understanding of accounting among MSMEs'." Despite progress in recent years, many MSMEs' are still hesitant to switch to a technology-based accounting system.*

Overall, this study shows that the use of MAS can improve the financial performance of MSMEs', but there are still many challenges to be overcome, such as limited knowledge, limited access to training, and implementation costs. Therefore, further efforts are needed from the government and related institutions to provide technical support and more equitable training to MSME actors in Lhoksukon District so that they can utilize MAS optimally.

## DISCUSSION

The use of Management Accounting Systems (MAS) in Small and Medium Enterprises (SMEs) in Lhoksukon District shows significant variations between business sectors. Most SMEs still rely on manual recording, citing limited understanding, costs, and time for training. However, for some business actors who have implemented MAS, this system has proven to provide convenience in managing finances and increasing financial transparency.

### Use of MAS in Various MSME Sectors

Overall, only 31 out of 100 MSMEs' in Lhoksukon District use MAS. This shows that the adoption of MAS among MSME actors is still relatively low. This is consistent with the findings of research by Pratama and Ardianto (2019), which shows that MSMEs' in Indonesia generally still face obstacles in implementing technology-based accounting systems. The main

obstacles found are limited knowledge and adequate resources, both in terms of finance and the capacity of business actors to learn new technologies.

Some sectors, such as the trade and small industry sectors, show higher levels of MAS adoption. For example, coffee shop businesses and online shop businesses in the trade sector have utilized MAS, because they consider this system to help them manage expenses and stock more efficiently. Kurniawati (2018) in her research also noted that the trade sector is more likely to adopt technology such as MAS because they are more structured in transactions and often have greater cash flow.

However, other sectors, such as livestock and agriculture, show a greater tendency to continue using manual recording methods. This reflects the findings of Setiawan and Anwar (2020) who explained that businesses with simpler transactions and smaller volumes, such as livestock and agriculture, prefer to continue using manual recording because it is considered quite effective and does not require additional costs associated with technology.

### **Constraints on Using MAS**

Based on interviews, many MSMEs' still find it difficult to implement MAS because they feel they do not have sufficient skills or knowledge. For example, Mr. Aldi, a goat farming business owner, said that he did not feel the need to use MAS because he was more accustomed to manual recording. This condition is by research by Haryadi (2017), which found that limited knowledge and training on MAS were the main obstacles to technology adoption in MSMEs'. Limited training and lack of understanding of the benefits of MAS are of the biggest obstacles in MSMEs' financial management.

Furthermore, the cost factor is another important obstacle. As conveyed by Mrs. Miftah, the owner of a tempeh production business, who felt that the cost of implementing MAS was too high. Setiawan (2019) also noted that the initial investment costs in accounting software and employee training are often the main reasons for MSMEs' not to adopt MAS.

### **The Role of Government and Village Officials**

The role of the government and village officials in providing support to MSMEs' is very important to overcome these obstacles. In an interview, Mr. Zulfadli, Secretary of Kumbang Village, said that the village government provides routine training on good financial management. However, the biggest challenge is the lack of basic understanding of accounting among MSMEs' actors. This is in line with the findings of Wahyuni and Rachmawati (2020) who revealed that inadequate training and lack of support from the government can slow down the adoption of new technologies among MSMEs' actors. Providing more focused training and counseling, as well as government support in the form of subsidies or affordable training assistance, could be a solution to accelerate the adoption of MAS among MSMEs'. In addition, the government can also play a role in creating an ecosystem that facilitates MSMEs' access to accounting software at a more affordable cost.

### **Benefits of MAS Implementation**

For MSMEs' who have adopted MAS, the benefits obtained are quite significant. For example, Mr. Ilyas, the owner of the Sejahtra Dua shop in the trade sector, said that MAS makes it easier to manage cash flow and allows for clearer monitoring of profits and losses. This shows that MAS not only helps in recording transactions, but also improves the ability of MSMEs' to plan and manage their finances. Siregar and Usman (2017) also found that the use of MAS can improve the financial performance of MSMEs', especially in terms of more efficient and transparent financial management.

By using MAS, MSMEs' can avoid errors in manual recording that can lead to bigger financial problems. As noted by Nugroho (2018), a good accounting system can increase the credibility and transparency of a business, which in turn can help MSMEs' in accessing financing from financial institutions.

## 5. CONCLUSION

This study shows that the use of Management Accounting System (MAS) in MSMEs' in Lhoksukon District shows low adoption, with only 31 out of 100 MSMEs' having implemented this system. The trade and small industry sectors are quicker to adopt MAS, while the agriculture and livestock sectors still tend to use manual recording methods. Some of the main obstacles in implementing MAS include the lack of basic understanding of accounting, limited resources, and implementation costs which are considered quite large by some MSMEs' actors. However, for business actors who have used MAS, this system has proven to be helpful in financial management, increasing transparency, and making it easier to monitor business developments. Therefore, further efforts are needed from the government and related institutions to provide more equitable training and technical support, so that MSMEs' in Lhoksukon District can optimally utilize MAS in order to improve their financial performance.

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