

TAM

by Heri 2

Submission date: 11-Jun-2020 01:27PM (UTC+0700)

Submission ID: 1341758307

File name: 2015-TAM.pdf (555.13K)

Word count: 7789

Character count: 43818



Chief Editor: Mohammad Safa

The Behavior of Indonesian SMEs in Accepting Financial Accounting Standards without Public Accountability

^aHeri Yanto*, ^bBestari Dwi Handayani, ^cBadingatus Solikhah,
^dJoseph M. Mula

^{a,c}Fakultas Ekonomi, Universitas Negeri Semarang, Indonesia

^bFakultas Ekonomi, Universitas Negeri Semarang, Indonesia

^dZhongnan University of Economics and Law, Wuhan China


^dUniversitas Brawijaya, Malang Indonesia

Abstract: Having important roles in a country's economy, SMEs still encounter financial problems. Since SMEs' financial reports are not harmonized with the Financial Accounting Standards without Public Accountability (SAK-ETAP), SMEs have difficulty in accessing loans from financial institutions. The objective of study is to understand the behavior of SMEs in accepting new accounting standards. This study also attempts to test the inclusion of government support in the TAM. By employing extended TAM, the study includes perceived usefulness (PU), perceived ease of use (PEU), subjective norm, and intention to use as endogenous variables. Government support, perceived risk, and education are exogenous variables. The intention to use SAK-ETAP mainly depends on government support and SME association. High commitment of related parties is required to disseminate SAK-ETAP to SMEs.

Keywords: TAM, Financial Accounting Standards without Public Accountability, SAK-ETAP, SMEs

INTRODUCTION

The roles of Small and Medium Enterprises (SMEs) are important in the global economy both in developed and developing countries (Wright and Etemad, 2001). For example, SMEs have an important role in improving the economy of China albeit their problems in accessing loan from financial institution (Okura,

*yantounnes@gmail.com 

2009). Likewise, SMEs also dominate the Indonesian economy as indicated by their contributions on GDP. In 2006 the number of SMEs in Indonesia was more than 99.9% of all enterprises and contributed more than 53.3% of GDP (Tambunan, 2011). Moreover, SMEs have pivotal roles in increasing a country's economic growth (Supriyati and Wulanditya, 2012) and absorbing more than 96% of the workforce in Indonesia (Tambunan, 2011).

Being a major player in Indonesian Economy, SMEs are still facing significant problems in finance, marketing, and human resources (Suliyanto, Suroso, and Jati, 2013; Tambunan, 2011). These problems could arise sequentially meaning that limited human resource capacity could affect both finance and marketing problems. In this case, the roles of training and education are critical to improve quality of human resource (Abdullah, Uli, and Ismail, 2009).

Even though standardized financial reports using Financial Accounting Standards without Public Accountability (SAK-ETAP) should have been implemented in January 2010, SMEs still experience difficulties to prepare financial reports based on these standards. Inappropriate infrastructures of accounting (Haryani, 2012), human resources and education (Supriyati and Wulanditya, 2012) hamper the process of preparing standardized financial reports. On the other hand, completing financial reports is an important requirement for SMEs to access loans from financial institutions. Therefore the study aims at understanding the behavior of SMEs in accepting SAK-ETAP. Accepting a new technology or an innovation is closely related to manager's or owner's decision. Nevertheless, decision made by an individual is a result of complicated process (Suartana, 2010). Understanding the behavior of SMEs in accepting SAK-ETAP is strategically important as a basis for building capacity of SMEs in Indonesia.

Accounting is an applied science that is classified as a soft technology (Swardjono, 2005). Therefore, to understand the behavior of SMEs in accepting SAK-ETAP, the study employs the Technology Acceptance Model (TAM) developed by Davis (1989) as an underpinning theory. The original model consists of three variables i.e. perceived usefulness (PU), perceived ease of use (PEU), and intention to use. Other studies found that subjective norm is an important variable affecting intention to use (Ajzen, 1991; Chiou, 1998; Teo, 2012; Yang, 2009). TAM contends that PU, PEU, and subjective norm are exogenous variables that affect behavioral intention to use. This study uses an extended TAM by including some antecedent variables. For example, Supriyati and Wulanditya (2012) found that business practitioners' education could influence the adoption of SAK-ETAP.

Difficulties faced by SMEs in adopting SAK-ETAP could arise due to inappropriate perceptions of SMEs toward usefulness and ease of using SAK-ETAP. Based on the above background, the study proposes two research questions (1) Is the Technology Acceptance Model (TAM) appropriate for implementing SAK-ETAP by SMEs in Indonesia? (2) How is the behavior of Indonesian SMEs in accepting SAK-ETAP? Furthermore, the behavior is reflected by the structure of an extended TAM model for adopting SAK-ETAP.

By identifying an extended TAM that predicts the use of SAK-ETAP by SMEs, the study could provide important information for interested parties. Government could have a clearer idea about the behavior of SMEs that to be taken into account when they make policies and provide facilitations for SMEs to adopt the accounting standards. Universities, Indonesian Institute of Accountants (IAI), and SME association could benefit from the study's findings, as they could use findings to design strategies to help SMEs adopt SAK-ETAP. The study may also contribute to further research relating to the use of TAM in accounting. Previous studies of TAM were mainly focused on the acceptance of new technology such as citation database interfaces (Lin and Chou, 2009) and mobile policing (Lindsay, Jackson, and Cooke, 2011). Research on the acceptance of accounting standards using an extended TAM seems to be limited. Moqbel et al. (2013) employed TAM as an underpinning theory to understand the behavior of U.S. accounting academics and professionals towards IFRS. Their study included variables of perceived familiarity, perceived risk, and perceived usefulness to predict intention/readiness to use.

LITERATURE REVIEW

This section describes theoretical review on the behavior of SMEs in accepting SAK-ETAP. Since the study employs extended TAM, the discussion mainly focuses on the original variables of TAM (internal variables and additional variables (external variables)). Internal variables consist of intention to use, perceived usefulness, perceived ease of use, and subjective norm. Whereas the external variables included in the model are government support, perceived risk, and education attainment. In addition, this section also describes the condition and problems of SMEs.

Despite their substantial contributions to global (Wright and Etemad, 2001) and national economies (Tambunan, 2011), SMEs are still facing impediments i.e. finance (Suliyanto et al., 2013; Supriyati and Wulanditya, 2012), human resource capacity (Suliyanto et al., 2013), and marketing (Suliyanto et al., 2013; Supriyati and Wulanditya, 2012). Financial problems could be caused by inability of SMEs to provide standardized financial reports (Haryani, 2012). Thus, finding a way to support a system of reporting that is acceptable could help SMEs gain access to finance.

TAM was developed by Davis (1989) and derived from the Theory of Reasoned Action that splits attitudinal dimensions into Perceived Usefulness (PU) and Perceived Ease of Use (PEU). Subjective norm indicates an individual's behavior caused by social pressure. The model developed by this study also includes subjective norm, since this variable is an important predictor of intention to use (Ajzen, 1991; Chiou, 1998; Teo, 2012; Yang, 2009).

After Davis (1989) developed TAM, some academics began using this model as an underpinning theory for their research such as Szajna (1994), Chin and Todd (1995), and Davis and Venkatesh (1996). Even though TAM was originally developed to predict the acceptance of new technology, this study attempts to

apply the model for predicting SMEs' intentions to use SAK-ETAP. The adoption of TAM in this research is supported by the proposition that accounting is a soft technology (Suwardjono, 2005). Moqbel et al. (2013) also used TAM as an underpinning theory to understand the behavior of accounting academics and professionals towards IFRS. More importantly, the application of extended TAM in the area of accounting in Indonesian business context seems to be non-existent.

Perceived Usefulness and Perceived Ease of Use

TAM explains the behavior of users in accepting an innovation or a new technology. The model provides a theory to trace the impact of external factors on internal beliefs, attitudes, and intentions. According to Davis (1989) TAM consists of two important antecedents—PU and PEU—for predicting intention behavior towards using information technology. In other words, the more useful and easier to operate a technology, an individual tends to have higher intention to use the technology. These antecedents are empirically supported by previous studies (Szajna, 1994; Venkatesh and Morris, 2000).

Moreover, Davis (1989) defines behavioral attitude as an individual's positive and negative feeling if he or she should perform determined behavior especially in the use of new information technology. By focusing on citation database interface (CDI), Lin and Chou (2009) found that PEU and PU significantly impact on CDI usage. Using Structural Equation Modelling, Chin et al. (2008) concluded that impacts of PU and PEU on predicted usage are significant. More recent studies also found that PU and PEU significantly affect intention to use (Al-Gahtani, 2011). PU impacts intention to use, while PEU has insignificant influence on intention to use (Gumussoy, Calisir, and Bayram, 2007). Lastly, perceived usefulness has a small influence on the intention or readiness to use (Moqbel et al., 2013).

Some research on the extended TAM has been conducted by academics such as Al-Gahtani (2011), Chang (2004), Chin et al. (2008), and Chiou (1998). In the extended TAM, variables of PU and PEU become endogenous variables and their relationships have been clearly identified. Previous studies treat PU and PEU as exogenous variables and draw a covariance line between them (Chang, 2004; Wynne W Chin et al., 2008; Johnson, 2005). The covariance line means that PU and PEU are parallel and they do not affect each other. Nevertheless, Chin et al. (2008) found that the relationship between PU and PEU is significant.

As previously mentioned, the association between PU and PEU has been clearly identified by previous studies. Lin and Chou (2009) found that PEU significantly impacts PU. Other studies in various areas also concluded that PEU impacts PU (Faqih, 2013; Kim and Chang, 2007; Lee and Chang, 2011).

Subjective Norms

Social pressure from competitors, colleagues, and other parties could affect how an individual accepts or rejects a technology. According to the Theory of

Planned Behavior (Ajzen, 1991) subjective norm, referring to social pressure is an important antecedent in predicting intention. Subjective norm refers to the perceived social pressure to perform or not to perform the behavior (Ajzen, 1991 p. 188). In other words, individuals would have better intention if they are being pressured from outside, especially social pressure. By focusing on consumers' purchase intentions, Chiou (1998) found that subjective norm significantly impacts a consumer's intention to purchase. Yang and Jolly (2009) found inconsistent results about the influence of subjective norm for American and Korean consumers. In addition, Teo et al. (2012) contended that subjective norm significantly influences PEU and PU. In this case, SMEs would have better intentions to use SAK-ETAP, if they were pressured from outside such as by competitors. As competitors implement SAK-ETAP, an SME would do the same thing to ensure it would have the same comparative strength.

Risks

In adopting new technology, SMEs consider costs and benefits as the technology could create both financial and non-financial risks. Johnson (2005) found that perceived risk is a potential variable that may influence both PEU and PU. The impact of perceived risk on PU and PEU seems to be inconsistent. By focusing on electronic transactions, Al-Gahtani (2011) found that risk negatively impacts both PU and PEU. On the other hand, Faqih (2013) contends that perceived risk has no significant impacts on PEU and PU. Likewise, Rodriguez et al. (2012) concluded that perceived risk positively impacts PEU, but it insignificantly influences PU. By classifying risks into five categories, Lee (2009) found that performance risk, time risk, financial risk, and security risk negatively influence attitude. Risks not only affect variables of PU and PEU, but also affect the subjective norm. The higher the perceived risk of technology acceptance, the lower social pressure placed on SMEs to adopt a technology. This is in line with the findings of Lee (2009) that social risk negatively impacts subjective norm.

Government Support

Since SMEs play critical roles in the Indonesian economy (Tambunan, 2011), government has a tremendous responsibility to provide necessary supports. The Government of Indonesia supports SMEs in terms of technical and financial advice. Even though, the government should work closely with large enterprises (LEs) in transferring technology to SMEs, the roles of government were still considered important (Tambunan, 2008). Nevertheless, studies focusing on the inclusion of government support in an extended TAM seem to be limited thus causing the role of the variable in TAM still remaining hazy. Therefore, the study attempt to understand the impacts of government support on the internal variables of TAM. Smallbone and Welter (2001) stated that government interventions for SMEs are critical in early and late stages of market reforms. Likewise, Scupola (2003) concluded that government should facilitate SMEs in

terms of knowledge deployment, subsidies, and mobilization. More specifically, Scupola found that government intervention was a key to success for adopting and difusing a new technology among SMEs. According to Prawirokusumo (1999) the roles of the Indonesian Government in developing SMEs include: (1) managing fair competition; (2) providing support in term of economic policies for SMEs; (3) facilitating partnerships; and (4) affirmation supports.

Education

Education provides a basic framework for business people in making decisions. In an increasingly competitive business environment, the quality of human resources is one of the key success factors. Even though their research focuses on the roles of human resource management, Zachariah et al. (2012) implied that the role of education is important in improving SMEs' performance. Generally, a manager with better education tends to have a better understanding of managerial problems. Abdullah, Uli and Ismail (2009) also found that training and education have important roles in improving the quality of electrical and electronic industry in Malaysia. Likewise, education may improve SMEs' understanding of accounting (Supriyati and Wulanditya, 2012). Al-Gahtani (2011) included education attainment in his model that significantly influences perceived credibility, trust, perceived risk, and internet use.

METHODOLOGY

This section describes the instrumentation, sampling method, and data analyses used by the study. The development of hypotheses and the visual summary of proposed research model are also presented.

Validity and Reliability of Scales

The study employed a questionnaire with a five-point-Likert-type scale adapted from the work of Chang (2004) and Chin et al. (2008). The number of years spent by owners or managers attending formal education was the proxy used for measuring education. Corrected-item-total correlation and Cronbach's alpha were used to analyze item validity and reliability respectively. The threshold values of corrected-item-total correlation and Cronbach's alpha are 0.3 and 0.7 respectively (de Vaus, 2002). The results show that all items have coefficient more than 0.3 for corrected item-total correlation and Cronbach's alpha coefficients range from 0.825 to 0.919. The appendix includes detailed information about scales, validity, and reliability of questionnaires.

Sampling Method

Population for this study is all SMEs supervised by the Office of Cooperative and SMEs of Central Java Province. By the end of 2012 these SMEs reached the

number of 80,583 (Dwiatmoko, 2012). Since the study uses path analysis with goodness of fit test indices, sample size of 200 is considered reasonable (Chou and Bentler, 1996). The study employs area random sampling techniques for data collection. This technique is a multi-stage sampling that combines area sampling and simple random sampling. The first stage is to determine the geographic areas as intermediate units for collecting data from lower-level units (Valliant and Kreuter, 2012). The second stage is to select respondents from the areas randomly (Thompson, 2012). By distributing 300 questionnaires to SMEs located in Northern, Central, and Southern regions of Central Java, the study received 157 responses representing a return of 52%. To collect more data, the study distributed more questionnaires to SME managers or owners who attended a meeting at the Office of Cooperative and SMEs. Using this technique, the study collected 67 additional completed surveys. Altogether the study collected a total of 224 responses, 205 usable questionnaires were used for further analysis.

Data Analysis

The study employs correlation and path analyses. Correlation analysis intends to identify the magnitude of relationships among variables in the model. Path analysis is used to identify causal relationships among a set of variables. This technique of analysis is considered more flexible than regression analysis since it could analyze causal relationship from two or more regression analyses at the same time (Edwards and Lambert, 2007). This analysis has two types of variables i.e. exogenous and endogenous variables (Ghozali, 2007). An endogenous variable is influenced by other variable(s) in the model. Moreover, an endogenous variable could function as an intervening variable. On the other hand, an exogenous variable only influences other variable(s). The study builds a research model consisting three exogenous variables, four endogenous variables, and 17 causal relationship hypotheses. Therefore, the study uses path analysis to test simultaneous relationships among variables in the model. Some fit indices are used to justify if the model is empirically supported.

Chi-square is a measure to identify the difference between actual and predicted matrices (Hoe, 2008). Insignificant Chi-Square ($p > 0.05$) means that the model has a good fit as actual and predicted matrices are statistically indifferent. Similarly, Goodness of Fit Index (GFI) is an alternative index for measuring a model's fit to the whole covariance matrix (Ghozali, 2007). The threshold for GFI is 0.9 (Ghozali, 2007; Hoe, 2008). Adjusted Goodness Index (AGFI) assesses the fit of a proposed model using degree of freedom for the null hypothesis. The minimum value of AGFI coefficient is 0.9 (Ghozali, 2007; Hoe, 2008). Nevertheless, several academics suggest the value of 0.95 as a threshold (Hopper, Coughlan, and Mullen, 2008).

Moreover, NFI compares the Chi-Squares of model and the null model (Hopper et al., 2008). Since NFI is sensitive to the sample size, Non-Norm Fit Index (NNFI) or Tucker Lewis Index (TLI) can be a good alternative for assessing if a model is fit. Some academics have different threshold regarding the value of TLI i.e. 0.8, 0.9, and 0.95. This study uses a TLI value of 0.9 as a

cut-off. Nevertheless, the value of TLI can be more than 1.0 (Hopper et al., 2008). Comparative Fit Index (CFI) compares the sample covariance matrix with null model (Hopper et al., 2008). The CFI value of more than 0.9 is considered acceptable. Lastly, Root Mean Square of Approximation (RMSEA) measures the tendency of Chi-Square to reject the model with a large sample. The acceptable value of RMSEA is less than 0.08 (Ghozali, 2007).

Hypotheses of the Study

This study employs an extended TAM by including additional external variables i.e. government support, perceived risk, and education. Previous studies show that TAM is still considered as a powerful framework to understand behavioral intention to use technology. This model may be applicable for predicting SMEs' intention to use SAK-ETAP in an Indonesian business context. In adopting a technology, SMEs would consider the usefulness of the technology for improving their business processes. In addition, SMEs also consider the ease of using technology. In this regards, the more useful of SAK-ETAP means the higher intention of SMEs to use it. Meanwhile, the easier the implement SAK-ETAP leads to the higher possibility of SMEs to adopt it. Thus, the first two hypotheses are posed to test the influence of PU and PEU on intention to use SAK-ETAP.

H₁: PU has a significant impact on intention to use SAK-ETAP

H₂: PEU has a significant impact on intention to use SAK-ETAP

Even though the original model of TAM put PU and PEU in parallel as predictors, the following research found that these variables have a causal relationship. The studies found that perceived ease of use affects perceived usefulness. In other words, the easier to operate a technology means the more useful of that technology. SMEs would perceive SAK-ETAP being useful after they have learnt it and found it easy to use. Therefore, the study postulates the following hypothesis:

H₃: PEU significantly impacts PU of SAK-ETAP

In a constantly changing business environment, a company will always update their strategies to make sure it will have better comparative advantages than that of competitors. Therefore, the adoption of technology or innovation by an SME could affect other SMEs to do the same thing. In addition to social pressure, suggestions from other people would also affect an SME to adopt SAK-ETAP. In this case, social pressure, suggestions, and information about SAK-ETAP placed on SMEs would affect perceived ease of use, perceived usefulness, and intention to use SAK-ETAP. In relation to the above, this study proposes the following hypotheses:

H₄: Subjective norm significantly influences intention to use SAK-ETAP

- H₅: Subjective norm significantly influences PEU
- H₆: Subjective norm significantly impacts PU

Financial and non-financial risks are important factors for SMEs in accepting a technology or innovation. Logically, the higher risk of a certain technology leads to the lesser social pressure and fewer suggestions to accept the technology. In addition, greater risk of a technology would also lead to lower perceptions of ease of use and perceived usefulness of a technology. In this case, if the adoption of SAK-ETAP would increase significant risks, then social pressure and suggestions (subjective norm) to use the accounting standards would become smaller. Consequently, the following hypotheses are posed:

- H₇: Perceived risk negatively influences PU
- H₈: Perceived risk has a negative effect on PEU
- H₉: Perceived risk has a negative impact on subjective norms

The roles of government in improving SMEs are critical in both developed and developing countries. Affirmation, facilitation, and regulatory enactments are among government policies to empower SMEs. In this respect, government policies and facilitations may increase SMEs' intentions to use SAK-ETAP. Moreover, government policies may provide social pressure placed on SMEs to use the accounting standards. In addition, the government also has roles to provide information and training to improve SMEs' competencies to do business. Under these circumstances, government support may affect PU, PEU, and subjective norm, thus posing the following hypotheses:

- H₁₀: Government support significantly influences SMEs' intention to use SAK-ETAP
- H₁₁: Government support significantly influences SMEs' subjective-norms
- H₁₂: Government support significantly influences PU
- H₁₃: Government support significantly influences PEU

Decisions made by the managers or owners of SMEs are reasonable actions based on their skills and knowledge. In this case, education and training have pivotal roles in building managers' or owners' capacity to make business decisions. SME managers or owners with better education would have better ability to cope with social pressure, suggestions, technology usefulness, ease of use of technology as well as intention to use new technology. In other words, education would affect subjective norm, PU, PEU, and intention to use SAK-ETAP. Therefore, the study proposes hypotheses 14 to 17:

- H₁₄: Education attainment significantly influences subjective norms
- H₁₅: Education attainment significantly influences PU
- H₁₆: Education attainment significantly influences PEU
- H₁₇: Education attainment significantly influences intention to use SAK-ETAP

As has been discussed earlier, the research has generated 17 hypotheses derived from relationships among seven variables. As exogenous variables, government support, perceived risk, and education attainment influence subjective norms, PEU, and PU. In turn, the last three variables influence intention to use. In addition, government support and education attainment also influence intention to use. Figure 1 depicts the proposed research model and hypotheses.

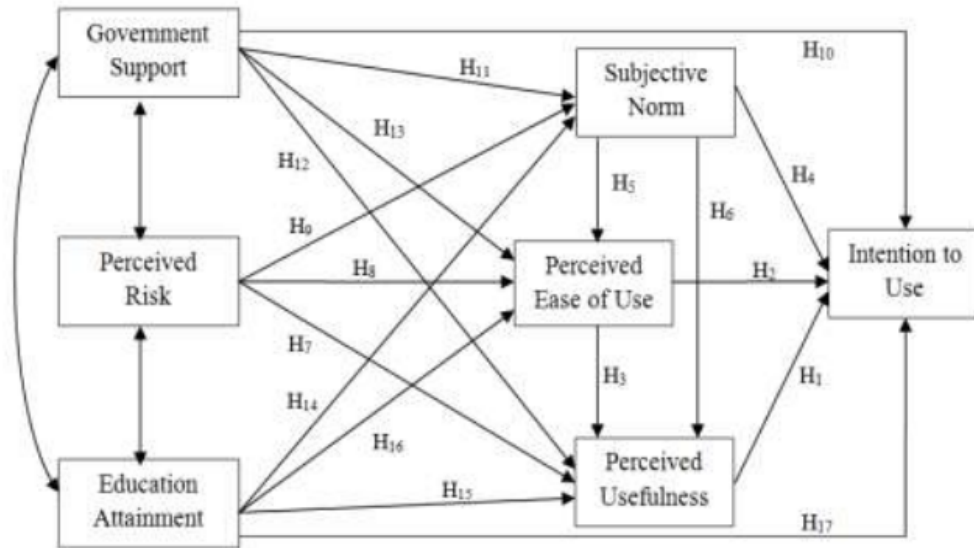


Figure 1: Proposed research model and hypotheses

RESULTS AND DISCUSSION

The study employs two analyses i.e. product moment correlation and path analyses. The first analysis provides information about the relationships among variables in the model, while second analysis provides picture about the simultaneous relationships among endogenous and exogenous variables. The results of correlation analysis are very much in line with the results of path analysis.

To understand the relationships among variables in the model, the study analyzed the data using correlation. The analysis clearly shows the direction and magnitude of relationships. Government support correlates significantly with PU and subjective norm, but it does not have an association with PEU. Correlations between perceived risk and other variables are inconsistent in terms of magnitude and direction. Perceived risk negatively correlates with PEU, but it insignificantly correlates with PU. Perceived risk correlates positively with subjective norm, but it does not correlate with government support.

Moreover, education correlates significantly with PU, PEU, and intention to use. However, this variable does not correlate with subjective norm and

perceived risk. Correlations for the remaining variables show that PU correlates with PEU and intention to use. PEU has a significant relationship with subjective norm, and intention to use. Table 1 provides detailed information about correlations among variables in the model.

The model consists of three exogenous variables and four endogenous variables. Results from analysis show that government support significantly affects subjective norm ($\beta=0.42, p<0.001$), PU ($\beta=0.16, p<0.05$), and intention to use ($\beta=0.36, p<0.001$). Nevertheless, government support does not influence PEU. Perceived risk positively impacts on subjective norm ($\beta=0.27, p<0.001$) and negatively influences PEU ($\beta=-0.28, p<0.001$). Conversely, the study found that perceived risk has insignificant impact on PU. Education affects PEU ($\beta=0.24, p<0.001$) and intention to use ($\beta=0.13, p<0.05$), but it does not influence subjective norm and PU. Consequently, hypotheses H₈, H₉, H₁₀, H₁₁, H₁₂, H₁₆, and H₁₇ are accepted, while H₇, H₁₃, H₁₄ and H₁₅ are rejected.

Subjective norm significantly influences intention to use ($\beta=0.31, p<0.001$) and PEU ($\beta=0.22, p<0.05$), but it does not impact on PU. As an endogenous variable, PEU is significantly affected by perceived risk and education. In turn, PEU affects both PU ($\beta=0.43, p<0.001$) and intention to use ($\beta=0.13, p<0.05$). Lastly, PU impacts intention to use ($\beta=0.13, p<0.05$). Therefore, hypotheses H₁, H₂, H₃, H₄, and H₅ are statistically accepted, while H₆ is rejected. Figure 2 provides the revised model and detailed information about supported and rejected hypotheses.

Table 1: Correlation among variables in the model

Item	Perceived usefulness	Perceived ease of use	Subjective norm	Government support	Perceived risk	Intention to use
Perceived usefulness	1					
Perceived ease of use	0.428**	1				
Subjective norm	0.112	0.147*	1			
Government support	0.197**	0.080	0.455**	1		
Perceived risk	-0.090	-0.190**	0.327**	0.133	1	
Intention to use	0.315**	0.286**	0.519**	0.553**	0.088	1
Education attainment	0.181**	0.235**	0.097	0.132	0.081	0.257**

Note: ** Correlation is significant at the 0.01 level (2-tailed)
 *Correlation is significant at the 0.05 level (2-tailed)

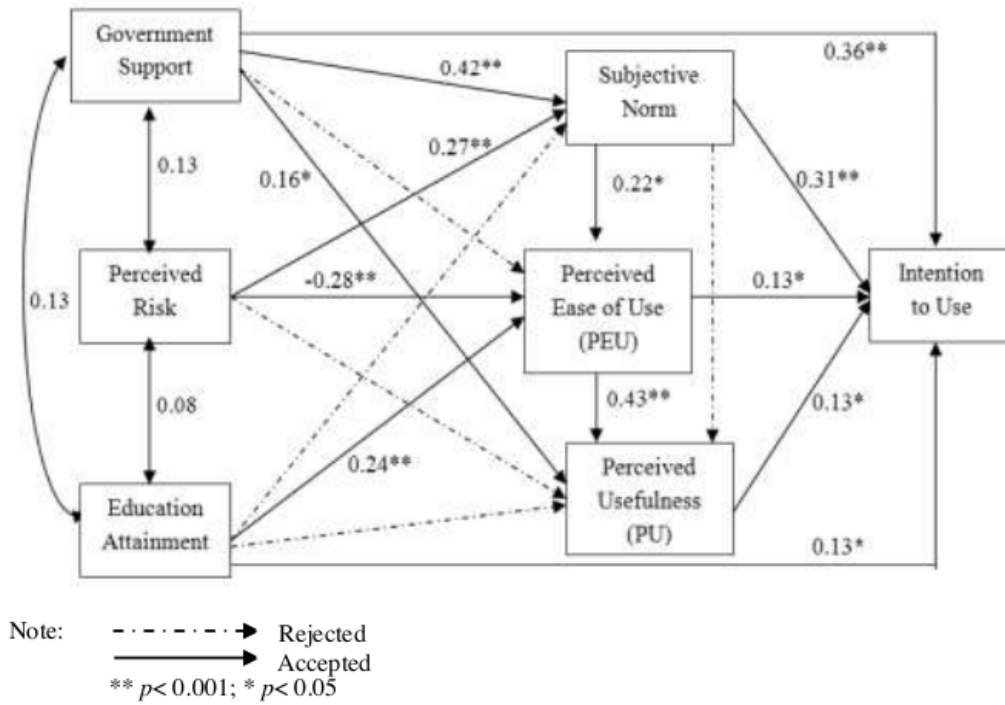


Figure 2: Empirical model of SMEs in accepting SAK-ETAP

Goodness of Fit

To test goodness of fit, the study uses Chi-Square, GFI, AGFI, TLI, CFI, NFI, and RMSEA. To assess actual and predicted matrices, the study employed Chi-Square that has a coefficient of 2.315 ($p=0.889$). The p value of Chi-Square should be insignificant or more than 0.05. Table 2 shows that all coefficients have satisfactory performance. The value of TLI is 1.049 with a minimum value is 0.9. Since TLI is a non-norm index, its value could be more than 1.00 (Hopper et al., 2008).

Table 2: Goodness of Fit Summary

Index	Value	Threshold	Remark
Chi Square	2.315 ($p=0.889$)	Insignificant	Fit
GFI	0.997	0.9	Fit
AGFI	0.985	0.9	Fit
RMSEA	0.000	0.08	Fit
CFI	1.000	0.9	Fit
NFI	0.992	0.9	Fit
TLI	1.049	0.9	Fit

SMEs have several major problems such as marketing, capital, human resources, and finance (Suliyanto et al., 2013; Tambunan, 2011). Improving SMEs’ capacities to access loans from financial institutions is a plausible strategy to solve capital and financial problems. To provide loans to SMEs, formal

financial institutions require SMEs to provide financial reports based on SAK-ETAP. For unknown reasons, SMEs have yet applied these standards.

The study attempts to understand the behavior of SMEs in adopting SAK-ETAP. Intention to use SAK-ETAP is affected by subjective norm, PEU, PU, and government support. Significant influence of subjective norm on intention to use SAK-ETAP is consistent with previous studies (Ajzen, 1991; Chiou, 1998; Yang, 2009). In other words, SME Association, competitors, and social pressures significantly affect intention to use SAK-ETAP. More importantly, the SME Association could play a strategic role in disseminating the accounting standards. Likewise, PEU and PU also influence intention to use. The results support previous studies (Davis, 1989; Szajna, 1994; Venkatesh and Morris, 2000). The impacts of PEU and PU on intention to use in some areas also provide similar results (Al-Gahtani, 2011; Johnson, 2005; Lin and Chou, 2009). Therefore, the impacts of PEU and PU on intention to use are considered important in TAM.

The original TAM contends that PEU and PU are exogenous variables that have parallel roles in influencing intention to use (Davis, 1989). The study found that PEU significantly impacts PU with moderate magnitude ($\beta=0.43$, $p<0.001$). This finding is consistent with previous studies (Faqih, 2013; Kim and Chang, 2007; Lee and Chang, 2011). The magnitude of β is also similar to previous findings that range from 0.3 to 0.45.

Government plays an important role as indicated by the significant influence of this government support on intention to use, subjective norm, and PU. In this case, the roles of government fall into: (1) providing information about the usefulness of SAK-ETAP; (2) suggesting what SMEs should and should not do; and (3) encouraging SMEs to use SAK-ETAP. This finding is in line with previous study conducted by Tambunan (2008) that the role of government in transferring technology to SMEs is important. The study found that the impact of government support on the ease of using SAK-ETAP is insignificant. Insufficient information about SAK-ETAP delivered by government to SMEs might cause this insignificant impact. The number of SMEs is quite large making it difficult for the government to educate SMEs intensively. Nevertheless, the government should intensify its efforts to impose this accounting standard on SMEs by including other parties such as universities, Indonesian Institute of Accountant (IAI), and SME Association to disseminate SAK-ETAP. High commitment from these parties is required to disseminate the accounting standard. Previous study also found that government should work closely with large enterprises (LEs) in transferring technology to SMEs (Tambunan, 2008). Moreover, this strategy is in line with the role of government to provide affirmation to support SMEs (Prawirokusumo, 1999) and facilitate SMEs by implementing knowledge deployment, subsidies, and mobilization (Scupola, 2003). The government should educate SMEs by providing training on SAK-ETAP to ensure SMEs would understand the ease of using these new accounting standards. This suggestion is supported by the results of previous studies that education is important to understand SAK-ETAP (Supriyati and Wulanditya, 2012).

Perceived risk was hypothesized to have significant effect on subjective norm, PEU, and PU. Nevertheless, perceived risk insignificantly influences PU. These results are partially consistent with previous studies. Several studies found that perceived risk has negative impacts on attitude (Lee, 2009), PU and PEU (Al-

Gahtani, 2011), but this study found that perceived risk has a positive impact on subjective norm. Research on the relationship between perceived risk and subjective norm seems to be limited. Therefore, the direction of a relationship between these two variables still remains unclear. The impact of perceived risk on subjective norm is positive meaning that perceived risk could increase social pressure on SMEs to adopt or not adopt SAK-ETAP. In other words, the higher the risk that SMEs encounter, the more social pressure on SMEs to accept SAK-ETAP. Nevertheless, further research should be conducted to understand the nature of relationship between perceived risk and subjective norm.

Perceived risk inversely influences PEU meaning that the higher risk of SAK-ETAP the lower PEU. This result supports two previous studies. Lee (2009) contended that risks negatively impacts attitude and Al-Gahtani (2011) found that risk negatively impacts PEU. On the other hand, two other studies show that perceived risk positively influence PEU (Rodriguez et al., 2012) and insignificantly affects PEU (Faqih, 2013). In addition, this study found that perceived risk does not affect PU. This result is in line with the work of Rodriguez et al. (2012) that relationships between perceived risk and PEU as well as PU are inconsistent. Therefore, further studies should be conducted to provide more information about the impacts of perceived risks on both PEU and PU.

Education has significant effects on PEU and intention to use. These findings support a previous study that education has significant impact on internet use, credibility, and perceived risk (Al-Gahtani, 2011). In addition, this finding is also in line with previous study that training and education significantly affect quality improvement (Abdullah et al., 2009). Nonetheless, the study found that education does not have significant influence on subjective norm and PU. The government together with related parties should intensify their efforts to disseminate SAK-ETAP to SMEs.

As previously mentioned, subjective norm, PEU, PU, government support, and education attainment significantly affect intention to use SAK-ETAP. In this regard, government support and subjective norm have greater influence on the intention to use the accounting standard. In addition, government support also has the largest impact on subjective norm. In other words, the behavior of SMEs in adopting SAK-ETAP mainly depends on government support and SME association. The contribution of SMEs on Indonesian economy is very significant (Tambunan, 2011). Therefore, the government should have more aggressive strategies to facilitate SMEs to adopting SAK-ETAP. As the number of SMEs under the supervision of the Office of Cooperative and SMEs reach more than 80,000 (Dwiatmoko, 2012), disseminating SAK-ETAP to these enterprises becomes a massive program that needs high commitment from all related parties. Government, SMEs, Indonesian Institute of Accounting (IAI), SME association, and association should work hand in hand to run the program. Future study should focus on identifying strategies to disseminate SAK-ETAP to SMEs by involving all of the above parties.

CONCLUDING COMMENTS

Originally developed as a framework for accepting new technology, TAM, consisting of intention to use, subjective norm, PEU, and PU, is applicable for explaining SMEs' intentions to use SAK-ETAP. The inclusion of government support in TAM is empirically supported. Insufficient information about SAK-ETAP delivered to SMEs might cause insignificant effects of government on SMEs' understanding about SAK-ETAP. Moreover, the intention of SMEs to adopt SAK-ETAP mainly depends on the roles of government and SME association.

Having important roles in the country's economy, SMEs should get more facilitation from government in the areas of marketing, finance, production, and human resource management. Since government supports more than 80,000 SMEs in Central Java, harmonizing their accounting is not a straightforward job. It needs high commitment from government, universities, IAI, and SME Association to train SMEs in implementing SAK-ETAP. The government, as a regulator, can play a strategic role in facilitating other parties to disseminate SAK-ETAP. Further important research is needed in two respects: (1) to develop tools and strategies for educating and facilitating SMEs in harmonizing their accounting based on SAK-ETAP; and (2) to identify the impact of perceived risk on subjective norm, PEU as well as PU.

Even though the study employs area random sampling technique, but the areas of this research were in the province of Central Java that could have different SME characteristics. In addition, the owner or manager of SMEs as respondents may have limited understanding on SAK-ETAP. Therefore, future research should include respondents of bookkeepers or accountants of SMEs from some provinces in Indonesia. Further research is also required to identify effective strategies to accelerate the implementation of SAK-ETAP.

REFERENCES

- Abdullah, M.M.B., Uli, J. and Ismail, A. (2009). Training and education program as a major determinant quality improvement in Malaysian electrical and electronic Industry. *International Journal of Business and Management Science*, 1(2): 205-209.
- Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior and Human Decision Process*, 50(2): 179-211.
- Al-Gahtani, S.S. (2011). Modeling the electronic transactions acceptance using an extended technology acceptance model. *Applied Computing and Informatics*, 9(1), 47-77.
- Chang, P.V.C. (2004). The validity of an Extended Technology Acceptance Model (TAM) for Predicting Internet/Portal Usage. Unpublished Master's Thesis, University of North Carolina, Chapel Hill. USA
- Chin, W.W., Johnson, N. and Schwarz, A. (2008). A fast form approach to measuring technology acceptance and other construct. *MIS Quarterly*, 32(4): 687-703.
- Chin, W.W. and Todd, P.A. (1995). On the use, usefulness, and ease of use of structural equation modeling in MIS research: a note of caution. *MIS Quarterly*, 19(2): 237-246.
- Chiou, J.S. (1998). The effects of attitude, subjective norm and perceived behavioral control on consumers' purchase intentions: the moderating effects of product knowledge and attention to social comparison information. *Proceeding National Science Council, Republic of China (C)*, 9(2): 298-308.

- Chou, C.P. and Bentler, P. (1996). Estimate and test in structural equation modeling. In R. Hoyle (Ed.), *Structural equation modeling: Concepts, issues, and applications* (pp. 37-54). London: Sage.
- Davis, F.D. (1989). Perceived usefulness, perceived ease to use of information technology. *Management Information System Quarterly*, 21(3): 319-340.
- Davis, F.D. and Venkatesh, V. (1996). A critical assessment of potential measurement biases in the technology acceptance model: three experiments. *International Journal of Human-Computer Studies*, 145(1): 19-45.
- de Vaus, D. (2002). *Surveys in social research*. Crows Nest NSW: Allen & Unwin.
- Dwiatmoko, S. (2012). Time series data UMKM Binaan provinsi jawa tengah. Available from: <http://dinkop-umkm.jatengprov.go.id/wpcontent/uploads/2013/05/DATA%20UMKM%20SMT%20TW1.pdf> [Accessed 13 December 2013]
- Edwards, J.R. and Lambert, L.S. (2007). Methods for integrating moderation and mediation: a general analytical framework using moderated path analysis. *Psychological Methods*, 12(1): 1-22
- Faqih, K.M.S. (2013). Exploring the influence of perceived risk and internet self-efficacy on consumer online shopping intentions: perspective of technology acceptance model. *International Management Review*, 9(1): 67-77.
- Ghozali, I. (2007). *Structural equation modelling: konsep dan aplikasi dengan AMOS*. Semarang: Badan Penerbit Universitas Diponegoro.
- Gumussoy, C.A., Calisir, F. and Bayram, A. (2007). Understanding the behavioral intention to use ERP systems: An extended technology acceptance model. Paper presented at the 2007 IEEE, Singapore.
- Haryani, E. (2012). Accounting system for small business in Indonesia (case study convection business in Tingkir Lor Village). *Journal of Arts, Science & Commerce*, 3(2): 104-111.
- Hoe, S. (2008). Issue and procedures in adopting structural equation modeling technique. *Journal of Applied Quantitative Method*, 3(1): 76-83.
- Hopper, D., Coughlan, J. and Mullen, M.R. (2008). Structural Equation Modeling: Guidelines for Determining Model Fit. *The Electronic Journal of Business Research Methods*, 6(1): 53-60.
- Johnson, A.M. (2005). The technology acceptance model and the decision to invest in information security. Paper presented at the Southern Association of Information Systems Conference, Savannah, USA.
- Kim, D. and Chang, H. (2007). Key functional characteristics in designing and operating health information websites for user satisfaction: an application of the extended technology acceptance model. *International Journal of Medical Informatics*, 76(11-12): 790-800.
- Lee, H.H. and Chang, E. (2011). Consumer attitudes toward online mass customization: an application of extended technology acceptance model. *Journal of Computer-Mediated Communication*, 16(2): 171-200.
- Lee, M.C. (2009). Factors influencing the adoption of internet banking: an integration of TAM and TPB with perceived risk and perceived benefit. *Electronic Commerce Research and Applications*, 8(3): 130-141.
- Lin, P.C. and Chou, Y.H. (2009). Perceived usefulness, ease of use, and usage of citation database interface: a replication. *The Electronic Library*, 27(1): 31-42.
- Lindsay, R., Jackson, T.W. and Cooke, L. (2011). Adapted technology acceptance model for mobile policing. *Journal of System and Information Technology*, 13(4): 389-407.
- Moqbel, M., Charoensukmongkol, P. and Bakay, A. (2013). Are U.S. academics and professionals ready for IFRS? An explanation using technology acceptance model and theory of planned behavior. *Journal of International Business Research*, 12(2): 47-60.

- Okura, M. (2009). Firm characteristics and access to bank loans: an empirical analysis of manufacturing SMEs in China. *International Journal of Business and Management Science*, 1(2): 165-186.
- Prawirokusumo, S. (1999). *Ekonomi Rakyat (Konsep, Kebijakan dan Strategi)*. Yogyakarta: BPFE.
- Rodriguez, E., Monge-Lozano, P. and Romero-Alonso, M.M. (2012). Acceptance of e-prescription and automated medication-management system in hospital: an extension of the technology acceptance model. *Journal of Information System*, 26(1): 77-96.
- Scupola, A. (2003). Government intervention in SMEs e-commerce adoption: an institutional approach. Paper presented at the 7th Pacific Asia Conference on Information Systems, Adelaide, Australia.
- Smallbone, D. and Welter, F. (2001). The role of government in SME development in transition economies. *International Small Business Journal*, 19(4): 63-77.
- Suartana, W.I. (2010). *Akuntansi keperilakuan: teori dan implementasi*. Yogyakarta: ANDI
- Suliyanto, Suroso, A. and Jati, D.P. (2013). Potential and problems of small medium enterprise (SMEs) coconut sugar: case study in Banyumas Regency, Central Java. *International Journal of Business and Management*, 8(3): 18-26.
- Supriyati and Wulanditya, P. (2012). The SME perception towards the accounting standard without public accountability (SAK-ETAP) and self assessment system for increasing voluntary tax compliance. *IAMURE International Journal of Business and Management*, 4(1): 1-19.
- Swardjono. (2005). *Teori akuntansi: perikayasaan pelaporan keuangan*. Yogyakarta: BPFE.
- Szajna, B. (1994). Software evaluation and choice: predictive validation of the technology acceptance instrument. *MIS Quarterly*, 18(3): 319-324.
- Tambunan, T.T.H. (2008). The role of government in technology transfer to SME clusters in Indonesia: micro-level evidence from the metalworking industry cluster in Tegal. *Asian Journal of Social Science*, 32(2): 321-349.
- Tambunan, T.T.H. (2011). Development of small and medium enterprises in a developing country. *Journal of Enterprising Community*, 5(1): 68-82.
- Teo, A.C., Tan, G. W.H., Cheah, C.M., Ooi, K.B., and Yew, K.T. (2012). Can the demographic and subjective norms influence the adoption of mobile banking? *International Journal of Mobile Communications*, 10(6): 578-597.
- Thompson, S.K. (2012). *Sampling*. New Jersey: John Wiley & Sons, Inc.
- Valliant, R., Dever, J.A. and Kreuter, F. (2012). *Practical Tools for Designing and Weighting Survey Samples*. New York: Springer.
- Venkatesh, V. and Morris, M.G. (2000). Why don't men ever to stop to ask for directions? Gender, Social Influence, and Their Role in Technology Acceptance and Usage Behavior. *MIS Quarterly*, 24(1): 115-139.
- Wright, R.W. and Etemad, H. (2001). SMEs and the global economy. *Journal of International Management*, 7(2001): 151-154.
- Yang, K. and Jolly, L.D. (2009). The effects of consumer perceived value and subjective norm on mobile data service adoption between American and Korean consumers. *Journal of Retailing and Consumer Services*, 16(6): 502-508.
- Zakaria, N., Zainal, S.R.M. and Nasurdin, A.M. (2012). Investigating the role of human resource management practices on the performance of SME: a conceptual framework. *Journal of Global Management*, 3(1): 74-92.

Appendix 1

Validity and Reliability of Scales

Perceived Usefulness		
Statement	Corrected Item-total Correlation	Cronbah's alpha
SAK-ETAP provides financial information for decision making	0.766	0.881
SAK-ETAP provides documents for external parties such as bank and tax office	0.715	
SAK-ETAP makes easy complete tasks and control finance	0.737	
SAK-ETAP makes easy prepare financial reports	0.785	
Ease of Use SAK-ETAP		
Statement	Corrected Item-total Correlation	Cronbah's alpha
SAK-ETAP is easy to learn	0.800	0.879
SAK-ETAP is easy to implement	0.821	
SAK-ETAP does not need much infra structure	0.750	
SAK-ETAP makes easy to exchange financial information among divisions	0.597	
Subjective Norm		
Statement	Corrected Item-total Correlation	Cronbah's alpha
Government influences me to use SAK-ETAP	0.746	0.933
Competitors use SAK-ETAP	0.920	
Other companies use SAK-ETAP	0.852	
SME association suggested me to use SAK-ETAP	0.859	
Government Support		
Statement	Corrected Item-total Correlation	Cronbah's alpha
Government encourages SMEs to use SAK-ETAP	0.851	0.933
Government socialize SAK-ETAP actively	0.887	
Government facilitates SMEs in using SAK-ETAP	0.857	
Government provides training on SAK-ETAP	0.792	
Perceived Risk		
Statement	Corrected Item-total Correlation	Cronbah's alpha
Using SAK-ETAP needs much thought effort	0.721	0.893

Using SAK-ETAP needs much time	0.817	
Using SAK-ETAP needs much money	0.846	
Using SAK-ETAP needs many trainings	0.714	
Intention to Use SAK-ETAP		
Statement	Corrected Item-total Correlation	Cronbah's alpha
I will study the possibility of implementing SAK-ETAP at my company	0.747	
I will use SAK-ETAP in my company	0.756	
I will prepare infrastructure to implement SAK-ETAP (human resource, hardware, and software)	0.749	0.894
I will socialize the use of SAK-ETAP at my company	0.749	
I will recruit consultants to implement SAK-ETAP at my company	0.714	

TAM

ORIGINALITY REPORT

11%

SIMILARITY INDEX

5%

INTERNET SOURCES

9%

PUBLICATIONS

6%

STUDENT PAPERS

MATCH ALL SOURCES (ONLY SELECTED SOURCE PRINTED)

2%

★ Charles Buabeng-Andoh. "Predicting students' intention to adopt mobile learning", Journal of Research in Innovative Teaching & Learning, 2018

Publication

Exclude quotes On

Exclude matches Off

Exclude bibliography On