



Readiness the Owner of Small Medium Enterprises for Digital Financial Records in Society 5.0 Era

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ABSTRACTS

This research has its purpose to find out the readiness for owner of small medium enterprises to pull off the technology by applying digital financial records in society 5.0 era. All datas was collected using quantitative methods by distributing questionnaires to the owner of Small Medium Enterprises. The results for this data collecting shows that 55.6% of Small Medium Enterprises are ready for using digital devices, 5.6% choosed neutral, and 38.9% for owners who choosed very ready to use digital devices for running their business specially in financial records activity. Based on datas that has been collected it shows that Small Medium Enterprises are ready to use digital devices in financial recording of their business. The main reason is because digital financial records is easier and faster when they want to monitoring the business growth, that also means that the very first assumption of this research with the final results are match in harmony. So, it can be concluded that in Society 5.0 era many people specially who run Small Medium Enterprises are ready for the digitalization of financial records in order to maximize effectiveness and efficiency with a good result for their business.

ARTICLE INFO

Article History:

Submitted/Received 10 Jun 2022

First revised 14 Feb 2022

Accepted 20 Feb 2022

First available online 24 Feb 2022

Publication date 01 Mar 2022

Keyword:

Digital financial records,
Small and medium enterprises,
Society 5.0,
Technology for business
activities.

1. INTRODUCTION

The development of each era in our world happened very quickly. This developments also influencing human behavior which is transforming following technological developments with the aims achieving in prosperity such industrial, academic, social, and related to other social life prospect (Shiroishi et al., 2018). This goes back to the name of a Japanese government program in which they wish to establish a better, super-smart and more prosperous human-centered society, with the support of the economy, known in Europe and America as Industry 4.0 (Roblek et al., 2020). The concept of Society 5.0 was first introduced by Japanese Government in 2016. The concept of Society 5.0 aims at solving social issues from a new perspective (Narvaez Rojas et al., 2021). The technology that continue developing must be accompanied and controlled by human resource who able to do it properly. Initially, the concept of Society 5.0 was not well known by the public, even though this concept can be implemented in work in all fields, such as education, assisting in the preparation of infrastructure, preparing business strategies, and many other fields. For business activities such as making strategies to maintaining and monitoring business optimally by entrepreneur can be done digitally by following Society 5.0 concept, unfortunately there are still many entrepreneurs who use manual method instead of digitally. But time passing by they started to switch from manual method to digital because they feel they're already got vibes with technology (Mashur et al., 2019). Digitalization of technology is used by business owners for planning or managing their future plans of their business specially managing financial records because it considered more practical (Ortina, 2020).

The opposite things were found by another research of Small Business owners in year of 2020[9]. The results of that research in 2020 shows that most human resources specially the owners of Small Medium Enterprises are not ready switching from manual to digital. Other research in the same year said that human resources also got struggle and found difficulties of digital transforming era specially in construction industry under the digital economy (Timchuk & Evloeva, 2020). Digital transformation also have another challenges that found in other research such as many people haven't control it well and still using manual method because it became behaviours of them (Brunetti et al., 2020). But by time passing the transformation of human resource for their thoughts, attitudes, and behaviours continue to accur This changing of attitude behaviours happened in fairly short and significant period of time (Schwertner, 2017), also this changes gave impact on Small Medium Enterprises who started to choose digital method for their financial recording because they are considered more efficient than doing it by manual (Tan et al., 2019).

The purpose of this research is to examine the extent which Small Medium Enterprises are using digital technology to manage their business activities especially in financial records, which known-believed they started switch from manual to digital for managing their business, this research using quantitive method for collecting data by spreading questioners to the owners of Small Business Enterprises.

2. METHODS

Quantitative method was chosen for collecting all data of this study research on Small Medium Enterprises. This research was conducted for four days on January 2022 with 32 respondents who are the owners of Small Medium Enterprises itself. Google Forms choosed as the media for collecting data which contains two different types of questions, the first one is using Likert Scale (options ranging from very ready to totally not ready), and the second one is more like studying their personal opinion of digitalisations behaviour for running their

business. The study was conducted by taking sample of Small Medium Enterprise owner's opinion who are willing to answer all the questions about their readiness for using technology in financial recording.

3. RESULTS AND DISCUSSION

The questions have been answered by 32 respondents who got the status as the owner of Small Medium Enterprises in various kinds of business, they have been running their business for more than three years long. Questions are forming in Likert scale containing opinions ranging from very ready to totally not ready options, regarding the level of readiness of Small Medium Enterprises owners for using digital financial records and it's presented in diagram in **Figure 1**.

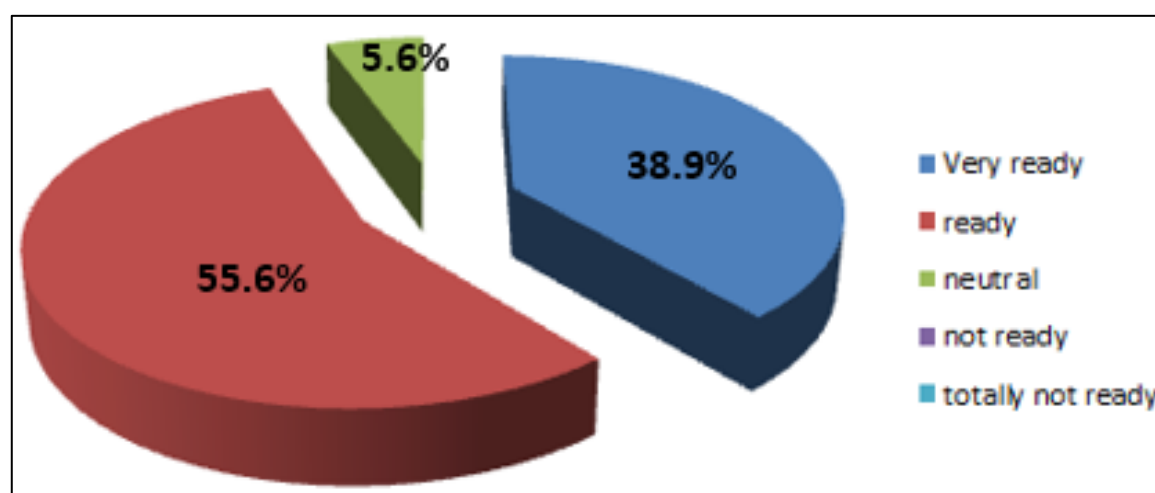


Figure 1. How ready the owners of small medium enterprises using digital; devices on their business activities.

Based on pie chart in **Figure 1** it shows three different colours, it filled with Red, Green, and Blue colours. Red color means Ready, green means Neutral, and the last one is blue which shows for Very Ready option. Every color has its number of percentages, the ready category which has red color got 55,6%. This category is the most chosen by respondents, that means they feel ready to use digital devices for their financial records in business. Move on to the blue one which means very ready, it gets 38,9% respondents, it shows that respondents have a high-level being part of digitalization financial records. The last one is green for neutral got 5,6% of respondents which means they're in between ready and not too ready to use digital devices.

The point of readiness in this research is to see how Small Medium Enterprises will take a new step and change from manual system to digitalization systems. From accounting perspectives, digital records in business activities make works easier for managing and monitoring financial status or finances well, if a business could control it well, they also can grow their business more simply but running in structured as well.

In addition to the level of readiness, there is also question for Small Medium Business Enterprises about how often they already using technology in their business activities. The following data is presented in **Figure 2**.

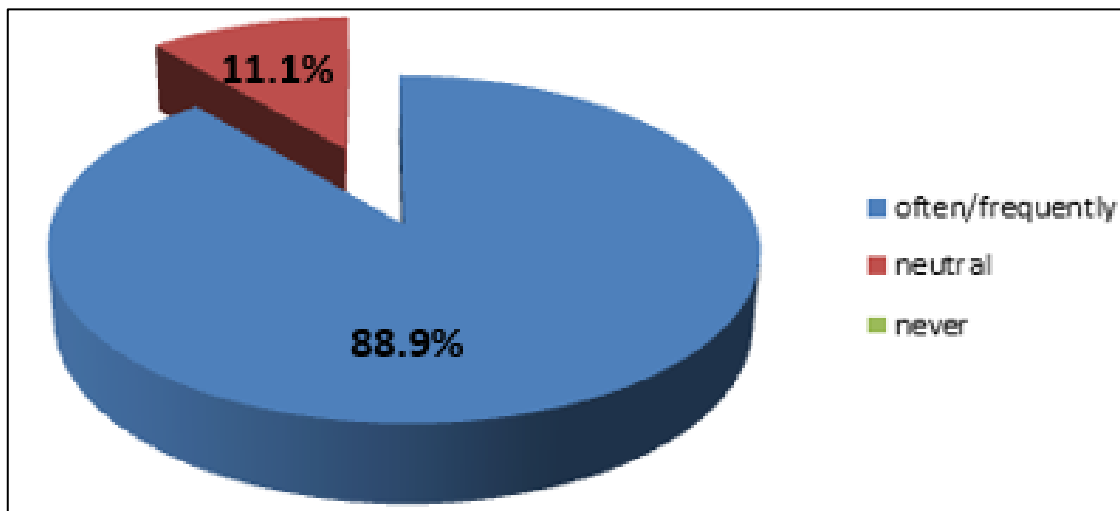


Figure 2. How often the owners of small medium enterprises using technology on their business activities.

Technology developments encouraging digital business are beneficial for Small Medium Enterprises, based on pie chart in **Figure 2**, it shows four categories. Blue part means often or frequently got 88,9% which means they often implementing the role technology on their daily basis to run the business. On the other side there is Red part for neutral option that got 11.1% respondents. That means they still use manual management but they also using digital for managing their business, both of them are used in business activities. And none of them choose never.

Judging from the current era of society 5.0, business actors have been able to take advantage of digital sophistication in the accounting field, especially in financial records. They realize that technology in accounting makes it easier to increase business productivity.

From two things that has been questioned that shown in **Figures 1 and 2** we have to know if Small Medium Enterprises are familiar enough to the technology that they have been use all this time, because sometimes some people still manage to use technology but not too familiar with it, that cause an unmaximized the use of technology itself. To help with that issues we made question to ask that shows in **Figure 3**.

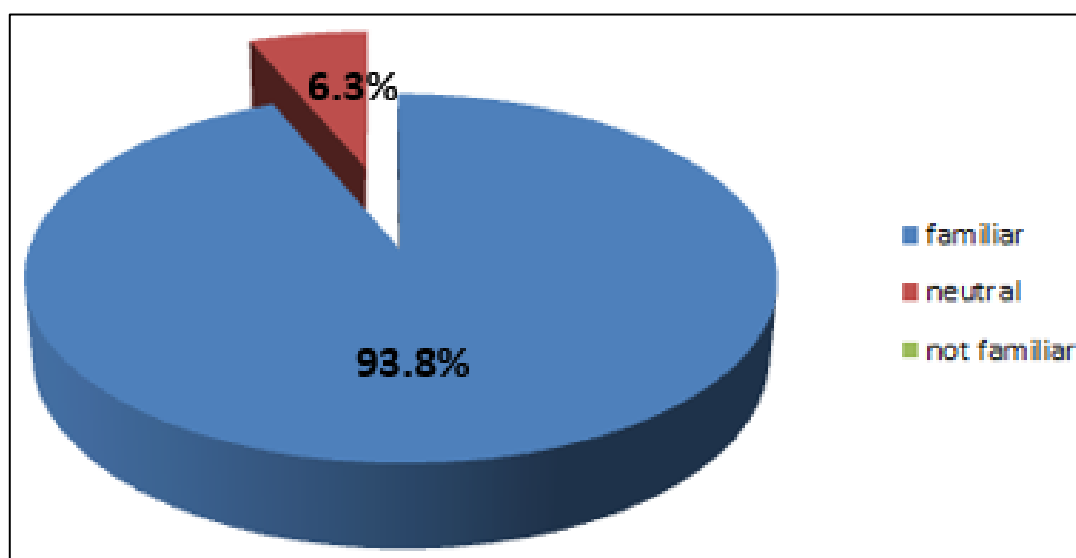


Figure 3. How familiars the owners of small medium enterprises with technology for running their business.

In business activities the use of technology is still dominated by the large companies. However, in daily basis, many Small Medium Enterprises have used and familiar enough with technology especially in their business activities. It can show from the results in **Figure 3**. Respondent are choosed option familiar that represented by blue colour on pie chart that got 93,8% numbers. In accounting itself, technology got a huge role in helping accounting process, which is financial recoding process because it is considered time-saving, efficient, and producing accurate information. On the other side, some Small Medium Enterprises owners are choosing neutral with 6,3% numbers, that means they are not too familiar. They know how to do digital financial records and other activities but not too know handle or control it well.

Other concerns that found in Society 5.0 era for business activities is availability of devices to maximize the implementation role of technology, it's related to one of the supporting factors is digital devices that should be adequate. That is why we tried to reached this concern by asking the owner of Small Medium Enterprises, because we can still find owners who choose neutral or even not familiar that possibly they do not have digital facilities to be used for digital financial records, the results of this question can be shown in **Figure 4**.

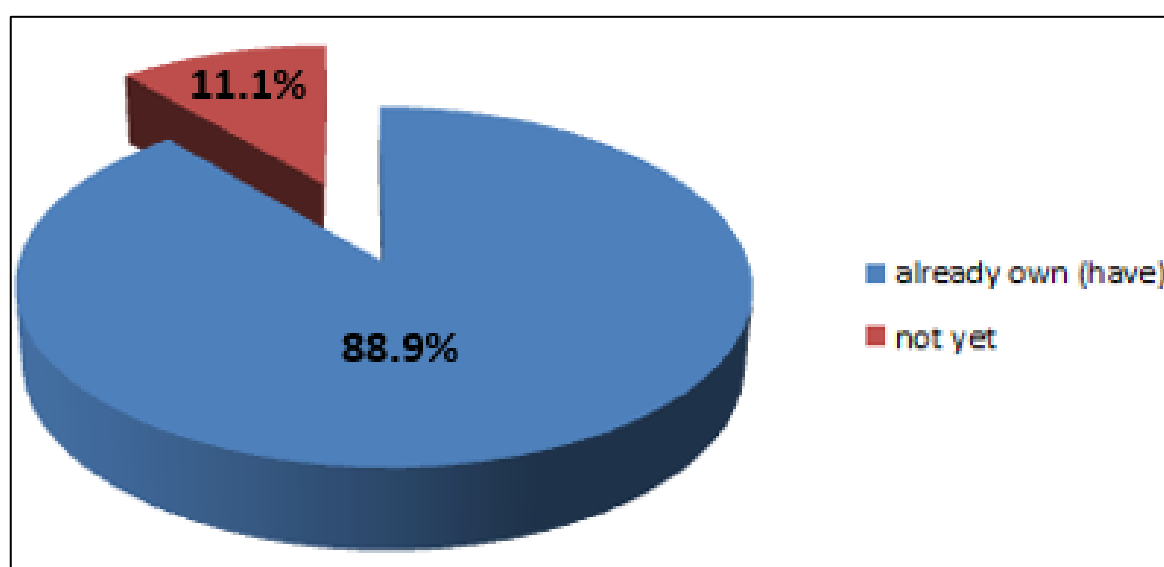


Figure 4. The owners of small medium enterprises are having facilities or devices adequate enough for recording their financial records digitally on their business.

From **Figure 4** are showed the results for this concern and can be found that 11,1% still does not have adequate facilities for digital financial records that is why they cannot maximize technology of their activity business, otherwise the 88,9% luckily already have their own devices for digital financial recording.

After all those questions that have been asked to Small Medium Enterprises owners there's a highlighted question representing the changing behaviour of human resources in Society 5.0 era. From the previous research many Small Medium Enterprises owner choose manual method more than digital method for financial records in 2020. But after time passing by, we found that this behaviour got changed and developing at the same time. In 2022 Small Medium Business owners prefer digital financial records more than manual financial records that can be seen in **Figure 5**.

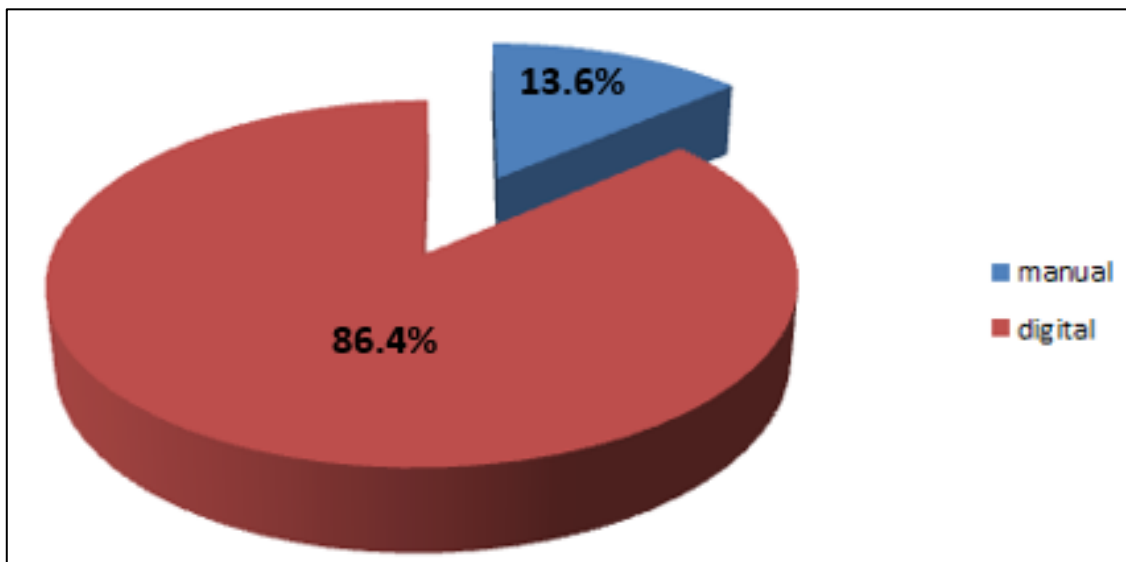


Figure 5. The owner's of small medium enterprises choice for financial records whether doing it manually or digitally.

Uses of technology increase in digital financial records on January 2022 by this study. While in 2020 most of them still choose manual method, but in 2022 they prefer digital financial recording. Digital financial records were chosen by 86,4% respondents, but there's still 13,6% who choose manual it is related to previous questions specially about they are already familiar or not and have they already got facilities for digital financial records. The reason behind the 13,6% is Small Medium Enterprises owner thinks that by manual financial records they could manage it more accurately.

In fact, digital financial records or managing business digitally are easier to do and easy to monitor it, because they can manage it every time when they need it, it is because of the easy access (Provotoroy *et al.*, 2020; Phornlaphatrachakorn & Na Kalasindhu, 2021; Huang, 2020; Febrianti & Herbert, 2022). If manual financial records have to check all the files or paper one by one, in digitalization we can just check out the history or even search in the documents. The quality of digital accounting is developing quickly as well, to achieving business success and productivity this digital technology can help improve content of management analytic data and networking as well, it helps business growth (Phornlaphatrachakorn & Na Kalasindhu, 2021; Huang, 2020; Febrianti & Herbert, 2022; Rahayu, 2020; Soegoto *et al.*, 2022). Most of them using software on computer because it can be seen the difficulties and problems and how they will solve with it and the calculation are more accurate Iffan & Shafira, 2021; Febrianti & Herbert, 2022; Astuti & Augustine, 2022; Budiarti & Akbar, 2021; Budiarti *et al.*, 2021; Anggraini & Persada, 2021; Rohmawati & Winata, 2021).

4. CONCLUSION

From this research that have been done, it can be stated that behaviour changes happened and human perspectives are developing in Society 5.0 era. Also, the technology of digitalization transforming by the times with human resources, they are developing together at the same time. This digital transformation giving huge impact for all activities specially in economy business. Small Medium Enterprises is known as part of the economy business feel the impact of this digitalization, all the behaviours managing their business from manual way now changing time by time to digital method to monitoring or managing financial records. At first, they use manual financial records because they're not familiar enough to digital devices

that can be used. Also, on the other side they still don't have devices that adequate for digital financial records. Digital financial records have increased significantly in 2022, which owners of Small Medium Enterprises are more preferred to use software for managing financial growth in their business. The reason why they ready and started to use digital method is because it's easier and more efficient to do. They can manage their financial records whenever and wherever that they want to, because digitalization makes easier data access and it can solve problems or challenges more efficient and more accurate by the helps of digital devices.

5. ACKNOWLEDGMENT

We would like to thank Universitas Komputer Indonesia for assisting us to write this paper, and to all who participated and took part that we cannot mention one by one.

6. AUTHORS' NOTE

The authors declare that there is no conflict of interest regarding the publication of this article. The authors confirmed that the paper was free of plagiarism.

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