

An Analysis of MSME's Understanding and Implementation of SAK EMKM from the Banten Cultural Perspective

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Abstract

This study examines how prevailing cultural values and social norms in Serang City influence the understanding and implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) among MSMEs. Employing a qualitative research design, this study utilizes thematic analysis to explore behavioral patterns underlying accounting practices. Data were collected through a combination of direct and indirect interviews with MSME actors. The findings reveal three dominant themes affecting SAK EMKM implementation: the prevalence of a practical mindset in financial decision-making, status quo bias accompanied by resistance to change, and information asymmetry coupled with limited mental investment in accounting learning. From a theoretical perspective, this research contributes to the accounting literature by extending the discussion on SAK EMKM implementation through a behavioral accounting framework grounded in a mental accounting approach. Practically, the findings underscore the importance of developing policy frameworks and accounting assistance programs that are contextualized, culturally sensitive, and aligned with the cognitive and behavioral characteristics of MSME actors. The novelty of this study lies in its cultural perspective on SAK EMKM implementation, offering behavioral insights that enrich conventional compliance-based accounting approaches.

Keywords: SAK EMKM, Culture, Behavioral Accounting.



A. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) make a substantial contribution to economic development by generating employment opportunities, strengthening local economies, and supporting inclusive growth, particularly in developing countries. Despite their economic significance, MSMEs frequently face persistent challenges related to financial management and the adoption of standardized accounting practices. Effective financial management is widely recognized as a fundamental prerequisite for business sustainability because it enables firms to monitor financial performance, manage cash flows, and allocate resources efficiently (World Bank, 2020). The implementation of proper financial reporting is essential for MSMEs, as it provides numerous benefits, including improved financial control, transparency, and decision-making quality (Suryanto et al., 2020). Standardized financial information also enhances accountability and reduces information asymmetry between MSMEs and external stakeholders such as banks, investors, and regulators, which is crucial for improving access to formal financing (OECD, 2019). To address these issues, the Financial

Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) were introduced to offer simplified accounting principles tailored to the operational scale and complexity of MSMEs. These standards aim to support business growth by encouraging more structured and systematic financial management while remaining accessible to business owners with limited accounting knowledge (IFRS Foundation, 2018). Empirical evidence suggests that the level of awareness and understanding of SAK EMKM among MSME actors remains relatively low. Many MSME owners perceive accounting practices as complex, time-consuming, and detached from daily operational needs, which discourages the adoption of formal financial reporting systems (OECD, 2019). A significant number of MSME actors continue to rely on manual bookkeeping practices or do not maintain financial records at all (Yani et al., 2023). This condition constrains their ability to evaluate business performance accurately, manage financing effectively, and make informed strategic decisions. Inadequate financial records also increase vulnerability to operational and financial risks due to the absence of reliable information for planning and control (World Bank, 2020). Weak accounting practices hinder compliance with taxation and regulatory requirements, thereby exposing MSMEs to potential administrative and legal sanctions. Prior studies indicate that low accounting literacy among MSME owners is closely associated with limited competitiveness and reduced growth potential (OECD, 2019). The limited implementation of SAK EMKM reflects not only technical accounting barriers but also behavioral and institutional challenges faced by MSMEs. Strengthening the adoption of SAK EMKM should therefore be viewed as a strategic intervention to enhance MSME resilience, financial discipline, and long-term sustainability. Improving understanding and practical application of standardized accounting can enable MSMEs to mitigate risks more effectively and integrate more fully into the formal economic system.

One of the primary factors contributing to the low level of SAK EMKM implementation among MSMEs is the educational background of business owners, as higher educational attainment is consistently associated with stronger accounting literacy and a better understanding of formal financial reporting requirements (Adhikara, 2018; Hakim & Ridwan, 2024). MSME actors with limited formal education often experience difficulties in interpreting accounting concepts, which constrains their ability to apply standardized accounting practices effectively (Adhikara, 2018). Access to information further reinforces this condition, as insufficient socialization programs and limited accounting training reduce MSMEs' exposure to SAK EMKM guidelines and practical implementation procedures (Hakim & Ridwan, 2024). Many MSMEs rely on simple Excel-based bookkeeping systems that do not comply with SAK EMKM standards and fail to support comprehensive financial analysis (Hakim & Ridwan, 2024). Beyond educational and informational constraints, cultural values such as religiosity,

tolerance, tradition and local wisdom, mutual cooperation (gotong royong), environmental preservation, and respect for customary law significantly influence MSME decision-making processes. Strongly embedded cultural norms often prioritize trust-based relationships and informal practices, which may limit openness to formal accounting systems perceived as bureaucratic or misaligned with local values (Thampi et al., 2020). Empirical studies demonstrate that deeply rooted cultural orientations can reinforce resistance to innovation, including the adoption of standardized accounting practices (Yousefiyan et al., 2014). Cultural cognition further explains that MSME actors tend to process financial information in ways that align with prevailing social values, thereby constraining behavioral change in accounting practices (Inayatullah et al., 2024). While Hasibuan et al. (2024), and Setiawan et al. (2024) emphasize human resource competence and MSME perceptions as key determinants of SAK EMKM implementation, these factors explain only part of the variance, accounting for 76.6% and 88.3%, respectively. Meanwhile, Zulfikar et al. (2022) highlight external determinants but do not incorporate cultural dimensions, indicating the need for more integrative analytical frameworks.

Despite these findings, prior studies have not adequately integrated local cultural values into a mental accounting framework to explain how MSME actors cognitively organize and interpret financial information when making business decisions. Most existing research treats accounting adoption as a technically rational process, while overlooking the fact that accounting behavior is socially constructed and shaped by underlying cultural values (Gray, 1988). Cultural orientations such as religiosity, collectivism, tradition, and respect for customary norms influence perceptions of accountability and legitimacy, which in turn affect openness toward standardized accounting practices. In culturally embedded MSME contexts, informal trust-based arrangements and communal decision-making may be prioritized over formal documentation, limiting the perceived relevance of SAK EMKM. Cross-cultural behavioral research further demonstrates that shared norms and value systems significantly influence economic judgment and resistance to externally imposed rules (Gelfand et al., 2011). This perspective helps explain why improvements in education and access to information alone are insufficient to ensure consistent adoption of standardized accounting frameworks. The absence of an integrated model combining cultural values with cognitive accounting processes represents a critical gap in the MSME accounting literature. Addressing this gap requires methodological approaches capable of capturing meaning, interpretation, and context rather than solely measuring compliance outcomes. Qualitative behavioral accounting research is particularly suitable for this purpose because it enables in-depth exploration of value-driven cognition and decision-making processes within real organizational settings (Creswell & Poth, 2018).

Responding to the limitations of previous studies that have not explicitly examined the influence of cultural factors on the understanding and implementation of SAK EMKM, this study addresses an important conceptual and empirical gap in the MSME accounting literature (Thampi et al., 2020; Yousefiyan et al., 2014; Inayatullah et al., 2024). Existing research has largely overlooked how culturally embedded values shape the way MSME actors cognitively categorize, interpret, and utilize financial information in their business activities. This study aims to analyze how cultural values namely religiosity, tolerance, tradition and local wisdom, mutual cooperation (gotong royong), environmental preservation, and respect for customary law and deliberative practices influence mental accounting processes and affect the practical implementation of SAK EMKM. By focusing on mental accounting as a behavioral framework, this study seeks to capture the cognitive mechanisms through which cultural values shape financial decision-making. The research is conducted in Serang City, where strong local cultural norms remain influential in MSME operations. A qualitative case study approach is employed to allow an in-depth and context-sensitive exploration of MSME actors lived experiences and accounting practices. This approach enables the identification of value-driven patterns that cannot be adequately explained through quantitative measurement alone. The findings are expected to enrich behavioral accounting literature by integrating cultural dimensions into mental accounting analysis. This study aims to generate policy recommendations and implementation strategies for SAK EMKM that are culturally sensitive and practically applicable. Such insights are anticipated to be transferable to other regions with similar cultural characteristics.

B. METHOD

This study adopts a qualitative research approach with a case study design to examine the factors influencing the understanding and practical implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). The qualitative approach is employed to capture the complexity of the challenges faced by MSMEs in Serang City, particularly those related to financial reporting practices and compliance with SAK EMKM. Through this approach, the study seeks to obtain an in-depth understanding of the contextual, behavioral, and organizational constraints that hinder MSMEs from fully adopting standardized accounting practices.

The selection of MSMEs is a critical aspect of this study to ensure diversity among the informants and the business contexts examined. A total of eight MSMEs located in Serang City were selected using a purposive sampling technique. These enterprises represent various business sectors, including the culinary sector, children's fashion, handicrafts, beauty services, photography services, and laundry services. The inclusion of MSMEs from multiple sectors is intended to generate comprehensive and varied data

regarding SAK EMKM implementation practices across different types of business activities.

Data collection was primarily conducted through semi-structured interviews, which served as the main source of qualitative data in this study. For each MSME, informants were selected based on their direct responsibility and authority in accessing and managing financial records. These informants included financial managers, directors, chief executive officers (CEOs), or representatives of departments involved in decision-making related to financial reporting standards. This approach was designed to obtain structured, in-depth, and comprehensive information on how SAK EMKM is understood and applied within MSME organizations in Serang City.

The study focuses on the practical implementation of SAK EMKM by MSME actors in Serang City. The eight selected MSMEs from diverse sectors enable a comprehensive analysis of accounting practices and reporting behaviors, while also ensuring the availability of heterogeneous data. This sectoral diversity allows the study to capture variations in accounting implementation patterns and challenges across different business environments.

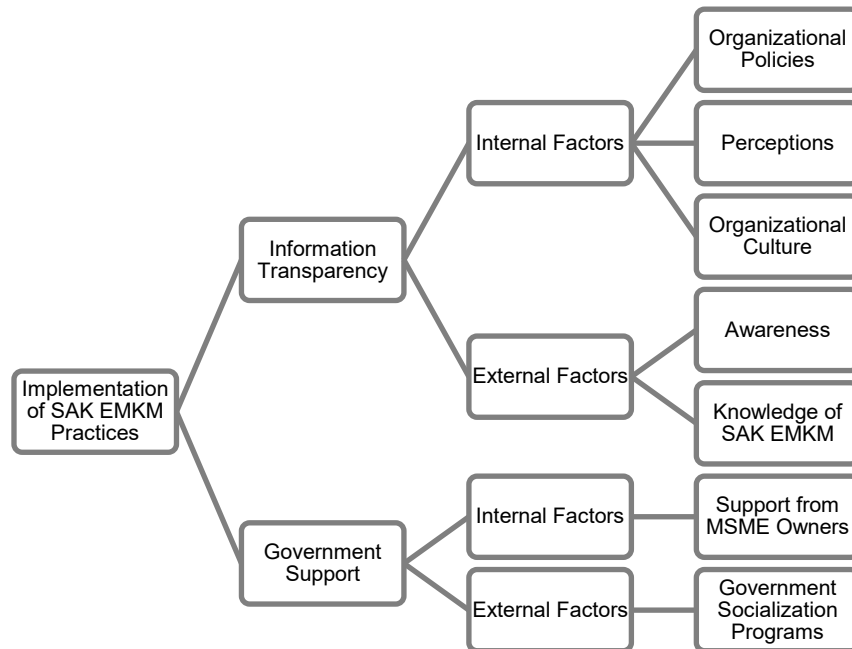
Interview informants were selected through purposive sampling, targeting individuals who are directly involved in financial reporting activities within their respective MSMEs. Information obtained from these informants regarding their understanding and implementation of SAK EMKM provides critical insights into the obstacles that prevent MSMEs from adopting SAK EMKM in their financial reporting practices. These insights form the basis for identifying key behavioral, informational, and contextual barriers to standardized accounting implementation among MSMEs.

Table 1. List of Research Informants

Type of MSME	Years of Experience	Position
Culinary	27 years	MSME Owner
Handicrafts	23 years	Director of Finance and Operations
Children's Fashion	2 years	Financial Manager
Beauty Services	3 years	Financial Manager
Culinary	3 years	Owner
Photography Services	5 years	Owner
Laundry Services	2 years	Finance Staff
Culinary	2 years	Financial Manager

A total of eight interviews were conducted over a two-month period. All interviews were audio-recorded with the consent of the informants and subsequently transcribed verbatim. The interview transcripts were then systematically coded and analyzed in depth to identify key categories and dominant themes related to the implementation of SAK EMKM.

The analysis revealed two main themes: (1) information transparency and (2) government support. These main themes were further categorized into two sub-themes, namely internal factors and external factors. This thematic structure enabled a clearer understanding of how organizational conditions, individual perceptions, and institutional environments jointly influence MSMEs' understanding and practical implementation of SAK EMKM.



C. RESULT AND DISCUSSION

1. Challenges Faced by MSMEs in Accessing Financial Accounting Standards Information.

Micro, Small, and Medium Enterprises (MSMEs) face significant challenges in accessing and applying information related to the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). These challenges arise from multiple factors, including educational barriers, limited resources, and the inherent complexity of accounting standards. Difficulties in understanding and implementing these standards may hinder MSMEs' ability to maintain transparent and accurate financial records, which are essential for securing external financing and ensuring compliance with regulatory requirements. Inadequate access to and comprehension of accounting standard information can constrain MSMEs' financial management capacity and long-term business sustainability. The following section outlines the key challenges encountered by MSMEs in this context.

a. Internal Factors: MSME Actors' Perspectives in Policy Decision-Making

The implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) is essential for MSMEs to produce reliable financial statements and enhance public trust. From the perspective of MSME participants, several internal factors influence policy-related decisions regarding the adoption of these standards. These factors include accounting knowledge, human

resource competence, the readiness of MSME actors, and perceptions of accounting standards. Although some MSMEs have implemented financial reporting practices that they consider sufficient for business operations, the actual application often remains limited. This condition is reflected in the statement of one informant, Mr. Birrul (29), who explained: "Because my business operates as a franchise, all financial recording is carried out using an application provided by the headquarters. I simply follow that system. So far, my business has grown well."

This statement indicates that MSME actors in Serang City tend to perceive business growth as the primary indicator of success, rather than focusing on a deeper and more accurate assessment of financial health. Financial reporting is viewed as a functional tool to support operations rather than as a comprehensive mechanism for evaluating business sustainability. Further elaborating on this issue, Mr. Birrul added: "In 2023, I experienced losses due to poor decision-making because I did not know the actual profit at that time, which led me to make the wrong decisions."

This experience highlights how limited financial insight, resulting from inadequate accounting practices, can expose MSMEs to significant decision-making risks. In addition to perception-related issues, many MSMEs face financial resource constraints that prevent them from hiring professional accountants or investing in accounting software. Internal policies tend to prioritize identifying net profit figures rather than developing a comprehensive understanding of overall financial conditions. This situation aligns with the statement of another informant, Mr. Nasir (54), who stated: "We are a small business, so we focus more on daily operations than on preparing proper financial reports. When it comes to reporting, we only know the net profit. Detailed or standardized reports are beyond our capacity. Hiring a professional accountant is expensive, and learning all of that takes time and money. So, in the end, we just prepare very basic records".

These findings demonstrate that internal factors particularly limited accounting knowledge, financial constraints, and pragmatic business perceptions significantly shape MSME actors' policy decisions regarding SAK EMKM implementation. The dominance of operational priorities and short-term performance considerations reinforces a simplified approach to financial reporting, which ultimately constrains the adoption of standardized accounting practices.

b. Internal Factors: Resistance to Change

Resistance to change among MSME actors is primarily driven by a combination of factors, including limited accounting knowledge, inadequate resources, and psychological barriers associated with adopting new practices. Many MSME owners reject change due to fear of unfamiliar systems that are perceived as inconsistent with long-standing values and established business routines. This resistance reflects a cognitive and cultural attachment to traditional practices, which discourages the adoption of standardized accounting frameworks such as SAK EMKM. This phenomenon is illustrated in the interview with Mr. Alfian (25), who stated: "My parents are used to the old way of doing things. They find it strange to switch to something new, especially when it involves rules we do not yet understand. They are

afraid of making mistakes, afraid of incurring losses, and confused about where to start. Moreover, the current system is already sufficient for us. Being asked to change feels burdensome because it means learning everything from scratch.”

This statement indicates that deeply rooted family values and inherited business practices serve as significant barriers to the adoption of new accounting knowledge, particularly in the implementation of SAK EMKM in Serang City. The reluctance to change is reinforced by intergenerational value transmission, where traditional methods are perceived as legitimate and sufficient for business continuity.

In addition to psychological resistance, long-standing informal accounting practices based on experience and intuition further constrain the adoption of standardized accounting systems. This condition is confirmed by another informant, Mr. Bashir (56), who explained: “For decades, we have known our profits simply from the number of meatball portions sold. If we sold 250 portions, then we assumed the money should be around that amount sometimes more, sometimes less. The extra might come from drinks that were not counted, and the shortage might be due to calculation errors. Sometimes I act as the cashier, and at other times I also serve customers.”

This account demonstrates that profit assessment based on daily sales volume and personal estimation has become an entrenched mental accounting practice among MSME actors. Such practices reduce the perceived necessity of adopting formal accounting standards, as business owners rely on experiential judgment rather than structured financial measurement. Resistance to change is not merely technical but deeply embedded in cultural norms, habitual cognition, and inherited business values, which collectively hinder the effective implementation of SAK EMKM.

c. External Factors: MSME Awareness and Understanding of SAK EMKM

Awareness and understanding of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) among MSMEs in Indonesia play a critical role in improving the quality of financial reporting and overall business performance. Although SAK EMKM was introduced to facilitate standardized financial reporting, many MSMEs continue to face difficulties in its implementation due to various external constraints. One of the primary factors is the educational background of individuals responsible for financial reporting, as a substantial number of MSMEs lack personnel with formal accounting knowledge or exposure to SAK EMKM.

This condition is confirmed by the statements of several informants. Farhan (27) stated: “I actually want this business to have more organized financial reports, but I do not know what SAK EMKM is. We usually only use financial reports prepared in Excel. If we are required to apply such standards, I think we need to learn first because I do not have an accounting background.”

Similarly, Caesar (29) explained: “Yes, I have the same situation. Our employees are only high school graduates, so they have never studied accounting formally, let alone SAK EMKM. If there were training programs or practical guidelines that are easy to understand, we might be able to try, but for now we are

still confused.”

These statements indicate that limited educational exposure and the absence of accessible learning resources significantly constrain MSMEs’ awareness and understanding of SAK EMKM. The lack of structured training and practical guidance further reinforces dependence on simple, non-standardized financial recording methods. Consequently, insufficient awareness and knowledge function as external barriers that delay or prevent the adoption of SAK EMKM, despite MSME actors expressed willingness to improve financial reporting practices.

2. The Role of Local Government in the Implementation of SAK EMKM

Local governments play a critical role in the implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), particularly through their functions as regulators, facilitators, and catalysts. These roles are essential in ensuring that MSMEs are able to effectively adopt and apply standardized financial accounting practices designed to enhance the quality, transparency, and credibility of financial reporting. Through regulatory guidance, capacity-building initiatives, and institutional support, local governments can significantly influence the extent to which SAK EMKM is adopted and implemented among MSMEs.

The involvement of local government authorities has the potential to reduce informational barriers, improve accounting literacy, and strengthen MSMEs’ institutional readiness to comply with accounting standards. By providing access to training programs, technical assistance, and practical implementation guidelines, local governments can create an enabling environment that supports MSMEs in transitioning from informal bookkeeping practices to standardized financial reporting systems. Consequently, effective government engagement serves as a key external driver that shapes MSMEs’ awareness, understanding, and willingness to implement SAK EMKM.

a. Internal Factors: MSME Owners’ Support for the Implementation of SAK EMKM

Support from MSME owners is a critical determinant of the successful implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), which are designed to streamline financial reporting practices among MSMEs in Indonesia. In Serang City, many MSME actors demonstrate a positive attitude and willingness to support the adoption of SAK EMKM, particularly when specialized training and practical guidance are made available. This finding is consistent with the statement of Mrs. Rifta (27), who noted: “We might try it first to see whether it fits our business, because we are already comfortable with the current system. However, if it turns out to be more beneficial, we would certainly try it. There is no reason for us to completely rule it out”.

This statement suggests that MSME owners exhibit a pragmatic openness toward adopting SAK EMKM, provided that the perceived benefits outweigh the costs of transition. Access to training opportunities appears to be a key enabling factor

that encourages MSMEs to experiment with standardized accounting practices. A similar perspective was expressed by Mrs. Ajrika (28), who stated: “Personally, I would be very enthusiastic if there were a dedicated training program, especially if it included a free application to support my business, because my current bookkeeping relies on a paid application.”

These findings indicate that owner support is strongly influenced by perceived usefulness, ease of implementation, and cost considerations. When training and affordable tools are available, MSME owners are more inclined to adopt SAK EMKM as a means of improving business performance and financial control.

b. External Factors: Government Socialization of SAK EMKM

Local governments play an important role in promoting the adoption of MSME financial accounting standards. Significant challenges remain in the form of limited awareness and understanding among MSME actors, often resulting from insufficient government outreach and educational programs. This gap underscores the need for local governments to strengthen training initiatives and socialization strategies to ensure that MSMEs in Serang City can fully benefit from standardized financial reporting practices. This issue is reflected in the interview with Mr. Putra (28), who stated: “I personally have never received any information about such training. It might exist, but so far I have never heard about it. My suggestion would be to disseminate the information directly through face-to-face approaches in areas like car-free day events.”

This statement highlights the importance of direct, grassroots-level socialization strategies. Door-to-door or face-to-face approaches may significantly enhance the reach and effectiveness of government-led programs, ensuring that information about SAK EMKM reaches a broader segment of MSMEs. A similar concern was expressed by Mr. Farhan (27), who stated: “I have never heard about it either. Let alone training to help our business grow what we usually experience is tax collection, such as property tax. I have never been approached regarding other forms of support”.

These accounts suggest that MSME actors tend to associate government presence primarily with taxation rather than capacity-building initiatives. This perception may weaken trust and reduce MSMEs’ engagement with government programs aimed at improving accounting practices.

3. A Mental Accounting Perspective on SAK EMKM Implementation

This discussion employs the mental accounting framework (Thaler, 1985) to analyze the challenges surrounding the implementation of the Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) among MSME actors in Serang City. Mental accounting theory emphasizes that individuals manage and evaluate financial decisions through subjective “mental accounts,” which often deviate from principles of rational economic behavior or formal accounting standards. In the context of MSMEs, these mental accounts are shaped not only by cognitive limitations but also by deeply embedded local cultural values.

By integrating culturally grounded values such as religiosity, tolerance, local wisdom, mutual cooperation (*gotong royong*), environmental preservation, and respect for customary law this discussion offers a more contextualized understanding of MSME accounting behavior. These values influence how MSME actors perceive financial information, assess business performance, and determine the necessity of adopting formal accounting standards. Resistance to SAK EMKM implementation cannot be viewed solely as a technical or educational issue but must be understood as a behavioral and cultural phenomenon embedded within the social realities of MSME operations.

Based on the findings in the internal factors subsection, most MSME actors demonstrate a highly practical and simplified approach to recording and evaluating their business finances. Within the mental accounting framework, business owners tend to construct a single, undifferentiated mental account that focuses exclusively on net profit as the primary indicator of business performance (Thaler, 1999). This narrow cognitive categorization leads MSME actors to overlook critical financial components such as cash flow management, inventory valuation, and capital separation. Financial information is processed in a fragmented manner that limits comprehensive financial awareness. This pattern is clearly illustrated in the case of Mr. Birrul, who relies entirely on a franchise-provided application for financial recording. Although the application generates basic financial outputs, it does not facilitate deeper understanding of underlying financial structures. Mr. Birrul lacks a clear perception of his actual financial position beyond reported profits. Such reliance on externally managed systems reinforces passive financial behavior and reduces opportunities for reflective financial evaluation. From a behavioral accounting perspective, this condition reflects bounded rationality, where decision-making is constrained by limited cognitive frameworks rather than deliberate financial analysis (Thaler, 1999).

This phenomenon indicates that MSME actors have not yet recognized the urgency of accounting standards as managerial instruments but instead perceive them merely as administrative tools. This perception is reinforced by the absence of formal accounting education and limited financial capacity to hire professional accountants. Moreover, local cultural values that emphasize local wisdom and deliberative consensus (*musyawarah*) play a significant role in shaping this mindset. Business decisions are predominantly based on inherited experience and collective judgment rather than systematically organized, data-driven financial information.

As discussed in the external factors subsection, a deeply rooted status quo bias was identified among MSME actors, influencing their reluctance to change established financial recording practices (Samuelson & Zeckhauser, 1988). Interviews with Mr. Alfian and Mr. Bashir reveal that traditional methods of profit estimation, such as calculating revenue based on the number of items sold, remain the preferred approach in daily business activities. These methods are perceived as practical and trustworthy because they align with family traditions and business routines that have been maintained over decades. The persistence of such practices reflects a cognitive

tendency to favor familiar systems over alternative methods that require learning and adjustment (Samuelson & Zeckhauser, 1988). From a behavioral perspective, status quo bias encourages MSME actors to avoid perceived risks associated with adopting new accounting standards. This bias is closely linked to cultural values that prioritize tradition, continuity, and adherence to customary norms. Formal accounting standards such as SAK EMKM are often viewed as unnecessary or incompatible with long-standing business habits. The cultural legitimacy of traditional practices reinforces resistance to accounting innovation. Changes in financial reporting are interpreted as disruptions rather than improvements to existing systems.

From a mental accounting perspective, fear of making mistakes and the perceived cognitive burden of “starting from zero” discourage MSME actors from opening new mental accounts for alternative accounting systems. At the same time, trust in existing methods is reinforced by social solidarity values, where family or community decisions become the primary reference point. These findings suggest that change communication strategies must be culturally embedded and narrative-driven, rather than relying solely on technocratic or procedural approaches.

Interview findings presented in the internal factors subsection indicate that most MSME actors lack sufficient understanding of SAK EMKM and have never participated in formal accounting training programs, which limits their ability to apply standardized financial reporting practices. This condition reflects a broader gap in financial literacy commonly observed among MSMEs in developing economies (OECD, 2019). Within the mental accounting framework, such behavior indicates the absence of a specific mental budget allocated to learning and capacity development, as individuals tend to allocate cognitive and financial resources based on perceived short-term priorities (Thaler, 1999). MSME actors generally prioritize daily operational activities, such as production and sales, over long-term investments in financial knowledge. Time constraints and limited resources further reinforce this prioritization, making training and learning activities appear less urgent or economically beneficial. As a result, expenditures related to education and accounting capacity building are often excluded from financial planning considerations. This cognitive budgeting pattern reduces exposure to new accounting information and weakens motivation to adopt SAK EMKM. Behavioral accounting theory suggests that when learning is not mentally categorized as an investment, it is systematically undervalued in decision-making processes (Thaler, 1999). The lack of training participation is not merely an access issue but also a cognitive and behavioral outcome shaped by mental accounting structures.

Cultural values such as mutual cooperation (*gotong royong*) and tolerance represent strong social capital that could support collective learning initiatives, including group-based training or community cooperatives. The lack of facilitation from local governments has prevented this potential from being fully mobilized. Community-based interventions that leverage collaborative values emerge as promising strategies to address information gaps and enhance collective accounting literacy.

In examining the role of government, MSME actors demonstrate a strong openness to training initiatives when these programs are delivered in a direct, practical, and easily applicable manner. This finding indicates that resistance to SAK EMKM adoption is not absolute but conditional on how information and learning opportunities are presented. From a choice architecture perspective, local governments occupy a strategic position in shaping decision environments that can nudge MSME actors toward adopting standardized accounting practices (Thaler & Sunstein, 2008). Well-designed policy interventions can reduce cognitive burden and make compliance with SAK EMKM appear more attainable. Tiered training programs that progress from basic to advanced levels can accommodate differences in accounting literacy among MSME actors. The use of digital platforms or simplified manual tools further enhances accessibility and scalability of such programs. Importantly, training content can be structured to align with MSME actors' existing mental account categories, such as cash, receivables, inventory, and net profit, thereby reducing cognitive resistance to new information. When accounting concepts are mapped onto familiar mental structures, learning becomes more intuitive and relevant. Behavioral insights suggest that this alignment increases the likelihood of sustained adoption rather than superficial compliance (Thaler & Sunstein, 2008). Government-led interventions that incorporate behavioral design principles have significant potential to improve the effectiveness of SAK EMKM implementation.

Socialization methods based on door-to-door engagement or public events such as car-free days, as suggested by informants Mr. Putra and Mr. Farhan, resonate with values of environmental preservation and community participation. Beyond fostering emotional proximity, these approaches contribute to the formation of new social norms that facilitate horizontal information diffusion among MSME actors. Local governments can frame accounting training as part of social responsibility and local economic empowerment initiatives, aligning with prevailing values of religiosity and social justice within the Serang City community.

D. CONCLUSION

This study effectively answers the core research problem regarding the barriers to SAK EMKM adoption and the strategic role of local government by applying the mental accounting framework and local cultural values as integrated analytical perspectives. The findings reveal that MSME actors in Serang City predominantly prioritize net profit calculations, which narrows their financial focus and limits their motivation to adopt standardized accounting practices. The persistence of status quo bias, deeply rooted in respect for tradition and customary norms, further constrains openness toward formal accounting systems. This condition demonstrates that resistance to SAK EMKM adoption is not merely technical but also cognitive and cultural in nature. The study also shows that MSME actors have not yet allocated a clear mental budget for accounting education, indicating low perceived urgency toward financial reporting compliance. Cultural elements

such as religiosity, tolerance, mutual cooperation, local wisdom, and environmental awareness actively shape how financial information is interpreted and valued in daily business practices. These values influence decision-making patterns and reinforce informal financial behaviors. By highlighting these dynamics, the study moves beyond conventional explanations that emphasize limited capital, lack of skills, or regulatory complexity. The integration of behavioral finance with local cultural analysis represents a significant conceptual advancement in the SAK EMKM discourse. This approach allows a deeper understanding of why policy instruments often fail to produce the expected behavioral change among MSMEs. The study's interdisciplinary orientation strengthens its analytical depth and expands the scope of accounting adoption research. The qualitative methodology provides rich empirical insights that capture the lived experiences and perceptions of MSME actors. The diversity of informants ensures that the findings reflect heterogeneous business realities rather than a single dominant narrative. The study translates its findings into actionable policy recommendations that remain sensitive to local contexts. The proposed strategies emphasize gradual behavioral change through nudging rather than coercive regulation. Modular training, personalized assistance, and community-based socialization emerge as practical alternatives to uniform policy dissemination. These approaches align better with the cognitive and cultural realities of MSME actors. This study contributes meaningful theoretical enrichment and practical relevance to the literature on MSME accounting standards. It offers a robust foundation for designing culturally adaptive policies that encourage sustainable and inclusive adoption of SAK EMKM across diverse regional contexts.

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