Organizational Culture, Management Accounting Information, Innovation Capability and SMEs Performance

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ABSTRACT

In accordance with the theories of organizational culture, innovation diffusion and TAM, this study examines the relationship between organizational culture, management accounting information, innovation capability and company performance in small and medium enterprises (SMEs) in the city of South Tangerang. Data for the study were collected through a questionnaire survey of a sample of 160 top and middle level managers in SMEs. The results obtained reveal that organizational culture has a significant positive effect on company performance. In addition, the results show that the use of management accounting information and innovation capability has no significant effect on firm performance.

Keywords: organizational culture, management accounting information, innovation capability, SMEs performance

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INTRODUCTION

Performance is an important element that must be achieved, a reflection of the ability to allocate and manage the resources of each company (Truong, 2020). According to Demir (2020) Achievement as an illustration of the achievement of activities to realize company goals, rapid economic development in various countries has an impact on the business environment in Indonesia from the financial and non-financial sectors. These conditions encourage us to compete with each other to gain the trust of investors and the public (Teanpitthayamas, 2021). Determining the success of company performance requires measuring whether these results meet company goals (Elzahaby, 2021). Performance is generally measured through financial and non-financial information (Gunduz & Al-Naimi, 2021).

Small and medium enterprises have an important meaning. Small and medium enterprises are one of the engines of modern economic life and are seen as engines of economic growth and employment (Modak, 2017). Small and medium enterprises continue to face challenges responding to changing environmental factors, such as developing markets and higher product quality standards worldwide, the need for shorter delivery times and closer business partnerships (Cordova-Aguirre, 2021). In addition, small and medium-sized companies have unique selling points that differentiate them from the marketing activities of large companies (Michnik, 2019). These characteristics can be determined by the characteristics and behavior attached to the entrepreneur or owner/manager, or it can be dictated by inherent limitations and the size and sophistication of the firm. This limitation may be due to limited resources such as finance, time and marketing, as well as the lack of specific skills and limited market influence of the general owner or manager.

According to Dahooie (2021) that it is qualitatively difficult for small and medium enterprises in Indonesia to develop in the market because they have some internal problems such as poor quality human resources, such as a lack of qualified personnel, lack of cultural alignment of management, control and inadequate technology management, weak, lack of knowledge and innovation skills. Two internal problems of many small and medium enterprises, namely cultural orientation of management and ability to innovate, have become central themes in much of the current research.

Small and medium enterprises are businesses that seek profit as the end result of their business activities, therefore the management of small and medium enterprises must try to achieve the expected goals properly. However, when carrying out their activities, problems often arise that have an impact on performance, one of the small and medium-sized businesses that has problems in the target area of the South Tangerang sub-dept. in East Ciputat sub-district, namely small and medium-sized businesses Wakalumi serving cash and credit sales services. Based on preliminary research, there are problems that relating to sales accounting information and cash receipts namely customers not filling out credit forms, to issue guarantee letters and customer delays, if you have filled it out, a guarantee letter will be given which is a payment system for small and medium businesses with special conditions being applied to customers, in other words, there must be an agreement first. Small and medium businesses will take a letter of guarantee and bill other companies that work together, this happens because sales marketing does not follow up on the form for fear of offending and burdening customers with credit forms, so that bills pile up the accounting department will not be able
to bill because there is no customer data (Putri & Parameswara, 2019).

In addition to the problem of management accounting information, several companies in Indonesia, including small and medium enterprises, are unable to carry out good corporate management cultural orientation practices so they are unable to run their business (Putri & Parameswara, 2019). Differences in the cultural orientation of management in small and medium enterprise industrial companies compared to micro enterprises, namely structure, regulations, and higher levels of debt financing in small and medium enterprise industries. This causes small and medium businesses to have lower control and have higher corporate performance than micro businesses (Pratiwi et al., 2020). Syofyan & Putra (2020) states that management cultural orientation in Indonesia is still low, so not all small and medium businesses are able to improve a good management cultural orientation. Another problem that occurs in small and medium-sized businesses is that their ability to innovate has not been optimal in developing products and services (Parameswara, 2021).

In addition to management accounting information and management cultural orientation, innovation capability is a development effort carried out by the company as an effort to reach opportunities so as to increase company profits (Naek & Lauw, 2020). The ability to innovate has become part of the activities of every company, this is because product development management is included as one of the company's strategies for the development of companies that have greater innovation can gain reputation and better performance than other static companies (Suttipun & PhD, 2018). Innovation is not only to comply with the rules but commitment to innovation can increase product sales but there are companies that use innovation as a strategy to deceive the company's image (Ida et al., 2019).

Research on company performance has been investigated. Previous studies examined the influence of management's cultural orientation, innovation capability and management accounting information on company performance. Previous research findings reveal that there is a significant relationship between the influence of management's cultural orientation, innovation ability and management accounting information on company performance. On the other hand, researchers found that organizational culture has an effect on company performance. Meanwhile, the ability of innovation and management accounting information has no effect on company performance. Because researchers found research results that were different from previous researchers, the results of this study were state of the art. Therefore, this research is important to find out the reasons for the non-influence of innovation ability and management accounting information on company performance in South Tangerang. This study aims to determine and analyze the influence of management's cultural orientation, innovation ability and management accounting information on company performance. This research will contribute at the theoretical and practical levels as well as contribute knowledge on the determinants of company performance in SMEs in South Tangerang.

LITERATURE REVIEW

Organizational Culture Theory

Organizational culture theory is a communication theory that includes all communication symbols (actions, routines, and conversations) and the meanings attached to these symbols (Turner & West, 2011). In the corporate environment, organizational culture is considered as one of the company's strategies to achieve its goals and strengths. Organizational members create and maintain a common sense of organizational reality, which
leads to a better understanding of organizational values. The core of this assumption is the values that belong to the organization. Values are the norms and principles embedded in culture. In this study, the use of organizational culture theory becomes the theoretical basis for analyzing the influence of management cultural alignment on organizational effectiveness.

Organizational culture theory is one of the company's strategies in achieving goals and strengths. Organizational members create and maintain a common sense of organizational reality, which leads to a better understanding of organizational values. Organizational culture theory is a communication theory that includes all symbols of communication (functions, routines, and conversations) and the meanings that people give to these symbols (Turner & West, 2011).

The theory discussed above strengthens research conducted by (Sakrabani, 2021), Demir (2020) and Llach (2017) the higher management's belief in innovative and creative approaches to work, management's cultural orientation significantly improves company performance. Based on previous theory and research, personnel development indicators are developed, innovative, take advantage of opportunities quickly, have a willingness to experiment with new ideas, are willing to take risks, are careful, and are rule oriented.

Innovation Diffusion Theory

The innovation diffusion theory developed by Everett M Rogers is widely known as a theory that discusses innovation decisions. Through the book Diffusion of Innovation (DOI). Rogers (1962) It provides the concept of the diffusion of innovations and the speed at which social systems accept new ideas for innovation. So far, Rogers' theory has been widely cited by researchers, especially regarding the diffusion of innovations. Rogers describes the three main concepts of DOI: Innovation, Diffusion and Adoption. Innovation is an idea, practice or object that someone experiences as something new. Diffusion is the process by which an innovation is communicated through a particular medium to members of a social system at a given time. Implementation occurs when individuals maximize the innovation as the true best choice (Rogers, 1962).

The theory of innovation diffusion is a theory that discusses innovation decisions (Rogers, 1962). The concepts of innovation diffusion and the speed with which a social system accepts new ideas offered by an innovation have been widely referred to by researchers, especially when discussing the issue of the diffusion of innovations. The theory discussed above strengthens research conducted by (Osunsanwo, 2020), (Valmohammadi, 2019), (Gama, 2019) and (Sarraf & Nejad, 2020) strategically innovation capabilities are very important for businesses to be able to compete, so that innovation capabilities very important. strategically affect the company's performance significantly. Based on theory and previous research, indicators are built: research companies often try new ideas, research companies look for new ways to do things,

TAM Theory (Technology Acceptance Model)

This theory was introduced by Davis (1989) which explains how users receive a technology in the system. TAM is a development of the theory of reasoned action introduced by (Ajzen & Fishbein, 1980) and (Putri et al., 2020). This theory explains the causal relationship between beliefs about the benefits of usability and information systems. In addition, TAM information system user behavior, needs/goals, and trusted users influence their acceptance and use of the technology. Both are ease of use and user youth (Putu et al., 2021). In this study, the use of TAM theory is the theoretical basis for analyzing the effect of
accounting information systems on company performance according to TAM.

Based on previous research using this theory to analyze the relationship between management cultural orientation, the ability to innovate, and management accounting information on company performance. The TAM (Technology Acceptance Model) theory states that the use of computers can be trusted to improve individual performance which will be discussed later which explains that the use or utilization of accounting information systems will lead to user satisfaction which will have an impact on individual performance and company performance. The theory discussed earlier strengthens research conducted by (Yoshikuni, 2017), (Alsyouf, 2021) and (Hájek, 2020) the better the use of management accounting information, the better the company's performance, so that management accounting information has a significant effect on company performance.

Organizational culture

Organizational culture (with six cultural factors: innovation, result orientation, attention to detail, team orientation, respect for people, and stability) was proposed by O'Reilly et al. (1991) and developed and finalized by Chatman and Jehn (1994) and Windsor and Ashkanasy (1996). Among the six factors of organizational culture, innovative culture (also known as management's value orientation towards innovation) has received particular attention from organizational culture research (Baird et al., 2018). Management's value orientation towards innovation reflects management's belief in innovative and creative approaches to work (O'Reilly et al., 1991); and management's value orientation towards innovation influences their attitudes and behavior towards innovation and innovative activities in their companies (Chia & Koh, 2007; Russel & Russel, 1992).

Management Accounting Information

Chenhall and Morris (1986) first formalized the four main information characteristics of management accounting information. This definition is widely adopted in research (Agbejule, 2005; Bouwens & Abernethy, 2000; Soobaroyen & Poorundersing, 2008). The four characteristics of information are: broad coverage, aggregation, integration, and timeliness. First, the scope of information refers to the dimensions of focus, quantification and time horizon. This includes non-financial information, forward-looking information and external environmental information. Second, aggregation refers to the aggregation of information according to different functional parts of the organization over time. Third, integration refers to the interaction between parts and departments within the company through information sharing.

Innovation Capability

The literature conceptualizes innovation in various ways (Jiménez-Jiménez & Sanz-Valle, 2011; Thang & Tuan, 2020). However, most definitions share the two perspectives. The first is that innovation is a behavioral variable. The second is the capacity of the organization to change (Calantone et al., 2002). This study focuses on the capacity of organizations to be willing to implement change. Following Hult et al. (2004) innovation capability is related to the company's capacity to engage in innovation including the introduction of new processes, products, or ideas within the organization.
Research Hypothesis and Model Review

The influence of management's cultural orientation on company performance.

Organizational culture theory is one of the company's strategies in achieving goals and strengths. Organizational members create and maintain a common sense of organizational reality, which leads to a better understanding of organizational values. Organizational culture theory is a communication theory that includes all symbols of communication (functions, routines, and conversations) and the meanings that people give to these symbols (Turner & West, 2011).

The theory discussed above strengthens research conducted by (Sakrabani, 2021), (Demir, 2020) and (Llach, 2017) the higher management's belief in innovative and creative approaches to work, management's cultural orientation significantly improves company performance. Based on previous theory and research, the following hypotheses were built:

H1: management's cultural orientation has a positive effect on company performance.

The effect of innovation capability on company performance.

The theory of innovation diffusion is a theory that discusses innovation decisions (Rogers, 1962). The concepts of innovation diffusion and the speed with which a social system accepts new ideas offered by an innovation have been widely referred to by researchers, especially when discussing the issue of the diffusion of innovations. The theory discussed above strengthens research conducted by (Osunsanwo, 2020), (Valmohammadi, 2019), (Gama, 2019) and (Sarraf & Nejad, 2020) strategically innovation capabilities are very important for businesses to be able to compete, so that innovation capabilities very important strategically affect the company's performance significantly. Based on previous theory and research, the following hypotheses were built:

H2: Innovation capability has a positive effect on company performance.

The effect of management accounting information on company performance.

The TAM (Technology Acceptance Model) theory states that the use of computers can be trusted to improve individual performance which will be discussed later which explains that the use or utilization of accounting information systems will lead to user satisfaction which will have an impact on individual performance and company performance. The theory discussed earlier strengthens research conducted by (Yoshikuni, 2017), (Alsyouf, 2021) and (Hájek, 2020) the better the use of management accounting information, the better the company's performance, so that management accounting information has a significant effect on company performance. Based on previous theory and research, the following hypotheses were built:

H3: Management accounting information has a positive effect on company performance.

Based on the review of relevant theory and research above, the proposed research model is described in Figure 1 below.
RESEARCH METHODS

The research design used in this study is a causality descriptive research design. Causal research design aims to analyze the relationship between variables in a study or to find out how a variable can affect changes in other variables (Hair et al., 2019). In this study there are exogenous (independent) variables, namely management cultural orientation, innovation capability and management accounting information and endogenous (dependent) variables, namely company performance. The research questionnaire was filled out online for data collection. The research population is SMEs in South Tangerang, Indonesia. Data collection, processing and analysis will be carried out in 2022. The sampling method uses Non-Probability Sampling with stratified random sampling. The number of respondents in this study was 160 people, the sample size was taken based on Hair et al. (2019).
Table 1. Demographics of Respondents

<table>
<thead>
<tr>
<th>Respondents Characteristics</th>
<th>Total</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>90</td>
<td>56.3%</td>
</tr>
<tr>
<td>Female</td>
<td>70</td>
<td>43.8%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 25 Years</td>
<td>10</td>
<td>6.2%</td>
</tr>
<tr>
<td>26 - 35 Years</td>
<td>30</td>
<td>18.8%</td>
</tr>
<tr>
<td>36 - 45 Years</td>
<td>120</td>
<td>75.0%</td>
</tr>
<tr>
<td>Product</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Culinary</td>
<td>60</td>
<td>37.5%</td>
</tr>
<tr>
<td>Fashion</td>
<td>20</td>
<td>12.5%</td>
</tr>
<tr>
<td>Otomotif</td>
<td>10</td>
<td>6.3%</td>
</tr>
<tr>
<td>Creatif</td>
<td>10</td>
<td>6.3%</td>
</tr>
<tr>
<td>Internet</td>
<td>10</td>
<td>6.3%</td>
</tr>
<tr>
<td>Others</td>
<td>50</td>
<td>31.1%</td>
</tr>
<tr>
<td>Position</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner</td>
<td>150</td>
<td>93.8%</td>
</tr>
<tr>
<td>Manager</td>
<td>10</td>
<td>6.3%</td>
</tr>
<tr>
<td>Firm Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 1 Year</td>
<td>10</td>
<td>6.3%</td>
</tr>
<tr>
<td>1 - 5 Years</td>
<td>80</td>
<td>50.0%</td>
</tr>
<tr>
<td>6 - 10 Years</td>
<td>60</td>
<td>37.5%</td>
</tr>
<tr>
<td>&gt; 10 Years</td>
<td>10</td>
<td>6.3%</td>
</tr>
<tr>
<td>Omzet</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; Rp.300.000.000</td>
<td>100</td>
<td>62.5%</td>
</tr>
<tr>
<td>Rp.300.000.000 - Rp.2.500.000.000</td>
<td>40</td>
<td>25.0%</td>
</tr>
<tr>
<td>Rp.2.500.000.000 - Rp. 50.000.000.000</td>
<td>10</td>
<td>6.3%</td>
</tr>
<tr>
<td>&gt; Rp.50.000.000.001</td>
<td>10</td>
<td>6.3%</td>
</tr>
<tr>
<td>Employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&lt; 5 Person</td>
<td>90</td>
<td>56.3%</td>
</tr>
<tr>
<td>6 - 10 Person</td>
<td>20</td>
<td>12.5%</td>
</tr>
<tr>
<td>11 - 19 Person</td>
<td>40</td>
<td>25.0%</td>
</tr>
<tr>
<td>20 - 99 Person</td>
<td>10</td>
<td>6.3%</td>
</tr>
<tr>
<td>&gt; 100 Person</td>
<td>0</td>
<td>0.0%</td>
</tr>
</tbody>
</table>

This study uses the Structural Equation Model Partial Least Square (SEM-PLS) analysis tool with two measurement models (Joseph F Hair et al., 2013; Wong, 2019), namely Outer Model Analysis with five parameters, Inner Model Analysis with four parameters, as well as analyzing models and testing hypotheses. Evaluation of the Measurement Model (Outer Model Analysis) uses five parameters, including Convergent Validity Value, where the loading factor value must be above 0.70, then it is said to be valid. The second is Average Variance Extracted (AVE) with an expected AVE value above 0.50, meaning that the higher the AVE value, the variance caused by errors in model measurement is smaller than the variance caused by each construct captured by the model. Third is Discriminant Validity, the
The loading factor value is greater than the cross-loading value or you can also use the Fornell-Lacker Criterion value, where the criterion value is greater than the correlation value to other constructs. The fourth is Reliability Analysis using the Composite Reliability (CR) value, and it is expected that the CR value is greater than 0.70, so the latency is said to be reliable. In addition, finally, Cronbach’s Alpha with the expected value is Cronbach’s Alpha greater than 0.60.

So, hypothesis testing involving relationships between constructs will only be reliable or valid if the measurement model explains how these constructs are measured (Joe F Hair et al., 2019). Significance testing is the process of testing whether a particular outcome occurs by chance. The critical values for this level of significance and the one-tailed test are 1.65, respectively. The significance test using the t-statistic value (t value) for a one-tailed test is 1.65. For the significance level of the p-value is 5% (0.05), it means that it is said to be significant if the p-value is less than 0.05.

RESULTS AND DISCUSSION

Results

Respondents were owners and managers of SMEs in South Tangerang, with a total of 160 respondents consisting of 90 people (56.3%) men, and 70 people (43.8%) were women. Furthermore, the most respondents aged 36-45 years were 120 people (75%), besides that, there were 30 people aged 26-35 years (18.8%), and those aged under 25 years were 10 people (6.2%). The number of respondents who did business in the culinary field was 60 people (37.5%), fashion consisted of 20 people (12.5%), each of 10 people (6.3%) were in the automotive, creative and internet businesses. While the remaining 50 people (31.1%) in other fields. For the owner position who filled out this questionnaire there were 150 people (93.8%) and 10 people (6.3%) as managers.

The ages of SMEs since their establishment until now were studied consisted of 80 SMEs aged less than 1 year as many as 10 SMEs (6.3%), the number of SMEs aged 1-5 years was 80 SMEs (50%), and those aged 6-10 years consisted of 60 SMEs (37.5%), and those who were more than 10 years old consisted of 10 SMEs (6.3%). For SMEs with a turnover of less than Rp. 300 million, there are 100 SMEs (62.5%), then those with an turnover of IDR 300 million – IDR 2.5 billion are 40 SMEs (25%), and SMEs with an turnover of IDR 2.5 billion – IDR 50 billion are 10 SMEs (6.3%) and SMEs with a turnover of more than IDR 50 billion are 10 SMEs (6.3%). Of the total 160 SMEs studied, 90 SMEs (56.3%) had employees under 5 people, 20 SMEs had 6-10 employees (12.5%), 11-19 employees have 40 person (25%) and 20-99 employees have 10 SMEs (6.3%).

In this study, if each construct has an AVE > 0.50, the minimum acceptable loading factor size is 0.70. Based on the processing results of SmartPLS 4.0 shown in Figure 2, the loading factor values for all indicators are above 0.70. Therefore, the convergent validity model in this study meets the requirements. Loadings, cronbach's alpha, composite reliability, and AVE values for each complete construct are in table 2.
Figure 2. Outer Model Analysis Results

Table 2. Convergent Validity

<table>
<thead>
<tr>
<th>Construct</th>
<th>Indicator(s)</th>
<th>Factor Loadings</th>
<th>Cronbach's Alpha</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>SME’s Performance</td>
<td>PER_F1</td>
<td>0.883</td>
<td>0.959</td>
<td>0.965</td>
<td>0.777</td>
</tr>
<tr>
<td></td>
<td>PER_F2</td>
<td>0.905</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PER_F3</td>
<td>0.839</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PER_nF1</td>
<td>0.866</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PER_nF2</td>
<td>0.858</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PER_nF3</td>
<td>0.935</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PER_nF4</td>
<td>0.879</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>PER_nF5</td>
<td>0.882</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>VOI_1</td>
<td>0.959</td>
<td>0.966</td>
<td>0.973</td>
<td>0.855</td>
</tr>
<tr>
<td></td>
<td>VOI_2</td>
<td>0.905</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VOI_3</td>
<td>0.917</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VOI_4</td>
<td>0.955</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VOI_5</td>
<td>0.900</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>VOI_6</td>
<td>0.911</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation Capabilities</td>
<td>INNO_1</td>
<td>0.899</td>
<td>0.963</td>
<td>0.971</td>
<td>0.872</td>
</tr>
<tr>
<td></td>
<td>INNO_2</td>
<td>0.938</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>INNO_3</td>
<td>0.928</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>INNO_4</td>
<td>0.940</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>INNO_5</td>
<td>0.962</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Discriminant validity tests are conducted to ensure that the concept of each latent variable is different from other latent variables. The model is said to have good discriminant validity if the AVE value for each exogenous construct exceeds the correlation between constructs and other constructs. The results of the discriminant validity test using the AVE value by looking at the Fornell-Larcker Criterion value, namely in Table 2. The results of the discriminant validity test in Table 2 show that the AVE value for all constructs is higher than the correlation with other potential constructs (according to the Fornell-Larcker Criteria). Therefore, it can be concluded that the model has met discriminant validity.

Table 3. Discriminant Validity (Fornell-Larcker Criterion)

<table>
<thead>
<tr>
<th>Construct</th>
<th>X3</th>
<th>X2</th>
<th>X1</th>
<th>Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture (X1)</td>
<td>0.925</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Innovation Capabilities (X2)</td>
<td>0.905</td>
<td>0.934</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Information Accounting Management (X3)</td>
<td>0.435</td>
<td>0.541</td>
<td>0.922</td>
<td></td>
</tr>
<tr>
<td>SMEs Performance (Y)</td>
<td>0.927</td>
<td>0.882</td>
<td>0.592</td>
<td>0.881</td>
</tr>
</tbody>
</table>

Testing the hypothesis by looking at the path coefficient of the bootstrapping analysis results by comparing the t-statistics with the t-table. The hypothesis accepts the t-statistic value > t-table (1.65). The results of the complete bootstrapping analysis on the path coefficient with a 78% confidence level are shown in Figure 3. The path coefficient value indicated by the t-statistic must be higher than the t-table value with an alpha significance level of 5% (0.05) and the t value above 1.65.

The t-statistic values for all paths in the studied structural model. In summary, the results of the path coefficient t-test analysis are shown in table 3. Analysis of the path coefficient t-test (Table 3) shows that perceptions of organizational culture have a direct and significant effect on firm performance (H1: Accepted, t=3.342, p=0.001). Innovation capability has no direct and significant effect on firm performance (H2: Rejected, t=0.241, p=0.809). Management accounting information variables do not directly and significantly affect company performance (H3: Rejected, t=0.9723, p=0.332).
Subsequent analysis measured the R-Square (R²) value in the structural model for endogenous latency of 0.904 (90.4%) and Adjusted R-Square of 0.880 (88.0%) which can be interpreted as strong (Chin et al., 2013). Table 5 presents the R² value for the SMEs performance variable. From Table 5, an R² value of 0.904 is obtained indicating that organizational culture variables, innovation capabilities and management accounting information are strong in explaining the performance of SMEs by 90.4%.

Table 5. Determinant Coefficient Value (R²)

<table>
<thead>
<tr>
<th></th>
<th>R Square</th>
<th>R Square Adjusted</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs Performance</td>
<td>0.904</td>
<td>0.880</td>
<td>Strong</td>
</tr>
</tbody>
</table>

F-square (f²) is calculated to measure the significance of the partial effect of exogenous variables on endogenous variables, the estimated value of f² is 0.005; 0.354; 1.116 indicates that the effect value is weak, moderate, and strong (Cohen, 1988). Based on the results of Table 6, the f² value of the organizational culture variable on SMEs performance is 0.005 (weak), the innovation ability variable on SMEs performance is 0.354 (moderate), then...
for management accounting information on SMEs performance is 1.116 (strong).

Table 6. Assessment of the Level of Effect Size (F2)

<table>
<thead>
<tr>
<th></th>
<th>SMEs Performance</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Information Accounting Management</td>
<td>0.005</td>
<td>Weak</td>
</tr>
<tr>
<td>Innovation Capabilities</td>
<td>0.354</td>
<td>Middle</td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>1.116</td>
<td>Strong</td>
</tr>
</tbody>
</table>

Finally, Q-square (Q2) measures how well the model produces the observed and estimated parameters. If the Q2 value is greater than 0 (zero), then the model is considered to have a relevant predictive value. In this study, the results of the Q2 calculation were 0.339 for SMEs performance, which means that the variables in this study have a good predictive correlation because the Q2 value exceeds zero; the results are shown in table 7.

Table 7. Q-Square Model Fit Results

<table>
<thead>
<tr>
<th></th>
<th>Q Square</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs Performance</td>
<td>0.339 &gt; 0</td>
<td>Fit</td>
</tr>
</tbody>
</table>

Discussion

First, the results of this study reveal that organizational culture has a positive direct effect on SME performance, which in turn leads to higher firm performance. Consequently, this study contributes to RBV-based management accounting research, in particular: the authors' research provides empirical evidence to strengthen the literature on the relationship of organizational culture to firm performance in SMEs. Furthermore, the ability to innovate does not affect company performance, which is certainly contrary to the results of research by Chia & Koh (2007) and Subramaniam & Mia (2001). In addition, the results of management accounting information are also not significant to company performance. The results of this study provide empirical evidence that contradicts that stated by Chenhall (2006).

The author concludes that organizational culture is able to improve company performance through increased maintenance and development of sophisticated management accounting information systems that support managers' decision making, companies must also try harder with regard to corporate innovation. In such a way, this research has contributed to the management accounting literature by offering a more complete explanation of the antecedents and consequences of using management accounting information (Chenhall, 2006; Luft & Perisai, 2003).

Second, the authors' results provide empirical evidence finding innovation capability has no effect on firm performance (financial and non-financial) for SMEs in South Tangerang. Under competitive pressure, companies must continuously innovate to satisfy customers and respond to competitors (Calantone et al., 2002; Helfat et al., 2007; Keskin, 2006). Currently, SMEs in South Tangerang are not only competing with each other and with large companies, but also with powerful multinational companies, with no industry or sector that can escape these competitive pressures (Otley, 2016). Thus, the ability to innovate is one of the key drivers of the successful performance of SMEs (Keskin, 2006), implying that SMEs must
increase continuous efforts to improve the quality and variety of their products and services,

Third, the results provide empirical evidence to support the effect of organizational culture on firm performance. These results imply that SMEs in South Tangerang should improve their management accounting information systems to provide broad, timeless, aggregated, and integrated information to implement successful innovative strategies. In addition to traditional management accounting practices, SMEs must learn and adopt strategic management accounting practices such as activity-based costing and total quality management (Cadez & Guilding, 2008). In addition, companies also need to develop and maintain an organizational culture towards innovation that supports innovative and creative ideas (Subramaniam & Mia, 2001).

CONCLUSION

This study has revealed a positive influence between organizational culture on company performance. Meanwhile, the ability of innovation and management accounting information has no effect on company performance. This research has limitations. First, the sample size is quite small (n = 160) and may not be very representative of the population. Second, this study does not include all control variables that can affect company performance. Thus, further studies are requested to examine the impact of control variables such as size, company age, sector, ownership structure, and so on (see Nguyen, 2018; Nguyen & Doan, 2016). Third, this study uses cross-sectional data, which has the inevitable shortcoming of reflecting the evolution of management accounting information use and firm performance. The use of longitudinal data might also provide future directions for studies (Luu, 2017). Finally, although the authors have examined common method bias according to consistency with Podsakoff et al. (2003), future research may be able to design research that is constructed more carefully, in particular by dividing the questionnaire into two parts and sending it to two different respondents, and by collecting primary data (survey) and secondary data for analysis.

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