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Accounting Knowledge Behavior, Recording Behavior, and Revenue: The Moderating Role of Cultural Behavior

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ABSTRACT

The primary aim of this study is to investigate the influence of accounting knowledge and recording practices on the revenue of micro, small, and medium-sized enterprises (MSMEs), while considering cultural behavior as a moderating factor. Employing a quantitative research approach, the study utilizes Partial Least Squares (PLS) analysis to explore the relationships between the variables of interest. The population consists of various MSMEs, from which a representative sample is selected to ensure the findings are generalizable. PLS software is used for data analysis, facilitating accurate assessments of the validity and reliability of the constructs involved. The results reveal that all indicators related to the latent variables have P values less than 0.05, confirming their reliability and validity, with each indicator demonstrating a significant direct impact on revenue. Importantly, the study finds that cultural behavior moderates the relationship between accounting knowledge and revenue, highlighting the critical role of cultural factors in influencing financial outcomes. However, the research acknowledges certain limitations, such as potential biases in self-reported data and challenges in generalizing results across different cultural contexts. Future research could build on these findings by exploring additional moderating factors and employing longitudinal designs to gain deeper insights into the dynamics at play.

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Introduction

In December 2023, INDEF conducted a survey of 254 MSMEs. The sample consisted of 30% in Jabodetabek, 50% in non-Jabodetabek Java Island, and 20% outside Java Island. The surveyed MSMEs must meet the following criteria they have online and offline stores, have been operating for at least the last six months, and conduct transactions online. The result, according to INDEF, is that one hundred percent of participating MSMEs agree that digital platforms can increase sales. Overall, 35.83% strongly agreed, and 64.17% agreed (Wang et al., 2022).

The phenomenon of this research is In many nations, including Indonesia, micro, small, and medium-sized enterprises (MSMEs) form the foundation of the economy. They stimulate innovation, take up labor, and boost the economy. MSMEs, however, frequently struggle with financial management (Alimbudiono, 2020). Many MSMEs lack a proper accounting education, particularly those operating on a micro and tiny scale. As a result, they find it challenging to comprehend fundamental accounting ideas like transaction recording, financial report preparation, and financial performance analysis. Ignorance often leads to inconsistent recording or even neglect of financial transactions. In actuality, sound recording serves as a crucial basis for both meeting tax requirements and making wise business judgments (Karimi et al., 2023). MSME revenue may suffer from ignorance and inadequate behavior documentation. It is challenging to track cash flow, spot wasteful spending, and gauge firm success without accurate documentation. MSMEs may thus face challenges and miss out on potential revenue opportunities. Cultural behavior can have a significant impact on how MSMEs perceive and handle their finances. For instance, a culture that prioritizes interpersonal trust over official documentation or a tendency to avoid risk may influence accounting procedures in MSMEs (Grošelj et al., 2020).

More than five years ago, the paired note-taking method used today was named the Venice method (Diana et al., 2024). Both accountants and laypeople continue to rebel against economic values they do not like, ignoring the laws of supply and demand, and establishing their own values that cannot be justified except by the wishes of their founders (Garvey et al., 2021).

In high school, accounting and taxation are taught separately, but in business practice, they are less related to each other. Because both occur in the same company, focus on the same set of transactions, and are carried out by the same accountant—in the case of SMEs—the link seems natural (Pop et al., 2013). To environmental studies that are influenced or shaped by accounting. This category includes individuals, small groups, organizations, and environmental circumstances (Birnberg, 2011).

The aim of accounting is to develop or discover general principles to support policies in achieving certain financial reporting objectives, not to obtain the correct theory (Nofianti, 2012). Not many SME entrepreneurs have adequate accounting knowledge, and many of them do not understand the importance of recording and bookkeeping for the continuity of their business. As a result, they are less interested in making accounting records (Andhika & Damayanti, 2017).

It is necessary to make efforts to connect the knowledge of MSME actors about accounting and to help them use existing accounting information, which allows improving the quality of the various choices made (Linawati et al., 2015), which is the reason the research was carried out.

Interesting research to study in public open spaces is aspects of human behavior both as social creatures and as individual creatures. How individual personality is maintained in a social environment, such as this public open environment (Hantono & Pramitasari, 2018). Social psychologists, who are rooted in psychology, use more cognitive and behavioral perspectives (Mustafa, 2011).

Although there is research on accounting knowledge and practices in MSMEs, there aren't many studies that thoroughly look at the relationship between accounting knowledge, accounting recording behavior, and revenue while taking cultural factors into account as a moderating variable. This is the study's research gap (Stanescu et al., 2021). The context of big businesses or developed nations is the subject of many accounting studies. Currently, there is a lack of research that considers the cultural diversity of MSMEs in developing nations. In accounting research, measuring cultural variables is sometimes challenging and ill-defined. To create accurate and trustworthy tools to gauge how culture affects accounting behavior, more study is required (Laguna et al., 2019). The ways in which culture might influence the relationship between accounting knowledge, accounting recording practices, and MSME revenue require further investigation. Does the influence of accounting knowledge and records on revenue get stronger or weaker with culture? Policymakers and MSME support organizations have not yet received clear and useful recommendations from existing research on how to enhance MSME accounting procedures while taking cultural context into account (Al Harbi et al., 2019).

The aim of this research is to analyze accounting knowledge behavior and accounting recording behavior on revenue with cultural behavior as a moderating variable in micro, small and medium enterprises (Hanlon et al., 2022). This study is unique in that it takes a multifaceted approach to examining its impact on MSME revenue by integrating three crucial elements accounting knowledge, accounting recording habit, and cultural behavior (Gelaidan et al., 2024). This study specifically tests the function of culture as a moderating variable. This innovation is noteworthy because accounting studies on MSMEs often disregard culture. This study examines how local culture affects accounting processes by concentrating on the setting of MSMEs in a specific region (Amankwaa et al., 2019). Compared to general research, this study offers a distinct contribution. We anticipate this study to advance behavioral accounting theory and provide policymakers and MSME support organizations with useful guidance for creating more culturally sensitive and successful training and mentoring initiatives. This study can employ more advanced techniques such as route analysis or structural equation modeling (SEM) to delve deeper into the relationships between variables and the moderating influence of culture (Mubarak et al., 2023).

Previous studies have explored various aspects of accounting knowledge and practices in MSMEs, such as the relationship between accounting education and business performance (Wang et al., 2022), the impact of cultural factors on financial decision-making (Alimbudiono, 2020), and the challenges faced by MSMEs in adopting formal accounting practices (Karimi et al., 2023). Research has also highlighted the importance of integrating accounting and taxation education to improve financial literacy among entrepreneurs (Grošelj et al., 2020). However, there is a notable gap in research that comprehensively examines the interplay between accounting knowledge, recording behavior, and revenue while considering cultural factors as a moderating variable.

This study aims to fill this gap by analyzing how cultural behavior influences the relationship between accounting knowledge and revenue in MSMEs, thereby contributing to the understanding of behavioral accounting theory (Stanescu et al., 2021). The novelty of this research lies in its multifaceted approach, integrating accounting knowledge, recording habits, and cultural behavior, which is often overlooked in existing literature (Laguna et al., 2019). By employing advanced techniques such as structural equation modeling (SEM), this study seeks to provide valuable insights for policymakers and MSME support organizations, enabling them to develop culturally sensitive training and mentoring programs that enhance accounting practices in diverse contexts. Furthermore, this research will build on previous findings by examining how cultural diversity impacts accounting behaviors and financial outcomes, addressing the need for more context-specific studies in developing nations (Al Harbi et al., 2019). Ultimately, this study aspires to offer practical recommendations for improving MSME accounting practices while considering the unique cultural landscapes in which these businesses operate.

Literature Review and Hypotesis Development

This theory emphasizes the psychological and social factors that influence accounting practices and decision-making processes within organizations, particularly in micro, small, and medium-sized enterprises (MSMEs). According to Behavioral Accounting Theory, individuals with higher accounting knowledge are more likely to engage in effective financial management practices, leading to improved revenue (Wang et al., 2022).

Furthermore, the actual practices of recording financial transactions are crucial for effective financial management, as consistent and accurate recording enables MSMEs to track cash flow and make informed business decisions (Alimbudiono, 2020). Cultural behavior significantly influences how accounting knowledge and recording practices are perceived and implemented, as different cultural contexts can affect attitudes toward formal documentation and risk-taking (Alimbudiono, 2020). This theory supports the notion that cultural factors can moderate the relationship between knowledge and behavior, suggesting that the effectiveness of accounting practices may vary across different cultural settings (Karimi et al., 2023). By integrating these variables within the framework of Behavioral Accounting Theory, this research aims to provide a comprehensive understanding of how accounting knowledge and recording behaviors impact MSME revenue while considering the moderating effects of cultural behavior, ultimately informing policymakers and support organizations in developing culturally sensitive strategies to enhance financial management in diverse contexts (Diana et al., 2024).

Accounting Knowledge Behavior

Accounting knowledge behavior refers to the understanding and application of accounting principles and practices by individuals within micro, small, and medium-sized enterprises (MSMEs). This variable encompasses knowledge of fundamental accounting concepts, such as transaction recording, financial reporting, and performance analysis. Research indicates that higher levels of accounting knowledge are associated with improved financial management practices, which can positively impact the revenue of MSMEs (Nofianti, 2012). When MSME owners and employees possess a solid grasp of accounting principles, they are better equipped to utilize financial information effectively, leading to informed decision-making and enhanced business performance (Andhika & Damayanti, 2017). Thus, accounting knowledge behavior is a critical determinant of an MSME's ability to navigate financial challenges and capitalize on growth opportunities.

Accounting Recording Behavior

Accounting recording behavior pertains to the actual practices of documenting financial transactions within MSMEs. This variable includes the consistency, accuracy, and timeliness of recording financial data, which are essential for effective financial management (Pop et al., 2013). Sound accounting recording practices enable MSMEs to track cash flow, identify inefficiencies, and ensure compliance with tax regulations (Linawati et al., 2015). Accurate and timely recording of transactions provides a reliable foundation for financial reporting and analysis, which are crucial for assessing the financial health of the business (Garvey et al., 2021). Consequently, effective accounting recording behavior is vital for MSMEs to make strategic decisions that can enhance their revenue and overall sustainability.

Revenue

Revenue represents the financial performance of MSMEs, typically measured as revenue generated from business operations. It serves as a key indicator of a business's success and sustainability (Mustafa, 2011). In this study, the focus is on understanding how accounting knowledge and recording behaviors influence the revenue of MSMEs. Improved accounting practices are expected to lead to better financial outcomes, thereby increasing the overall revenue of the enterprises (Diana et al., 2024). By analyzing the relationship between accounting practices and revenue, this research aims to highlight the importance of effective financial management in driving the growth and profitability of MSMEs.

Cultural Behavior

Cultural behavior refers to the shared values, beliefs, and practices that characterize a particular cultural group and influence how individuals perceive and engage with accounting practices (Birnberg, 2011). This variable can significantly affect attitudes toward formal documentation, risk-taking, and trust in financial reporting (Hantono & Pramitasari, 2018). As a moderating variable, cultural behavior is expected to influence the strength and direction of the relationships between accounting knowledge behavior and revenue, as well as between accounting recording behavior and revenue. For instance, in cultures that prioritize interpersonal relationships over formal processes, MSME owners may be less inclined to adopt rigorous accounting practices, even if they possess the necessary knowledge (Nofianti, 2012). Understanding the role of cultural behavior is essential for developing culturally sensitive strategies that enhance accounting practices and improve financial performance in diverse contexts.

Hypotesis Development

Impact of Accounting Knowledge Behavior and Accounting Recording Behavior on Revenue

The relationship between accounting knowledge behavior, accounting recording behavior, and revenue is grounded in Behavioral Accounting Theory. This theory emphasizes the psychological and social factors that influence accounting practices and decision-making processes within organizations, particularly in micro, small, and medium-sized enterprises (MSMEs). According to Behavioral Accounting Theory, individuals with a strong understanding of accounting principles are better equipped to make informed financial decisions, which can lead to improved business performance and increased revenue.

The first hypothesis focuses on the impact of accounting knowledge behavior on revenue. It is expected that higher levels of accounting knowledge will enhance the ability of MSME owners and employees to utilize financial information effectively, leading to better decision-making and ultimately higher revenue. Previous studies have shown that accounting knowledge is crucial for effective financial management in MSMEs. For instance, research by Nofianti (2012) and Andhika & Damayanti (2017) found that increased accounting knowledge positively correlates with improved financial outcomes. These findings support the notion that accounting knowledge behavior plays a critical role in driving financial performance.

(H1): Accounting Knowledge Behavior has a positive impact on Revenue.

Impact of Accounting Recording Behavior on Revenue

The second hypothesis examines the relationship between accounting recording behavior and revenue. Effective accounting recording practices are anticipated to enhance financial performance by ensuring accurate and timely documentation of financial transactions. This accuracy is essential for tracking cash flow, identifying inefficiencies, and making informed business decisions. Previous research has indicated that sound accounting recording practices lead to better financial outcomes. For example, studies by Pop et al. (2013) and Linawati et al. (2015) have demonstrated that effective recording behavior significantly contributes to improved revenue levels in MSMEs. These findings reinforce the idea that diligent accounting recording behavior is vital for enhancing financial performance.

(H2): Accounting Recording Behavior has a positive impact on Revenue.

Cultural Behavior as a Moderating Variable

The third hypothesis explores the moderating role of cultural behavior in the relationship between accounting knowledge behavior and revenue. It is posited that cultural factors can influence how accounting knowledge is applied in practice, thereby affecting its impact on revenue. In cultures that prioritize formal documentation and structured financial practices, the positive effects of accounting knowledge on revenue are likely to be more pronounced. Conversely, in cultures that emphasize interpersonal relationships over formal processes, the impact of accounting knowledge on revenue may be diminished. Research by Mustafa (2011) and Hantono & Pramitasari (2018) supports this notion, indicating that cultural attitudes significantly influence financial behaviors. This hypothesis highlights the importance of considering cultural context when evaluating the effectiveness of accounting practices.

(H3): Cultural Behavior moderates the relationship between Accounting Knowledge Behavior and Revenue.

Cultural Behavior as a Moderator of Accounting Recording Behavior and Revenue

The fourth hypothesis examines the moderating effect of cultural behavior on the relationship between accounting recording behavior and revenue. It is expected that the effectiveness of accounting recording practices in enhancing revenue is contingent upon the cultural context. In cultures that value formal financial practices, the benefits of accurate and timely recording of transactions are likely to be more significant. Previous studies have indicated that cultural attitudes toward risk and documentation can influence financial behaviors (Birnberg, 2011; Diana et al., 2024). This hypothesis underscores the necessity of understanding cultural dynamics in the context of accounting practices and their impact on financial performance.

(H4): Cultural Behavior moderates the relationship between Accounting Recording Behavior and Revenue.

Method

The research type employs a quantitative approach. One effective technique for comprehending the cause-and-effect relationship between variables is causal research. This study can apply the causal technique, which takes cultural behavior into account as a moderating variable, to examine the relationship between accounting knowledge, accounting recording behavior, and MSME revenue. Choosing the appropriate research methodology and carrying it out carefully will yield reliable and practical results for the growth of MSMEs.

Both primary and secondary data were used in this investigation. Sources that provide information directly from primary or original sources are the source of primary data; both kinds of information have been collected, analyzed, and shared by other parties, usually through publications. The Tawangmangu District's Micro, Small, and Medium-Sized Enterprises comprised the study's population. Wold asserts that the advantage of partial least square (OUTER) analysis is that it does not rely on an assumption-based approach.

PLS is capable of handling multiple independent (free) variables in the predictor, even in cases where the predictor exhibits multicollinearity. It can also relate a collection of independent (free) variables to numerous dependent (bound) variables (Alqershi et al., 2020). Regression modeling use Partial Least Squares (PLS) to forecast one or more independent variable sets (Rahadjeng et al., 2023). Studies that try to create ideas or make predictions are best suited for this technique. An SEM that is based on variance is called Partial Least Squares (OUTER) (Korry et al., 2024). The sole distinction between PLS and Covariance-Based SEM, which makes use of Lisrel (Liner Structural Relationship Analysis) and AMOS (Moment Structure Analysis) tools, is (Bhuiyan et al., 2024). For predicting purposes, the partial least squares (OUTER) technique is more appropriate. In cases where the theory is weak or the accessible indicators do not fulfill the requirements of the reflexive measurement model, this model was developed as a backup. "Soft modeling" in PLS. Because PLS requires few assumptions and a small sample size, it can be applied to analysis on a wide range of data scales. PLS can also be used to recommend whether or not relationships exist and to validate theories. Furthermore, PLS might suggest more test hypotheses.

Research Design

This research uses a quantitative descriptive method. Quantitative methods can be defined as a research approach based on the philosophy of positivism, which is used to study certain populations or samples. (Sugiyono, 2013). Data collection is carried out using research instruments, and data analysis is quantitative or statistical, which aims to describe and test predetermined hypotheses (Sugiyono & Lestari, 2021). Quantitative descriptive research allows researchers to identify patterns, relationships, and effects within variables, facilitating hypothesis testing using structured data collection and statistical analysis (Zulfikar et al., 2024). Data collection is carried out using research instruments, and data analysis is quantitative/statistical which aims to test predetermined hypotheses (Suwarsa, 2021)

Data Collection Methods

Data were collected using a structured questionnaire distributed online. Questionnaires are the most effective technique for collecting data from a large number of geographically dispersed respondents (Hartono, 2018). Kuesioner terdiri dari item skala Likert yang mengukur Accounting Knowledge Behavior and Accounting Recording Behavior on Revenue With Cultural Behavior.

Data Analysis Technique

According to Sugiyono(Nurholiq et al., 2019), Data analysis is the process of systematically searching and organising data obtained from interviews, observations, and documentation. This study uses the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach, which is implemented with SmartPLS 4. Multiple regression is an analysis method that involves more than two variables, consisting of two or more independent variables and one dependent variable (Sahir, 2022). The formula for testing the hypothesis uses multiple linear regression equations, namely:

$$\mathbf{Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3M + e}$$

Y	: *Revenue*
α	: Konstanta
X1	: Accounting Knowledge Behavior
X2	: Accounting Recording Behavior
M	: Cultural Behavior
β1, β2, M	: Koefisien regresi

e   : Kesalahan model

Results And Discussion

Least Squares Analysis (PLS)

Validity and reliability tests are conducted to evaluate the outer model in Partial Least Squares (PLS) analysis. This test ensures the accuracy and consistency of the measurement instrument, with calculations performed using the PLS algorithm.

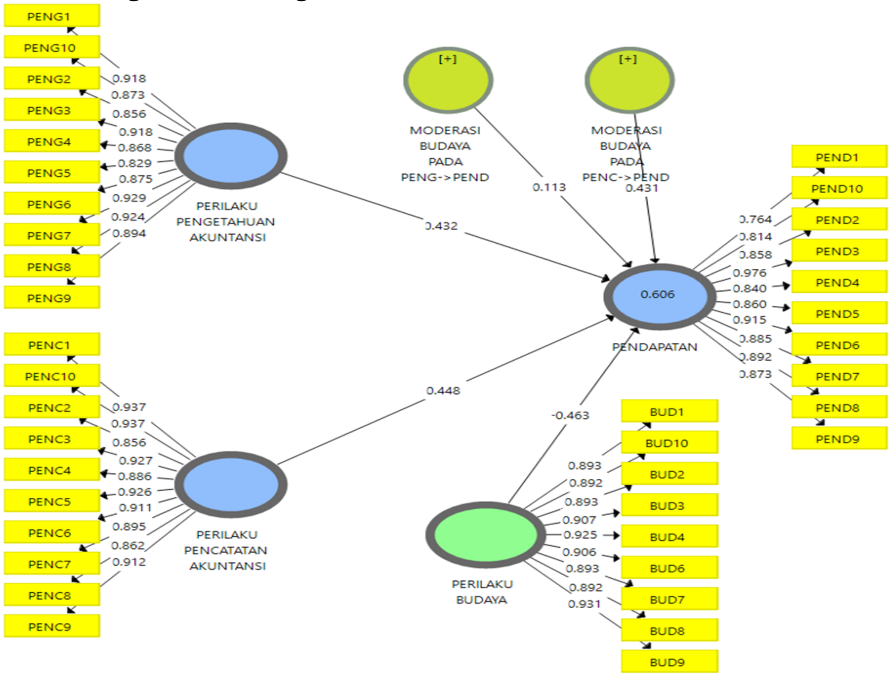

Figure. 1 Outer Model

Source: SmartPLS 3.0

The outer model in SmartPLS describes the relationship between latent constructs, such as work experience, productivity, collaborative working, and wage dispersion, and the indicators that measure them. The assessment is carried out based on several criteria, including loading factors, convergent validity, discriminant validity, and composite reliability, to ensure that the measurements carried out are valid and reliable.

Each indicator must have a loading factor value of more than 0.7 in order to be considered capable of measuring the latent construct well. In this study, most indicators had factor values above 0.7, which indicates good measurement ability. If there is an indicator with an open value below 0.7, the indicator is generally considered less strong and can be considered for removal from the model.

Table. 1
Outer Loading Value

	CB (Z)	INC_CB (X2*Z)	BKA_CB (X1*Z)	BRA (X2)	INCM (Y)	BKA (X1)
BRA * BA		1,037				
CB1	0.893					
CB10	0.892					
CB2	0.893					
CB3	0.907					
CB4	0.925					
CB6	0.906					
CB7	0.893					
CB8	0.892					
CB9	0.931					
BRA1				0.937		
BRA10				0.937		
BRA2				0.856		
BRA3				0.927		
BRA4				0.886		
BRA5				0.926		
BRA6				0.911		
BRA7				0.895		
BRA8				0.862		
BRA9				0.912		
INCM1					0.764	
INCM 10					0.814	
INCM 2					0.858	
INCM 3					0.976	
INCM 4					0.840	
INCM 5					0.860	
INCM 6					0.915	
INCM 7					0.885	
INCM 8					0.892	
INCM 9					0.873	
BKA * BC			1,097			
BKA1						0.918
BKA10						0.873
BKA2						0.856
BKA3						0.918
BKA4						0.868
BKA5						0.829
BKA6						0.875
BKA7						0.929
BKA8						0.924
BKA9						0.894

source: processed data, 2023

Behavior Knowledge Accounting (BKA), Behavior Recording Accounting (BRA), and Behavior Culture (BC) Revenue (INCM). From the outer loading value table above can seen that all items or indicators of outer loading value already > 0.7 (Marked in green which means > 0.7 which means has been validated. And marked in color red which means < 0.7 which means NOT valid). The Outer Loading value limit > 0.7 is still can accepted provided validity and reliability construct fulfil conditions . So based on the validity of outer loading is stated all items or indicators that have been validated Convergent validity Because own outer loading value < 0.7.

The table above show that there is an indicator whose VIF Outer Model value is > 10. So if there is a VIF value > 10 then there is problem multicollinearity in the outer model level. The cause is existence very strong correlation between variable indicators. However matter This reasonable happen Because existence variable moderation namely Behavior Knowledge Accounting against Revenue moderated by Behavior Culture, and Behavior Recording Accounting against Revenue moderated by Be Next steps is do analysis to Construct Reliability. Construct Reliability is measure reliability construct latent variable . Its value is considered reliable must above 0.70. Construct reliability is the same with cronbach alpha.havior Culture.

Table. 2

Cronbach's Alpha

	Cronbach's Alpha	rho_A	Composite Reliability	(AVE)
BC	0.972	0.979	0.976	0.816
INCM_BRA	1,000	1,000	1,000	1,000
INCM_BKA	1,000	1,000	1,000	1,000
BRA	0.976	1,005	0.978	0.820
INCM	0.964	0.968	0.969	0.756
BKA	0.971	0.983	0.974	0.790

source: processed data, 2023

Based on the table above , it can be seen that all construct own mark mark Cronbach's Alpha > 0.6 and even all of them , then can it is said that all construct the has been reliable. For example Cronbach's Alpha of the latent variable Behavior Culture (Z) is 0.972 > 0.6, so Behavior Culture is reliable .

All items or indicators have been fulfil condition validity and reliability as well as No there is existence multicollinearity between indicator. Then the steps furthermore is analysis of the inner model.

Below is a direct effect of revenue or the direct effect of each independent variable construct on the dependent variable:

Table. 3
Direct effect of revenue or the direct effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Conclusion
Cultural Behavior -> Revenue	-0.463	-0.457	0.103	4,481	0,000	Accept H1 (Significant)
MOD_ Accounting Recording Behavior -> Revenue	0.431	0.410	0.157	2,736	0.006	Accept H1 (Significant)
MOD_ Accounting Knowledge Behavior -> Revenue	0.113	0.109	0.135	0.834	0.405	Accept H0 (Not Significant)
Accounting Recording Behavior -> Revenue	0.448	0.462	0.135	3,322	0.001	Accept H1 (Significant)
Accounting Knowledge Behavior -> Revenue	0.432	0.424	0.134	3,214	0.001	Accept H1 (Significant)

Source: Data processed by researchers (2024)

The output route coefficient, as displayed in the above table, allows one to determine the size of each independent variable's (exogenous) direct impact on the dependent variable (endogenous).

There is a negative correlation between cultural behavior and revenue, as indicated by the parameter coefficient of -0.463 for the cultural behavior variable (Z) on revenue (Y). It can also mean that revenue will decrease with improving cultural behavior values. The revenue will decrease by 46.3% for every unit increase in cultural behavior. The estimated coefficient of cultural behavior on revenue is -0.457, and the calculated T value is 4.481. Based on calculations using Bootstrap or Resampling, the P value is 0.000 <0.05, so accept H1, which indicates that cultural behavior has a meaningful direct influence on revenue. or Significant from a Statistic.

Research Discussion

Impact of Accounting Knowledge Behavior and Accounting Recording Behavior on Revenue

Accounting knowledge behavior significantly impacts the revenue of micro, small, and medium enterprises (MSMEs), as it equips business owners and employees with the tools necessary to manage finances effectively. Behavioral Accounting Theory, which emphasizes the influence of psychological and social factors on financial practices, underpins this relationship (Nofianti, 2012). Individuals with higher accounting knowledge are better equipped to record transactions, prepare financial reports, and analyze financial performance, enabling them to make informed decisions.

Empirical evidence supports this assertion. Studies by Andhika & Damayanti (2017) and Linawati et al. (2015) demonstrate a positive correlation between accounting literacy and business performance, showing that increased knowledge leads to enhanced revenue generation. These studies highlight how understanding financial processes enables MSMEs to navigate challenges and capitalize on opportunities effectively. However, challenges persist, as many MSMEs lack formal education in accounting, particularly in developing countries (Pop et al., 2013). This gap calls for targeted interventions, such as training programs that bridge the knowledge deficit.

Contrastingly, Garvey et al. (2021) argue that in certain contexts, accounting knowledge does not always translate into improved revenue due to cultural or operational barriers. For instance, some MSME owners prioritize informal financial practices over structured accounting methods. This divergence underscores the need to tailor financial literacy programs to the specific needs and cultural contexts of MSMEs.

Accounting recording behavior is critical for effective financial management and directly influences MSME revenue. Proper recording ensures accurate tracking of cash flow, identification of inefficiencies, and informed decision-making, aligning with Behavioral Accounting Theory (Mustafa, 2011). Accurate financial records also help businesses comply with tax regulations and secure funding, both of which are essential for sustainability.

Research by Pop et al. (2013) and Linawati et al. (2015) demonstrates that consistent and precise financial recording correlates with higher revenue. These studies emphasize that businesses with sound accounting practices are better positioned to evaluate their financial health and adjust strategies to optimize profitability. Moreover, MSMEs with robust recording behaviors can minimize financial risks and allocate resources more efficiently, contributing to revenue stability and growth.

However, cultural and structural factors can sometimes limit the efficacy of accounting recording behavior. For example, Birnberg (2011) notes that in informal economies or cultures with low trust in formal documentation, adherence to recording practices may be inconsistent. Additionally, Diana et al. (2024) suggest that the lack of standardized tools and training for MSMEs in some regions leads to variability in recording practices, affecting their revenue outcomes.

These findings indicate that while accounting recording behavior is a crucial determinant of revenue, its effectiveness depends on the context in which it is implemented. Policymakers and stakeholders must consider these contextual factors when designing interventions to promote sound accounting practices in MSMEs.

The Impact of Accounting Recording Behavior on Revenue

Accounting recording behavior plays a critical role in shaping the financial outcomes of MSMEs. According to Behavioral Accounting Theory, the systematic and accurate documentation of financial transactions forms the foundation for effective financial management, enabling businesses to assess performance, comply with regulations, and make strategic decisions (Nofianti, 2012). The precision and consistency of accounting records directly influence a company's ability to track cash flow, identify inefficiencies, and optimize resource allocation, ultimately impacting its revenue.

Empirical research has consistently highlighted the positive relationship between accounting recording behavior and financial performance. For instance, Pop et al. (2013) demonstrated that businesses with robust recording practices were better equipped to monitor operational costs and maintain financial stability, leading to higher revenue. Similarly, Linawati et al. (2015) found that timely and accurate accounting records significantly improve MSMEs' decision-making processes, thereby enhancing their profitability. These studies underscore that maintaining reliable financial records is not just a regulatory requirement but a strategic tool for revenue growth.

However, the implementation of effective recording practices can be influenced by contextual factors. Garvey et al. (2021) observed that in some informal economies, MSMEs may deprioritize formal documentation due to cultural tendencies or limited access to training and resources. Such barriers hinder the potential benefits of accounting recording behavior on revenue. Additionally, Birnberg (2011) noted that even with adequate knowledge, the absence of standardized tools and support mechanisms often results in inconsistent recording practices, diluting their impact on financial outcomes.

On the other hand, some research offers a differing perspective. For example, Hantono & Pramitasari (2018) suggest that cultural behaviors emphasizing informal trust over structured documentation can result in businesses relying on alternative systems that may still yield sufficient revenue in specific environments. These findings indicate that while accounting recording behavior is generally beneficial, its effectiveness can vary depending on cultural and operational contexts.

In conclusion, accounting recording behavior is a pivotal determinant of revenue for MSMEs, as supported by theoretical and empirical evidence. Nevertheless, its success depends on external factors such as cultural norms, access to resources, and the broader regulatory environment. This necessitates a contextual approach in promoting structured accounting practices, with tailored interventions to address the unique challenges faced by MSMEs across diverse settings.

Cultural Behavior as a Moderating Variable

Cultural behavior plays a significant role in moderating the relationship between accounting practices and revenue, particularly in micro, small, and medium-sized enterprises (MSMEs). Grounded in Behavioral Accounting Theory, cultural behavior influences how individuals perceive and implement accounting knowledge and recording practices, thereby shaping financial outcomes (Mustafa, 2011). This theory posits that cultural norms, values, and attitudes can amplify or diminish the effectiveness of financial behaviors, highlighting the interplay between cultural context and accounting practices.

Research supports the moderating impact of cultural behavior. Linawati et al. (2015) found that in collectivist cultures, interpersonal trust and informal agreements often outweigh formal financial documentation, impacting the implementation of accounting practices. Similarly, Hantono & Pramitasari (2018) observed that risk-averse cultures may prioritize financial conservatism, which can influence the degree to which accounting knowledge and recording behaviors translate into revenue growth. These studies underscore that cultural dynamics significantly affect the application and effectiveness of accounting practices in MSMEs.

In addition to supporting studies, contrasting findings provide a nuanced perspective. Garvey et al. (2021) argue that cultural behaviors emphasizing informal systems do not necessarily hinder financial performance, as businesses may adopt alternative mechanisms to achieve comparable results. Moreover, Birnberg (2011) highlights the challenge of quantifying cultural variables in accounting research, suggesting that the moderating role of culture might vary widely depending on the specific context and measurement approach.

The present study confirms the significance of cultural behavior as a moderating variable. The findings demonstrate that cultural behavior strengthens or weakens the relationship between accounting knowledge, recording practices, and revenue, depending on the alignment of cultural values with structured financial behaviors. For example, in environments that prioritize formal processes, the positive impact of accounting practices on revenue is more pronounced. Conversely, in settings where informal norms dominate, the influence may be subdued.

In conclusion, cultural behavior is a pivotal moderating factor that shapes the effectiveness of accounting practices in improving revenue. Theoretical and empirical evidence highlights its importance, while contrasting findings emphasize the need for a context-sensitive approach. Policymakers and practitioners should consider cultural dynamics when designing interventions, ensuring that training programs and support mechanisms align with the cultural context of MSMEs to maximize their financial outcomes.

Cultural Behavior as a Moderator of Accounting Recording Behavior and Revenue

Cultural behavior plays a significant role in moderating the relationship between accounting recording behavior and revenue. According to Behavioral Accounting Theory, financial practices are not only influenced by technical knowledge but also shaped by the cultural environment in which they are implemented (Mustafa, 2011). The way cultural norms and values interact with accounting recording behavior determines the effectiveness of these practices in generating revenue, particularly for micro, small, and medium-sized enterprises (MSMEs).

Research supports the idea that cultural behavior moderates the link between accounting recording behavior and revenue. For example, Linawati et al. (2015) found that in cultures emphasizing formal financial practices and risk management, the impact of accurate and consistent financial recording on revenue is amplified. This is because such cultures encourage accountability and transparency, which enhance the effectiveness of recording behavior. Similarly, Pop et al. (2013) highlighted that businesses operating in environments where structured financial documentation is valued tend to experience higher financial returns due to improved decision-making processes.

However, contrasting findings suggest that the moderating role of cultural behavior may vary depending on specific cultural contexts. Garvey et al. (2021) argue that in cultures prioritizing interpersonal trust and informal agreements over formal processes, the relationship between accounting recording behavior and revenue may weaken. In such settings, MSMEs may rely on alternative systems of tracking financial transactions that align more closely with cultural norms, even if these practices do not conform to standard accounting methods. Additionally, Birnberg (2011) points out that the lack of standardized tools to measure cultural influences creates variability in how this moderation effect is perceived and evaluated.

The findings of this study align with the theoretical premise that cultural behavior can either strengthen or weaken the relationship between accounting recording behavior and revenue. In cultures that value systematic documentation, the positive effects of recording practices on revenue are more pronounced. Conversely, in less formalized cultural settings, the benefits of recording practices may be diluted, as businesses might undervalue or inconsistently apply these processes.

In conclusion, cultural behavior serves as a critical moderating variable that influences the effectiveness of accounting recording behavior on revenue. While theoretical and empirical evidence supports this relationship, variations across cultural contexts emphasize the need for tailored approaches to financial training and policy implementation. Policymakers and practitioners should consider cultural dynamics when promoting sound accounting practices to ensure their relevance and efficacy in diverse business environments.

Conclusion

Following a thorough explanation of the outer and inner stages of the model described above, the summary is depicted in the image above. Since each indicator's P value for the latent variable is less than 0.05, all of the indicators are reliable and valid for the construct Every Major Direct Impact. However, cultural behavior moderates the impact of accounting knowledge behavior on revenue. The overall effects are all noteworthy. However, cultural behavior moderates the impact of accounting knowledge behavior on revenue.

Implications Research

The implication of this research is to add literature sources for the development of accounting science, especially on behavioral topics, where research has rarely been carried out on behavioral accounting topics.

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