



Financial Documentation Implementation in Batik Tulis MSMEs in Madura

Nur Ainayah*, Muslimin Muslimin

Accounting Department, Faculty of Economics and Business, Universitas Pembangunan Nasional Veteran Jawa Timur, Jl. Raya Rungkut Madya No. 1, Surabaya, Indonesia

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ABSTRACT

Purpose: Micro, small, and medium enterprises (MSMEs) play a vital role in Indonesia's economic development, both regionally and nationally. Among them, the hand-drawn batik industry in Tanjung Bumi, Madura has shown notable growth, yet faces challenges in financial documentation. This study aims to explore the implementation of financial recording practices in batik MSMEs and assess entrepreneurs' understanding of accounting principles.

Method: A qualitative approach was employed, focusing on batik entrepreneurs who attempt to apply financial documentation in their businesses. Data were collected through field observations and interviews, allowing for an in-depth understanding of how financial records are maintained and the extent of accounting knowledge among business owners.

Findings: The findings indicate that financial recording remains limited and largely informal, relying on the owners' basic understanding rather than standardized accounting practices. Records are often kept only to monitor income or fulfill obligations related to loans and credit, reflecting a reactive rather than systematic approach to financial management.

Implication: These results highlight the need for financial literacy programs and support mechanisms to strengthen MSME sustainability. By focusing on the cultural and economic significance of batik enterprises, the study contributes original insights into the intersection of traditional industries and modern accounting practices, offering a foundation for future research and policy development.

Originality: By exploring the practical realities of financial recording in heritage enterprises, the study highlights the gap between traditional business practices and modern accounting requirements. This perspective contributes to the literature on MSMEs by emphasizing the importance of financial documentation in creative industries and opens opportunities for future research on how cultural enterprises can integrate accounting systems to support long-term sustainability.

Keywords: Financial records, heritage industry, batik tulis, Madura, MSMEs.

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Correspondence:

* Nur Ainayah

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1. INTRODUCTION

Economic growth is considered crucial, and MSMEs make a significant and crucial contribution to the Indonesian economy. This sector plays a significant role in both the national and regional economies, expanding employment opportunities and absorbing labor, generating Gross Domestic Product (GDP), and providing a safety net, especially for low-income communities, to engage in productive economic



activities. In general, MSMEs play three roles or contributions to the Indonesian economy: a means of equalizing the economic standing of the poor, a means of alleviating poverty, and a means of generating foreign exchange for the country (Sutrisni Putri Arum, 2019).

The Indonesian economy has seen an improvement in performance from 2019 to 2020. In 2020, the Indonesian economy is expected to grow even higher. In the medium term, the Indonesian economy is projected to grow between 5.1 and 5.5 percent, as predicted by Bank Indonesia (BI) in 2020. (liputan6: 31/01/2020). In Indonesia, MSMEs contributed significantly to the Indonesian economy in 2017. According to Statistics Indonesia (BPS) data, the total number of MSMEs reached 99.9 percent, with employment reaching 96.9 percent. MSMEs contributed 60.34 percent of GDP (Aditya Putra Dwi, 2018). MSME development requires support from various stakeholders to maintain financial system stability, address payment system constraints, generate new economic activity, and support the nation's tourism and culture. This was demonstrated through the 2017 Bank Indonesia-sponsored MSME craft exhibition (liputan6/19/08/2017).

Small and medium enterprises (MSMEs) play a crucial role in the national economy. They are the driving force behind the nation's economy, creating jobs, and driving domestic economic growth. Recognizing the importance of MSMEs as a key pillar of the national economy, support from various parties is needed to support and encourage the growth of MSMEs in Indonesia and boost the economy (Sutrisni Putri Arum, 2019).

Micro, small, and medium-sized businesses are often considered successful if their current or current revenue is higher than the previous year. However, business growth is not solely measured by revenue; rather, it requires measuring transactions and activities that have occurred. Considering the above conditions, comparing them with the situation in the field is questionable. Because the research location cannot maintain proper financial records, as stipulated in the SAK ETAP, an understanding of the implementation of record-keeping that can be understood and implemented in accordance with applicable standards is necessary. Access to funding from financial institutions is crucial for determining the success of MSMEs. Accounting records are absolutely necessary to obtain funding for business capital applications from financial institutions or for bank loans, which require accountable financial reports.

Many MSME entrepreneurs fail to maintain proper bookkeeping due to a lack of awareness of the importance of proper bookkeeping in the business world. A lack of knowledge and understanding can hinder them from properly recording their books. Based on conditions at the location where the researcher conducted the fieldwork on February 12, 2020, the study found that business owners were not maintaining proper bookkeeping, and many had not yet used bookkeeping. They believed that bookkeeping was confusing and complicated, and they only performed rough calculations. Educational factors and a perceived underestimation of the importance of accounting among business owners are also contributing factors. Therefore, a comprehensive understanding of accounting records is needed that business owners can understand and apply according to applicable standards. Recording activities often involve simply recording expenses and income.

2. LITERATURE REVIEW

2.1. Accountancy and Accounting Process

According to the American Accounting Association, accounting is the process of identifying, measuring, and reporting economic information to ensure accurate and clear assessments and decisions are made by those who use the information. Accounting is defined as a body of knowledge that studies the engineering of service provision, including quantitative financial information within an organizational unit and how to convey (report) this information to interested parties so that it can serve as a basis for decision-making. According to Kiz (2020), accounting is the art of recording. Accounting involves the classification, summarization, and reporting of financial transactions. According to Weygandt et al. (2016:2), accounting comprises three fundamental activities: identifying, recording, and communicating an organization's economic events to interested parties. The company identifies economic events related to its business activities and records these events to provide financial records.

Accounting has a process within its system that measures a company's business performance (Indra et al., 2024). This business performance, carried out by the Accounting Information System (AIS),

is described in numerical form in financial reports. Accounting produces financial statements and other reports that provide information about the company's business transactions, such as purchases of merchandise, sales, payments of accounts payable, and employee salaries (Scott, 2025). Figure 1 shows the accounting process within a company.

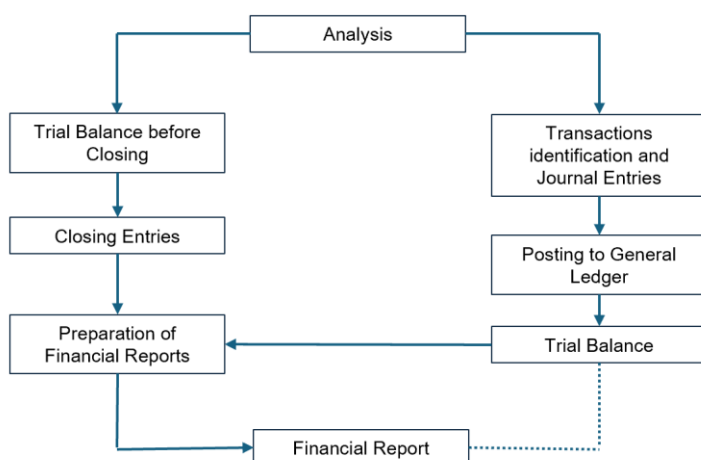


Figure 1. Accounting Process

Source: Catur Sasongko (2015;5)

2.2. Accounting Information Systems

An information system is an organized combination of people, hardware, software, communication networks, and data resources that collect, transform, and disseminate information within an organization. According to Romney and Steinbart (2014;15), a system collects, records, stores, and processes data to produce information for decision-making. The characteristics of useful information are: relevance – information is relevant if it reduces uncertainty and improves the decision-makers' ability to make predictions, informs, or corrects their prior expectations. Reliable – information is reliable if it is free from error or bias and accurately represents events or activities in the organization. Complete – information is complete if it does not omit important aspects of the events that underlie the problems or activities it measures. Timely – information is timely if it is provided at the right time to enable decision-makers to use it in their decision-making. Understandable – information is understandable if it is presented in a usable and clear form.

2.3. Financial Report

Financial reports here are part of the information obtained from recording expenses or income, in detail and presented in a financial statement. According to SAK, financial reports are part of the financial reporting process, complete with financial statements, statements of changes in financial position, which can be presented in various ways, including cash flow statements or cash flow statements, and other reports, as well as explanatory material on the integral parts of the financial statements (Wadiyo, 2020).

The purpose of financial reports is to provide information about the financial position, financial performance, and cash flow statements of an entity that is useful to a wide range of users in making economic decisions, including those who are not in a position to request specific financial reports to meet specific information needs. In achieving these objectives, financial reports also demonstrate the stewardship of management or those responsible for the resources entrusted to them (Indonesian Institute of Accountants, 2016).

According to SAK-ETAP, financial statements consist of: Income Statement – a report that shows the ability of a company or business entity to generate income over a specific period of time, for example, monthly or annually. Statement of Owner's Equity – a report that shows changes in owner's equity over a specific period of time. The statement of owner's equity consists of Capital, Profit/Loss, and Debt or dividend payments. Balance Sheet – a financial report that shows the financial condition of a company on a specific date. The balance sheet presents the actual accounts: Assets, Liabilities, and

Equity. Statement of Cash Flows – a report that shows cash inflows (cash receipts) and cash outflows (cash disbursements) over a specific period (Pura Rahman, 2012).

3. RESEARCH METHOD

3.1. Research Design

This research employs a qualitative method with a descriptive study approach. Qualitative descriptive research falls within the realm of qualitative research. The purpose of this study is to verify existing facts, circumstances, phenomena, variables, and conditions that occur during the research process and to provide a true picture of what is happening in the field. The object of this research is the understanding and application of financial record keeping for small businesses, using a case study of batik entrepreneurs. In this study, the author identified two batik entrepreneurs:

1. Mr. Halim, the owner of "Batik Zulfa," which produces batik in the form of batik sheets and clothing.
2. Mrs. Idahmini, the owner of "Batik Anugerah," which produces batik only in the form of batik sheets.

3.2. Research Focus

Based on preliminary research, we found that there are important observations in batik businesses in Tanjung Bumi: they only record the amount of money received and spent, and the number of items purchased. However, this recording is merely for memory purposes, not in the format required by the relevant parties (e.g., banks). However, it cannot be denied that business owners can determine the final amount of their capital each year. This simple habit of recording business activities can actually be directed towards a more complete and accurate compliance with accounting standards. After conducting general observations on batik businesses (a case study of the Madhura Batik Entrepreneurs in Tanjung Bumi), this research focused on understanding financial recording and management in batik businesses.

3.3. Data Collection

In this research, the data collection procedures in two steps. First, a preliminary survey, which included a general review and research of the batik business, was conducted to obtain the necessary information and clarify the problem. Second, field survey through interviews, observation, documentation, and literature study. The interviews were conducted with Mr. Halim as the owner of Batik Zulfa, and Mrs. Idahmini as the owner of Batik Anugerah using main and mini research questions as showed in [Table 1](#).

3.4. Data analysis

The analysis technique used in this research is qualitative data analysis, conducted both during and after data collection has been completed over a specific period. During interviews, the researcher attempts to analyze the interviewee's answers. If the analysis is unsatisfactory, the researcher will continue with further questions until a certain stage is reached or deemed credible. Miles and Huberman (1984) suggest that qualitative data analysis is conducted interactively and continuously until completion. The activities in data analysis are: Data Reduction, Data Display, and drawing conclusions. Testing the validity of data from qualitative methods includes credibility (internal validity), transferability (external validity), dependability (reliability), and confirmability (objectivity) (Sugiyono 2019:270). [Figure 2](#) shows the research process to obtain reliability and validity of the data acquired.

[Figure 2](#) shows the fieldwork conducted by the researcher. A preliminary survey was conducted, which involved a general inspection of the research location to obtain clearer information for subsequent research. The researcher then determined the research focus: the Implementation of Financial Recording among batik entrepreneurs in Tanjung Bumi. Afterward, the researcher entered the field to conduct observations, interviews, and documentation, thus obtaining clearer and more focused data and information. The data was then analyzed. If the data obtained was unclear or insufficient to meet data requirements, the researcher conducted further observations with informants or batik business owners to obtain the most complete data possible. The data obtained from the informants was further analyzed, including data reduction. After data reduction, the data was presented in a concise explanation. By presenting the data, the researcher was able to draw conclusions with truthful results.

Table 1. Research Questions

Main Research Question	Mini Research Question	Data Source	Justification
How is financial recording implemented in hand-drawn batik SMEs in Tanjung Bumi?	1. How important is understanding financial recording in the batik hand-drawn business in Tanjung Bumi?	Observation Informant interviews Document analysis	It is hoped that this research will provide a better understanding of record-keeping in the batik-writing business in Tanjung Bumi.
	2. Is it necessary to set aside promotional costs used to attract customers?	Observation Informant interviews	In business activities, there needs to be promotions that can help attract customers to the products being sold.
	3. What types of transactions are there in the batik tulis business?	Observation Informant interviews Document analysis	There are two transactions carried out by batik entrepreneurs in Tanjung Bumi, namely: <ul style="list-style-type: none"> • With consumers • With resellers
	4. How do you determine the rates for each transaction in the hand-drawn batik business?	Observation Informant interviews Document analysis	Clarity about the rates charged for each transaction is necessary to ensure business competition.

Source: Researcher structure questions

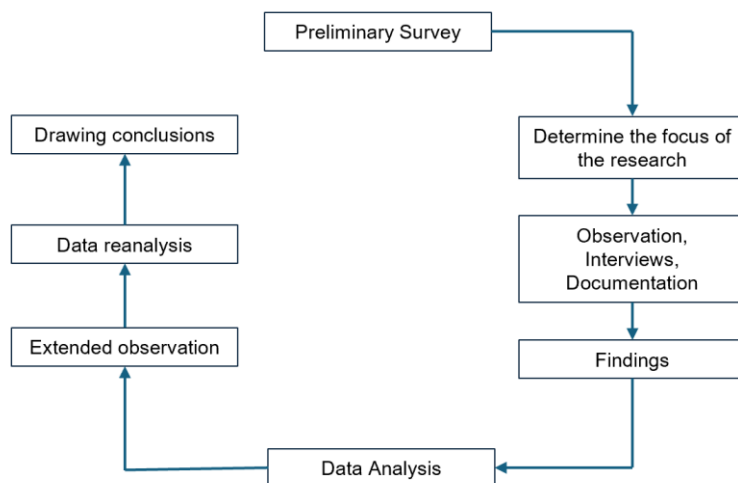


Figure 2. Research Process

4. RESULTS AND DISCUSSION

4.1. Batik Business

Based on UNESCO, Batik is an Indonesian cultural heritage that must be preserved (DetikNews, 2009). The batik business is no longer a difficult business venture. President Susilo Bambang Yudhoyono declared it a national heritage, and many people know about it internationally.

"Batik itself is an art form created using a canting (hand-drawn stencil) and poured wax onto a sheet of cloth, then dyed, resulting in beautiful batik that can be used for clothing, sarongs, tablecloths, and more.

"A hand-drawn batik business naturally sells hand-drawn batik products, whether they've been made into clothing or other items, or even just sheets of batik cloth. Informant Mr. Halim (owner of Zulfa Batik)

"Well, batik is created using a canting (hand-drawn stencil) and wax, then dyed, and finally, the final process. Your business sells batik from your production." Informant Mrs. Idahmini (owner of Batik Anugerah)

According to the research subjects, a hand-drawn batik business is a business that produces or markets hand-drawn batik products, such as clothing and other items, that have undergone the batik-making process so that the products can be sold as part of the entrepreneur's business.

4.2. Problems in Batik Entrepreneurs

Every business, whether small or large, inevitably experiences operational challenges, whether internal or external. The current boom in hand-drawn batik businesses is no exception. The most common problem is the excessive competition caused by the high demand for hand-drawn batik. The growing number of consumers or batik enthusiasts has led to numerous competitors seeking to profit from opening hand-drawn batik businesses. The following is an explanation from an informant about the challenges they frequently face:

"The problems I face are usually production constraints, as production takes a long time to produce. Therefore, to avoid this, I anticipate this by producing batik in larger quantities. If the only problem is competitors, I'm not worried because the price of hand-drawn batik here is generally not much different. I'm not too concerned about competitors from sellers from other regions, because the quality is certainly different." Informant Mr. Halim (owner of Zulfa Batik)

"What about the competition issue, miss? There are many batik entrepreneurs here, and many people are looking for batik, sometimes during Ramadan, but each has its own set of customers." Informant Mrs. Idahmini (owner of Batik Anugerah)

For the two batik entrepreneurs studied, the problem is that, besides the large number of competitors in the area, one of the biggest issues is that during Ramadan, many people buy batik cloth to make clothes. However, due to the high demand, the batik-making process takes quite a long time, sometimes even months, so they have to anticipate potential increases in demand.

4.3. Types and Transactions in Hand-Written Batik Business

The hand-drawn batik business, like any other profit-making business, involves a buying and selling transaction. This transaction involves the sale of goods from the business owner to the consumer, as is the case with all businesses and consumers. The business unit chosen by the researcher as the object of study is still within the micro-enterprise category, so the types of transactions occurring in this business are not as complex as those in larger companies. Judging from the daily financial records of the hand-drawn batik entrepreneur, the types of transactions recorded in this business are simply the name of the materials purchased to make the batik, the price of the finished batik cloth, and the price of the batik sold.

4.4. Customer Type

This type of customer for hand-drawn batik entrepreneurs isn't just one, but more than one. At Batik Zulfa and Batik Anugerah, these two entrepreneurs have two types of customers in their businesses. Those who purchase goods for their own needs without any intention of reselling them, usually referred to as direct consumers, and those who purchase goods for resale, usually referred to as resellers.

"There are two types: this product can be used by everyone from adults to young people for personal use, and some buy it to resell." Informant Mr. Halim (owner of Zulfa Batik)

"Batik can be worn by anyone, miss. Nowadays, in our area, when holidays come, families all wear batik. Everyone can wear it, and some people even buy large quantities of batik from me to resell." Informant Mrs. Idahmini (owner of Batik Anugerah)

From the explanation above, batik consumers come from all walks of life, from children to adults. However, they are divided into two types: those who buy for personal use and those who buy in bulk for resale, usually called resellers.

4.5. Tariff Determination

Pricing varies for each item. Existing rates should be set fairly. This means pricing based on the costs incurred to process the materials into finished goods and relatively comparable to other competitors. Pricing for hand-drawn batik is determined by the type of consumer. Two types of consumers were found in each online shop studied. The informants' explanations regarding the rates set by each hand-drawn batik entrepreneur are as follows:

"If the price is according to my own, I don't take a large profit. The important thing is that it matches my production costs. And if people order more, I can get a discount." Informant: Mr. Halim (owner of Zulfa Batik).

"I set a price not far from what I spend on making the batik, Miss. If people buy a lot, I give them a discount so they'll come back to me for regular batik purchases." Informant: Mrs. Idahmini (owner of Batik Anugerah)

From the explanation above, the pricing is determined by how much the entrepreneur spends to produce the product, while not taking too much profit, as long as the price is not too far from the production costs for the batik.

4.6. Promotions to Attract Customers

The current growth of the hand-drawn batik business is due in no small part to the promotional methods employed by the business to attract customers. In addition to numerous product innovations, promotions are one solution to address the challenges posed by the large number of competitors. Entrepreneurs typically have a separate budget for promotions, which is normal for a large business. However, this situation differs for MSMEs, particularly the hand-drawn batik business in Tanjung Bumi, which is still in its infancy. These businesses typically do not budget for promotional activities. The promotional methods employed by this hand-drawn batik business in Tanjung Bumi employ unique strategies to attract customers. The following explains the various promotions employed by batik entrepreneurs.

"We don't do promotions, but we demonstrate that the quality of the batik I sell is truly excellent and that the price is commensurate with the quality. People who truly understand the quality of Tanjung Bumi batik will not be disappointed with the price, and they will definitely return to buy." Informant Mr. Halim (owner of Zulfa Batik).

"Yes, that's what I said earlier, ma'am. I only offer discounts if someone orders a large amount, and I also offer promotions whenever possible, giving discounts to buyers." Informant Ms. Idahmini (owner of Batik Anugerah)

From the explanation above, it's clear that hand-drawn batik entrepreneurs have their own ways of attracting customers to return to their shop. The promotions they carry out are tailored to their capabilities and their own methods.

4.7. Bookkeeping of Hand-Written Batik Business

The bookkeeping method chosen by the researcher is very simple and easy to understand. Financial reporting commonly studied in trading companies involves the division of sales, purchases, cost of goods sold, expenses, inventory, personal expenses, receivables, and payables. In this study, the researchers examined the bookkeeping practices of online shop owners of hand-drawn batik

businesses. The following is an explanation of the financial records of a hand-drawn batik business owner.

"Yes, when I was recording at that time, I recorded how much batik was sold to wholesale buyers, such as those who bought in bulk for resale. The income was based on the selling price of the batik." Informant Mr. Halim (owner of Zulfa Batik)

"What do I write in my bookkeeping, ma'am? Well, it's usually just a record of how much money I spent on batik, the income from batik sales on which day and when, wages to the people I hired to design and other things, batik-making supplies like fabric, and so on." Informant Mrs. Idahmini (owner of Batik Anugerah)

From the explanation above, the financial record-keeping they maintain is quite simple and easy for them to understand. They don't separate records by customer type, and instead record income (sales), expenses (purchases), and the number of items sold to resellers. One example of financial record-keeping for a batik entrepreneur in Tanjung Bumi is showed in [Table 2](#).

Table 2. Example of Transaction Record.

Date	Description	Debit	Credit	Balanced
15/1	Reng-reng batik (5)		150.000	
15/1	Ambias sarimbit		110.000	
17/1	Batik Sales	880.000		180.000
Total			260.000	180.000

Source: Interviews data processed

4.8. Batik Entrepreneurs' Understanding of Financial Recordkeeping

Financial record keeping is crucial for understanding the financial position of a business and its future. Understanding and applying financial management are crucial for smooth business operations. However, for batik entrepreneurs who are unfamiliar with financial record keeping, they often keep it simple and easy to understand.

"Record keeping is indeed crucial for tracking all expenses, including for me, when I was able to record my expenses." Informant Mr. Halim (owner of Zulfa Batik)

"It's important, Miss. From there, I can track my income from batik sales, wages for payments to customers, and I can also see how much money I've set aside for loan repayments and other expenses."

Informant Mrs. Idahmini (owner of Batik Anugerah)

Understanding accounting is crucial for all businesses, from small to large, when it comes to recording financial reports. However, for batik entrepreneurs in Tanjung Bumi, the most important thing is understanding their profit margins so they can control their finances, even if their record keeping is simple.

4.9. Application of Accounting in Batik Business

The application of accounting records to the objects studied uses simple financial reporting. At Batik Zulfa and Batik Anunggrah, the business owners maintain bookkeeping by recording the initial capital used to purchase merchandise, sales transactions, expenses, and profit. Written bookkeeping, which can be performed by the business supervisor, includes the date, the name of the raw materials purchased, the name of the finished goods, as well as the business's materials needs, daily income, and profit. These bookkeeping records serve as the batik business owner's records. The business owner creates these financial reports based on their understanding of financial reporting. Batik Zulfa maintains bookkeeping by recording the date of sale, the name of the purchased goods, the semi-finished goods, the finished goods, and the cash on hand. Initially, the business owner had receipts as proof of sales transactions.

However, the owner did not keep these receipts, and over time, the business owner no longer uses receipts as proof of sales transactions. At Batik Anunggrah, the owner maintains bookkeeping by recording purchased items for his business, using receipts as proof of sales transactions, recording partially completed items, finished batik fabrics, and any remaining cash or revenue from sales. Based on interviews and observations conducted by the researcher, the researcher found that the business owner considers financial records important for his business, and the available evidence assists the owner in recording these items in his financial statements. It was evident that the two entrepreneurs had recorded transactions for their sales.

The results of this study, which show that batik entrepreneurs in Tanjung Bumi still rely on simple and informal financial recording, are consistent with earlier observations of limited literacy among MSMEs. However, recent research indicates a shift toward digitalization and structured accounting practices. For instance, [Sari \(2025\)](#) found that digital financial transformation in batik MSMEs in Cirebon significantly improved transparency and reduced operational costs, demonstrating that technology adoption can directly enhance financial management. Similarly, [Ratnawati et al. \(2025\)](#) reported that the use of the LAMIKRO application in Malang batik MSMEs increased entrepreneurs' understanding of financial documentation and readiness to utilize digital tools. These findings suggest that while MSMEs in other regions are beginning to embrace digital solutions, the Tanjung Bumi case reflects a slower adaptation process, emphasizing the need for targeted interventions.

Moreover, [Qur'ani and Zulkifli \(2025\)](#) highlighted that financial knowledge, attitudes, and personality traits significantly influence financial management behavior among contemporary batik MSMEs. Their study underscores the importance of human capital factors in shaping effective financial practices. Complementing this, [Nurani et al. \(2025\)](#) demonstrated that accounting literacy not only improves profitability and access to credit but also facilitates the adoption of digital bookkeeping applications, positioning literacy as a strategic resource for MSME resilience. Compared to these studies, the findings in Tanjung Bumi reveal a gap in both literacy and digital adoption, reinforcing the argument that cultural industries require tailored financial education and support systems to bridge traditional practices with modern accounting standards.

5. CONCLUSION

Based on the results of this study, it can be concluded that financial record keeping in a business is crucial for its operational activities. Batik entrepreneurs recognize the importance of financial record keeping. Although each of these business owners does not use the proper record keeping standards issued by the [Indonesian Institute of Accountants \(IAI\)](#) regarding Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP), they nevertheless have their own methods for recording finances that are understandable to the owners.

This study found that the underlying reason for recording their business records is due to the liabilities they have for operational and personal needs. It was evident that these two informants recorded their records due to their obligations to pay off purchases or capital loans that they initially did not record, but eventually did. For example, informant Mr. Halim recorded his records due to the car loan he had for his business. Meanwhile, Mrs. Idahmini keeps records due to the burden of a capital loan from the bank, so she keeps records, even if the records are quite simple.

Each of these business owners recognizes the importance of financial record-keeping in their businesses, although they each have their own methods for recording their financial reports so they can understand them. If business owners can understand financial record-keeping, it can be a solution to address the problem of inadequate implementation of financial record-keeping.

The findings of this study suggest that local governments and financial institutions should prioritize capacity-building programs to strengthen financial literacy among batik entrepreneurs in Tanjung Bumi, Madura. Training initiatives focused on standardized accounting practices would help MSMEs improve transparency, manage resources more effectively, and gain better access to credit. Policymakers should also consider developing simplified financial tools tailored to the needs of small cultural enterprises, ensuring that documentation requirements remain practical and accessible. Collaboration between government agencies, universities, and banking institutions is essential to create

sustainable support systems. By aligning cultural preservation with economic empowerment, these policies can enhance the resilience of batik MSMEs while contributing to broader regional development.

5.1. Implications

The study highlights the importance of strengthening financial literacy and accounting practices among batik entrepreneurs in Tanjung Bumi. Proper financial recording is not only essential for monitoring income but also for improving access to credit, enhancing transparency, and ensuring long-term sustainability of MSMEs. Policymakers and local institutions can use these insights to design training programs and support mechanisms that help entrepreneurs adopt standardized financial documentation, thereby increasing their competitiveness in both local and national markets.

5.2. Limitations

This research is limited by its qualitative approach and focus on a specific case study of batik MSMEs in Tanjung Bumi. The findings may not fully represent the broader MSME sector in Indonesia, as cultural and regional contexts can influence financial practices differently. Additionally, the reliance on interviews and observations means that the results are shaped by the perspectives and experiences of the entrepreneurs involved, which may not capture all dimensions of financial management challenges.

Future research should expand to include comparative studies across different regions and industries to provide a more comprehensive understanding of MSME financial practices. Incorporating quantitative methods could also strengthen the analysis by measuring the impact of financial recording on business performance. Moreover, collaboration between academic institutions, government agencies, and financial organizations is recommended to develop practical training modules and accessible tools that can assist entrepreneurs in adopting more systematic accounting practices. Such initiatives would not only improve financial management but also contribute to the resilience and growth of MSMEs in Indonesia.

This study demonstrates that financial recording practices remain limited among batik MSMEs in Tanjung Bumi, where documentation is often informal and based on the owners' basic understanding rather than standardized accounting systems. While records are kept mainly to monitor income or fulfill loan obligations, they are not yet integrated into systematic business management. These findings imply the urgent need for financial literacy programs and accessible accounting tools to strengthen MSME sustainability. The research is limited by its qualitative scope and focus on a single cultural industry, but it opens opportunities for broader comparative studies and quantitative approaches. Overall, empowering batik entrepreneurs with proper financial documentation is essential not only for business resilience but also for preserving cultural heritage while contributing to regional economic growth.

Generative AI Statement

The authors declared that Generative AI was used in the creation of this manuscript. The authors affirm that, while generative AI (Copilot) was used to support the drafting process, all intellectual contributions, data interpretation, and final revisions were undertaken by the authors. Responsibility for the accuracy, originality, and integrity of the content rests solely with the authors.

Abbreviations

MSMEs – Micro, Small, Medium Enterprises

GDP – Gross Domestic Product

BPS – Biro Pusat Statistik (Central Bureau of Statistics)

SAK ETAP – Standar Akuntansi Keuangan Entitas Tanpa Akuntabilitas Publik.

Authors' contribution

All authors contribute equally in the research and writing the article.

Conflict of Interest

The authors declare no competing interests.

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Availability of data and materials

Interview data will be used solely for this research. Data requests can be made via email to the corresponding author, stating the reason.

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