

THE INFLUENCE OF MANAGEMENT COMMITMENT TO QUALITY ACCOUNTING INFORMATION SYSTEM: A SURVEY ON COMMERCIAL BANKS IN INDONESIA

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Abstract: Commercial bank in Indonesia generally yield accounting information which is not fully qualified, and often times unreliable. Concerning the condition, it seems that improvement on the quality of accounting information system is needed. Quality accounting information systems is an integration of hardware, software, brain ware, telecommunications network, and database procedure, ease to use, and accessibility. This requires commitment from the management in determining the accounting information system implementation. This research examines the influence of the management commitment and the quality accounting information systems implementation. The data were obtained through survey techniques by distributing questionnaires to 82 commercial bank in Indonesia. The results showed that there were significant effects of the management commitment and quality accounting information system.

Keywords: Integration, management commitment, quality accounting information system.

1. INTRODUCTION

Accounting information is the results of accounting processes, generally presented in a form of financial statement (Kieso *et al*, 2012 : 5) or an annual report (Maurice, 1994). Accounting Information Systems is a management control tool (Mitchell *et al.*, 2000). Information system is a tool used by management to conduct the analysis in decision making related to corporate transactions (Mc Leod and Schell, 2007). Moreover Wilkinson (2007 : 7) states that the accounting information system is an integrated structure in an entity, which consists of a collection of human resources and equipment, which is used to transform the data into useful information for users to make decision. Similarly, according to Romney (2006), Accounting Information Systems is a system to collect, record, store, and process data to produce information used in decision making.

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Accounting Information System is essentially an integration of the various subsystems. If scrutinized, most of every definitions of accounting states that accounting information is the output of accounting processes. Organization of any kind always needs accounting information for economic decision making (Kieso *et al*, 2012). Accounting information is used for such things as investment decision, stewardship evaluation, monitoring activities and regulatory measures (Hansen and Mowen, 1995). By using accounting information, decision makers would obtain information on the future of their companies, such as forecasting that involves annual plans, strategic plans, and decision alternatives (Susanto, 2008). The users are interested in using the accounting information, because those information has fulfilled a *decision-usefulness-information* criterion (Kieso *et al*, 2012). In a strategic perspective, accounting information itself is one of the aspects of a company's competitive advantage (Baltzan, 2012).

Useful accounting information is one that fits for use by the information user (Wang and Strong, 1996), or one that causes user to take desirable actions (Hall, 2011), or one that may help the users in making proper decisions (Gellinas *et al*, 2012). Accounting information quality is an information with characteristics/attributes that make the accounting information valuable for the users (O'Brien, 1996).

The quality of accounting information comes from the implementation of an accounting information systems quality (Sacer *et al*, 2006. Baltzan, 2012). Among authors use different terminologies when describing the quality of Accounting information system, such as: effectiveness, success, usefulness, efficiency, user satisfaction, and also the term of quality itself. Gellinas *et al* (1990) suggests that the effectiveness of AIS is a measure of an accounting information system success to meet the established goals. A quality of accounting information system concerned with the measurement of output the actual system that produces the output (Delon and McLeod, 2003). An accounting information system quality is an integration of quality hardware, software, brainware, telecommunication network, data base, and quality of work and user satisfaction (Sacer *et al*, 2006).

The phenomenon of the quality of accounting information systems occurs in Indonesia,

1. Darmadi Sutanto (2014) chairman ASPI unintegrated information systems in private banks as for the payment for the new government banks 20.22% are integrated so that the resulting information is not valid. Former Finance Minister Sri Mulyani Indrawati (2014) which states that the data contained in Indonesian banks are not accurate and quality data is so low that lead to errors in the decision stating that the case of the century bank systemic impact. Bank Indonesia Deputy Governor Budi Rohadi stated that there

are still many small banks and large banks are doing the manipulation of financial statements (window dressing).

2. Hadad hadad (FSA chairman) (2013) mentions the existence of cyber crime that afflicts some large banks such as burglary cases of financial transactions in bank BCA and BNI.

The purpose of this study is to develop a model to find out evidences or answers of the following problems: how extent of which the effect of an management commitment on the quality of AIS, the commitment to the organization is one of the important factors in the decision making process for improvement. There are three important linkages to the organization's commitment to the quality of accounting information systems, namely

1. The effective commitment, the emotional attachment to the organization;
2. Ongoing commitment, the loss suffered if an exit of an organization;
3. The commitment of normative, which felt obliged to remain in the organization for moral and ethical reasons (Robbins and Judge, 2009: 113-114).

Thus, one of the factors to be able to implement the accounting information system in the enterprise, support and commitment to the organization is required in (Siakas and Giorgiadou, 2002). The phenomenon of the management commitment Halim Alam (2011), that the case of the global banking industries that occurred some time ago due to lack of commitment on organization, then a less than optimal internal control weaknesses as well as the implementation of policies and procedures and HR systems are less follow the principle of Know Your Employee. Furthermore. Hadad Hadad (2011), Deputy Governor of Bank Indonesia stated that according to the results of the Central Bank found drawbacks of commitment to the organization in the implementation of risk management by the top management of Bank Mega.

2. REVIEW OF LITERATURE

2.1 Accounting Information System Quality

Accounting information system is a system that collects, records, stores, and processes data to produce information for decisin makers Romney dan Steinbart (2006: 6). Accounting information system is a collection of data and processing procedures that creates needed information for its users (Bagranof *et al*, 2011). Quality accounting information obtained from the application of quality accounting information system (Sacer *et al*, 2006: 6).

The fundamental role of accounting information systems in organizations are generating accounting information quality (Azhar Susanto, 2008: 374). The term

“quality” can mean success/success (Dellon and Mc Lean, 2003) or user satisfaction (Stair and Reynolds, 2010), and/or includes the term quality (Sacer *et al*, 2006: 62) itself. Accounting information systems (AISs) is a collection of resources, such as people and equipment, designed to transform financial and other data into information. This information is communicated to a wide variety of decision makers. AISs perform this transformation whether they are essentially manual systems or thoroughly computerized (Bodnar and Hopwood, 2010).

According to Stair and Reynolds (2010), an accounting information systems quality is usually flexible, efficient, accessible, and timely. Seddon (1997) state that an information system success thus conceptualized as a value judgment made by an one from stake holders’ view points. Moreover, Gelinis and Wriggins (1990) suggest that the effectiveness of an accounting information systems is a measures of accounting information system success to meet the established goals. Meanwhile, Delon and Mc Lean (1992) state that the quality of system is concerned with the measurement of the actual system in producing output.

Sedera *et al* (2004) measured the quality system with Easy of Use, Easy Learning accuracy, user requirements, system features, system accuracy, Flexibility, Sophistication, Integration and Customization. Horan and Abichandani (2006) is a utility, reliability, efficiency, customization and flexibility. In D and MIS Success Model, the quality of AIS is accounted for by using six dimensions, namely:

1. System quality,
2. information quality,
3. use,
4. user satisfaction,
5. individual impact and
6. organizational impact.

In Technical Acceptance Model (TAM) (1989) the factors that can lead the best attitudes to a system and then receive and apply the system are used as the measure of accounting information system success, namely:

1. perceived usefulness,
2. perceived ease of use, and
3. actual use (usage).

Wixom and Todd (2005) describes the characteristics of the information system is realibility quality, flexibility, integration, accessibility and time liness.

Then, a related model is also proposed by Seddon (1997) which includes: system quality, information quality, perceived usefulness, user satisfaction, and information systems (IS) use. Characteristics of quality information system

according Dellon and Mc Lean (1992) is ease to use, system flexibility and ease of learning. Within the context of the current study, perceived usefulness, perceived ease of use and Information system (IS) use (usage) will be considered as a well-respected dimensions of Accounting Information Systems Quality.

Perceived usefulness, refers to the degree to which a person believes that using a particular system would enhance his or her job performance (Davis, 1989). Whereas perceived ease of use refers to the degree to which a person believes that using a particular system would be free effort (Davis, 1989). As for an Information system (IS) use (usage) refers to and manner in which a person utilizes the capabilities of an information systems (Petter *et al*, 2008).

Management Commitment

According to Sandesh Sheth (2010), the commitment of top management plays an important role in the success of the implementation of information system. The commitment of Top management is not only important for the necessary resources allocation but it also gives a strong signal to employees that any changes made are essential. Top management also possesses power and influence to promote the development of information system that allow users to participate in the development of the system and will also affect user satisfaction. The commitment given by the top management to accounting information system is an important factor in achieving the success of information system that is related to activities. One of the assistance that can be given by leaders is by giving support to their staff. Commitment of Management "New Thinking" Ernst and Young (Huge 1990) explore the concept of management commitment in the context of customer oriented quality thinking. They suggest that commitment moves sequentially through several stages in a causal fashion. Steps are as under :

Step 1

Enough commitment to sponsor New Activities *i.e.* management is personally involved and expects the significant short term results.

Step 2

Commitment of time to gain an understanding *i.e.* management is personally involved and expects the significant short tem results with the passage of time.

Step 3

Intellectual understanding *i.e.* No real desire to work for quality issues. Need short-term benefit to justify further investment.

Step 4

Willingness to work on critical issues and to increase personal involvement *i.e.* No desire to change own behavior.

Step 5

Desire to change one's own behavior *i.e.* management doesn't need short-term benefits to justify the investment in time and effort. Puts quality ahead of quantity.

Step 6

Completely internalized *i.e.* Behavior reflects new thinking.

The three dimensions are as follows: (Luthans, 2008: 148)

1. Affective commitment Involves the employee's emotional attachment to, identification with, and involvement in the organization.
2. Involvement commitment, continuance commitment based on the costs that the employee associates with leaving the organization. This may be because of the loss of seniority or promotion or benefits.
3. Normative Commitment Involves employee 'feelings of obligation to stay with the organization Because they should; it is right thing to do).

1.2 Problem Formulation

Based on the background described above, the research problem studied is formulated as follows:

How much is the effect of management commitment on the quality of Accounting Information System.

2.2 Framework

2.2.1 Effect of Management commitment on Accounting Information System

Implementation of information systems can be achieved more efficiently when the people in the organization is committed (Lucey, 2005 : 76). Commitment to the organization in order to develop and maintain accounting information systems are an integral part of the service and decision-making (Bernier and Potter, 2001 : 45). The commitment to the organization is an important factor in determining the success and failure of the implementation of the quality of accounting information systems (Bernier and Potter, 2001 : 45).

3. METHODOLOGY

3.1 Research Methods

The method used in this research is descriptive and explanatory. According to Hair *et al* (2003 : 41) is a descriptive research methods and scientific procedures in the collection of data and create a data structure that describes the characteristics (such as attitudes, preferences, purchase behavior, and so on from a defined population targets). This was a correlational study. A correlational design involves delineation of the important variables associated with the research problem (Sukaran, 2010) and investigates one or more characteristics of a group to discover the extent to which the characteristics vary together (Simon, 2011; Kothari, 2004). The study sought to establish the factors that influence implementation of AIS.

3.2 Target Population

The population in this study is a commercial bank in indonesia the number of banks is 82. According to Cooper and Schindler (2006 : 717) is an element of the sample population is the subject of the research unit of measurement that gives a conclusion about the entire population. The unit of analysis in this study were bank, while the unit of observation is the accounting departement and top management. Because the unit of analysis is the commercial banks, then the sample is also all commercial bank in indonesia.

3.3 Sample Size

Based on the sampling technique used in this study using census method possible, taking all the data that exists in a population of 82 commercial banks.

4. RESULTS AND DISCUSSION

4.1 Results of Research

Data collection techniques used in this research through the deployment of a number of questionnaires to the respondents who have been determined. Nit of analysis in this commercial bank in indonesia, with a total sample of 82 commercial banks. For each commercial bank were taken on average 2 respondents (given 2 questionnaires).

4.2 Descriptive Results

4.2.1 Descriptive Variable of Management Commitment

Management Commitment is the Affective commitment, Involves commitment, Normative Commitment. To give you an idea on the Management Commitment

of commercial bank, following the results of assessment related to indicators outlined. For Dimension Affective commitment two, as measured obtained its percentage score of 61.9%. it is addressed that Management commitment in commercial bank in indonesia seen from the low category Affective commitment indicators low. Involves commitment for the percentage score of 65.3%.

Normative Commitment for the dimension his percentage score of 68.7%. This case shows that, the existing Normative Commitment commercial bank in indonesia own with the phenomena presented by Halim Alam (2011), that the case of the global banking industries that occurred some time ago due to lack of commitment on organization, then a less than optimal internal control weaknesses as well as the implementation of policies and procedures and HR systems are less follow the principle of Know Your Employee.

4.2.2. Descriptive Variable of Accounting Information System

Accounting information system is a tool used by management to process the financial transaction data to produce financial information recorded by collecting, storing and processing of financial data. Accounting Information System Variables measured by 3-dimensional namely *integration, Accessibility, Ease to use*. To provide an overview of Accounting Information Systems at commercial bank in indonesia, following the results of assessment with regard to the indicator on the author described the following frequency distribution table. For *Integrasion* Dimensions are measured by two indicators :

Interaction between system components and Integration within each component of the system obtained its percentage score of 66.0%.

This indicates that the integration in commercial bank separation between Interaction between system components and Integration within each component . For *Accessibility* dimensions measured by 2 indicators :

Easily accessible and Can be accessed with the development of information technology obtained his percentage score of 66.3%. So as to convey that from software, hardware, data, brainware, procedures, databases, and networks used by the Accounting Information Systems in commercial bank in indonesia is still being. Dimension *Ease to use* measured by two indicators *i.e.* the system is easy to use and system clear (clear) percentage score obtained was 69.3%. so in commercial bank in indonesia in the category of being. Accordingly, it can be said that the existing accounting information system in commercial bank in indonesia is when in the review of the quality system (quality system) as measured by the success of information systems is technically the start ease of use, functionality, reliability, flexibility, portability and integration is in category of being.

4.2.3. Effect of Management commitment on Accounting Information System

From the above calculation results obtained by the direct influence of Management commitment on accounting information systems by $(0.350 \times 0,350 \times 100\%)$ 12.2%. The amount of calculations, the indirect influence of Management commitment on accounting information system because there is a correlation (relationship) with. The total influence of Management commitment on accounting information system obtained 24.3%.

4.3 Discussion

4.3.1. Effect of Management commitment on Accounting Information System

The statistical results showed that the influence of Management commitment on the quality Accounting Information Systems showed the $t(2.369) > t$ table (2.081) so that it can be said that influence Management commitment on the Quality of Accounting Information systems with the contribution (KD) of 24.3%. As for the rest of the 75.7 affected by other factors. The phenomenon of the quality of accounting information system that is not integrated information systems, information quality is still poor and inaccurate reporting time Affective commitment on Management commitment showed 61.9% where there is a gap of 39.1.

It means that there are problems that occur in commercial bank in indonesia during this related to the confidence in the organization, the relationship between members of the organization, experience in organization and identification Organization. The phenomenon of the quality of accounting information system that is not integrated information systems on Management commitment Value of 65.3% indicates that there is a gap of 34.7 meaning that there is a problem that occurs at commercial bank in indonesia has been associated with innovation in organization, attention to things-the small and detailed reward.

The phenomenon of the quality of accounting information system that is not integrated information systems, information quality is still poor and inaccurate reporting time on the Normative Commitment of the organization showed 68.7% where there is a gap at 31.3. It means that there is a problem that occurs in commercial bank in indonesia has been associated with the standard rules, issues of trust, togetherness. The phenomenon of the quality of accounting information system that is not integrated information systems, information quality is still poor and inaccurate reporting time on Management commitment artefacts show at 67.2% where there is a gap of 32.8. It means that there is a problem that occurs in commercial bank in indonesia has been linked to an understanding of the characteristic, the regularity of the behavior of members. Based on the description

on all indicators need attention is the Affective commitment that indicators of 61.9. Management commitment through Involves commitment, Normative Commitment so that it will be able to improve the quality of the information system Increased integration among member organizations between ultimately will impact on the quality of information and timeliness of reporting information in accordance with the needs of the organization.

5.1 Conclusion

There is significant effect of Management commitment on the quality of accounting information system. Phenomenon happens to the quality of accounting information system that is not yet integrated accounting information systems, information quality is poor and is not quality financial report it happens because the Affective commitment, normative commitment, involvement commitment has not shown that the ideal level of expected.

5.2. Suggestion

5.2.1. Operational Suggestion

To improve the quality of accounting information, the need for attention to management commitment that is giving commitment to the Affective commitment, normative commitment, involvement commitment.

5.2.2. Suggestion of Science Development

The results of this study need to do more research on the different units or different places and locations so that a conclusion about the quality of the concept of information system is influenced by the management commitment as well as accounting information system success is measured by user satisfaction or quality information.

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