

Determinants That Affecting Accounting Information System Success and Its Implication on Accounting Information Quality in ERP Environment: Empirical Study on the Indonesian Plantation Company

by Berlian Karlina

Submission date: 12-Dec-2020 11:42AM (UTC+1030)

Submission ID: 1472688976

File name: AIQ-ERP-2019-ICT.pdf (346.36K)

Word count: 2580

Character count: 15644

Determinants That Affecting Accounting Information System Success and Its Implication on Accounting Information Quality in ERP Environment: Empirical Study on the Indonesian Plantation Company

Anita Wahyu Indrasti, Dewi Puspaningtyas Faeni, Indah Rahayu Lestari, Berlian Karlina
Universitas Budi Luhur

Keywords: Enterprise resource planning (ERP), user competence, organizational commitment, internal control, accounting information systems, the quality of accounting information.

Abstract: Enterprise Resource Planning (ERP) systems are integrated software solutions that cover all aspects of a company's business. ERP implementation will affect the quality of information produced by the company. The financial statements used by organizations to provide financial information for decision making. This study aims to analyze the factors that influence the quality of accounting information in a work environment that has implemented an ERP system in its operational activities. These factors include the influence of user competence, organizational commitment, and internal control by the company both directly and indirectly on the quality of accounting information, with the accounting information system as a mediating variable. This research was conducted on the main sector companies of the plantation sub-sector listed on the Indonesia Stock Exchange in 2017, which have implemented an ERP application system in its operational activities. The data used in this study are primary data with an analysis tool used in Structural Equation Modeling - Partial Least Squares (SEM-PLS). Based on the test results known that accounting information system success, organization commitment, and user competence have a significant relationship to the quality of accounting information. However, internal control has no significant direct effect on the quality of accounting information. Internal control and organizational commitment have a significant effect on the accounting information system success. However, user competence has no significant effect on the accounting information system success.

1. INTRODUCTION

General-purpose financial statements are to provide financial information for a company, both at certain times and in specific periods that are useful for a number of users for retrieval decision (Kasmir, 2016). The four qualitative characteristics of accounting information, among others: understandability, relevance, reliability, and compatibility. One indicator of the relevance timeliness. Timeliness is information that there are ready to be used before the loss of meaning by the users of the financial statements and certainty still available in decision making (Susanto, Azhar, 2015).

The accounting information system is a crucial part of improving organizational efficiency and supporting competitiveness by providing financial

information and accounting for management (Ratnaningsih, Kadek Indah, I Gusti Ngurah Agung Suaryar (2014).

The Enterprise Resource Planning (ERP) system is an integrated software solution that covers all aspects of the company's business. ERP implementation will affect the quality of information produced by the company, one of which is to improve the quality of the financial statements produced by the company (Kurniawaty, Dian Dwinita, Sri Restu Yulia, 2009).

The quality of accounting information systems can be influenced by several factors, one of which is user involvement that can be measured by the level of competence of users in utilizing existing information technology in the company. As technology becomes more sophisticated, higher expertise is needed; this is

108

to be able to produce quality information. If the system is excellent, and the users are not experts, the information produced will not be of quality (Ratnaningsih et al., 2014).

Organizational commitment is employee loyalty and involvement to achieve organizational goals to remain within the organization. One factor to be able to implement accounting information systems within the company, support, and commitment to the organization is needed (Syaifulah, Muhammad, 2014).

Internal control is necessary to ensure that the accounting information system works as it should be, so the risk to the deviation from organization objectives can be avoided (Azhar Susanto, 2013). Implementation of security and an internal control can effectively improve the quality and reliability of the information system (Laudon, Kenneth C., and Laudon Jane P, 2012).

The quality of accounting information systems is related to the quality of accounting information produced (Bachmid, Faiz Said, 2016). Without the quality of an accounting information system, there will be no quality accounting information (Sacer, Ivana Mamic, Katarina Zager, Boris Tusek, 2006).

2. LITERATURE REVIEW

2.1. Accounting Information Quality

The quality of accounting information is the information that contains the value of relevance to accounting where such information is available when needed to meet the needs of users in the decision-making (Susanto, Azhar, 2015). Quality information is a characteristic of information to meet individual requirements when needed. Preparation is the process of preparing, organizing, formatting, and presentation of information to the user.

2.2. Accounting Information Systems (AIS)

The information system is an integrated set of components that collect, process, store and distribute information to support decision making and control in an organization (Susanto, Azhar, 2015). In addition to supporting decision-making, coordination, and control, information systems can also help managers and employees to analyze problems, visualize complex objectives, and to meet organizational goals. The accounting information system is an integration of the system components that process financial data

into financial information to produce financial information that is useful and needed by the user in decision making.

The quality of accounting information system is measured by the efficiency, effectiveness, and integration. Efficiency is the minimal use of resources to obtain maximum results (Syaifulah, Muhammad, 2014). Effectiveness is a measure of how a system can achieve its goals, while integration is the attachment between the components in the accounting information system to produce quality accounting information.

2.3. Implementation of Enterprise Resource Planning (ERP)

ERP is a system that integrates all aspects of the company's business, such as accounting, finance, marketing, human resources, manufacturing also inventory management into one system (Syaifulah, Muhammad, 2014). Implementation, a well designed ERP, will provide good access management to innovate the information regarding the company's business activities to plan, control, and evaluate the company's business processes to be more productive.

Benefits provided to the company's ERP, include: improving the quality and efficiency of the organization; reduce the costs associated with the providing information to the organization; ERP helps management in decision making by providing information quickly, complete and timely (O'Brien, James A., George M. Marakas, 2014).

2.4. User competence

Competence is individual characteristics associated with effective performance in a particular job. Competence is also said to be the fundamental characteristics (underlying characteristic) that are characteristic of an individual who is a depth section and attached to the personality of a person that can be used to predict a variety of situations specific job, the level of knowledge, skills can measure competence, and fundamental values are reflected in the habit think, and act. Competence can also be defined as a person's ability to carry out tasks that acquired through education and training (Hazrita, Fadilah, M. Rasuli, Kamaliah, 2014).

2.5 Organizational commitment

Commitment is the attitude and behavior of the individual towards the organization. Organizational

commitment is a person's ability and willingness to align private behavior with the needs, priorities, and goals of the organization (Ratifah, Ifa, Mochammad Ridwan, 2012). The concept of organizational commitment is defined as loyalty and employee involvement to achieve organizational goals to remain in the organization (Syaifullah, Muhammad, 2014),

2.5. Internal Control

Implementation of security and an internal control can effectively improve the quality and reliability of the information system (Laudon, Kenneth C., and Laudon Jane P, 2012). Internal control is necessary to ensure that the accounting information system works as it should be, so the risk to the deviation from organization objectives can be avoided (Azhar Susanto, 2013).

In organizations that do not carry out internal controls properly, the risk of irregularities will increase, this has an impact on the decline in the quality of accounting information system, so that potential losses in decision-making increase due to the low relevance and reliability of accounting information produced (Moller, Robert R, 2011).

2.6. Technology Acceptance Model (TAM)

Technology Acceptance Model (TAM) was adapted from the Theory of Reasoned Action proposed by Davis (1989). TAM assumes that individual acceptance of information technology is influenced by two main variables, namely Perceived Usefulness and Perceived Ease of Use. Both of these perceptions affect the Attitude Toward Using Individuals to the use of technology (Hazrita, Fadilah, M. Rasuli, Kamaliah, 2014). This model describes the driving factors underlying the behavior of users of information technology to the acceptance of information technology of adoption of information technology (Ratifah, Ifa, Mochammad Ridwan, 2012).

Technology Acceptance Model is theory explaining that the acceptance of the individual, in this case, the employee and the organization as users of technology on information technology is strongly influenced by the ease in using the technology as well as factors such technological benefits for the organization. Technology will be accepted and used by the user if the technology can facilitate the user in completing the work and the user confidence when using these technologies, then performance will

increase. In this study used the Technology Acceptance Model theory to analyze variables user competence and organization commitment, related to the perception of the usefulness and perceived ease of use of information technology.

3. METHODOLOGY

In this study, using a survey method to obtain primary data. This study uses Partial Least Squares Structural Equation Modeling (PLS-SEM) for data analysis. This research is a quantitative study to identify an association between the variables studied. Quantitative research is an inquiry about the social problems based on the theory test consists of multiple variables, as measured by the number and analyzed by statistical procedures to determine whether the predictive generalizations are accurate (Moller, Robert R, 2011).

The population in this study were all employees of the plantation companies that use either directly or indirectly of an ERP system as a system that produces accounting information. Methods Convenience Sampling has been associated with the limited time available to conduct research.

4. RESULT

SEM-PLS method is used to analyze multivariate models. The model consists of three exogenous latent variables, namely user competence, organizational commitment, and internal control, while the endogenous latent variables, namely accounting information system success and the quality of accounting information.

4.1. Measurement Model Test

Measurement test this model consists of the validity and reliability because test results measuring the outer consistency in explaining construct models. Recommended measurement test results of this model affect the structural test models.

4.2. Internal Test for Consistency Reliability

Reliability of composite value varies between 0-1; the higher the reliability of composite showed, the higher the degree of reliability of variables. In general, the composite reliability interpreted as Cronbach's Alpha.

For exploratory research, the reliability of the composite score must be above 0.60-0.70 (Ardi, Bagus Kusuma, 2013).

Table 1: Construct Reliability and Validity

Construct Reliability and Validity				
	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
accounting information quality	0.928	0.936	0.942	0.670
accounting information system success	0.895	0.900	0.904	0.710
internal control	0.929	0.937	0.946	0.780
organization commitment	0.895	0.903	0.909	0.660
user competency	0.839	0.851	0.892	0.676

Table 1 shows that the entire latent variable has a value of composite reliability above 0.70. The test results stated that the model could meet the reliability test.

4.3. Validity Test

To test the convergent validity, we evaluated the value of Average Variance Extracted (AVE) on each of the latent variables. 0.50 AVE value above shows that on average constructs can account for more than half a variant of the indicators (Ardi, Bagus Kusuma, 2013).

Table 1 also shows that all latent variables have AVE value above 0.50, this means that the latent variables in the study passed the test of convergent validity, showed that on average constructs can account for more than half a variant of the indicators.

4.4. Path Coefficient Test

In this study, the structural model test using T-test (2-tailed) with a significance level of 10%, then the path coefficient significant when t practical value is higher than the critical value is 1.65 (Ardi, Bagus Kusuma, 2013).

Table 2: Path Coefficients

Path Coefficients					
	Digital Sample (D)	Sample Non-D	Standard Deviation (SD)	T-Statistic (D/STD)	P-Value
accounting information system success → accounting information quality	0.278	0.271	0.121	2.304	0.021
internal control → accounting information quality	0.370	0.373	0.081	4.571	0.000
internal control → accounting information system success	0.344	0.342	0.108	3.180	0.000
organization commitment → accounting information quality	0.083	0.087	0.102	0.807	0.419
organization commitment → accounting information system success	0.347	0.350	0.081	4.267	0.000
user competency → accounting information quality	0.480	0.484	0.080	5.922	0.000
user competency → accounting information system success	0.081	0.075	0.081	0.988	0.324

5. CONCLUSION

Based on the test results known that accounting information system success, organization commitment, and user competence have a significant

relationship to the quality of accounting information. However, internal control has no significant direct effect on the quality of accounting information. Internal control and organizational commitment have a significant effect on the accounting information system success. However, user competence has no significant effect on the accounting information system success.

REFERENCES

- Ardi, Bagus Kusuma, 2013. *Analisis Pengaruh Persepsi Pengguna, Sikap, Dukungan, Teknologi Terhadap Niat yang Berdampak Penggunaan Senyatanya Software Myob Pada Lembaga Pendidikan Kursus Di Kota Semarang*. Jurnal Ekonomi Manajemen Akuntansi No.34. ISSN: 0853-8778
- Azhar Susanto, 2013. *Sistem Informasi Akuntansi, Struktur-Pengendalian Resiko-Pengembangan*. Bandung: Lingga Jaya.
- Bachmid, Faiz Said, 2016. *The Effect of Accounting Information System Quality on Accounting Information Quality*. Research Journal of Finance and Accounting Vo.7 no. 20. ISSN: 2222-2847
- Cakmak, Ahmet Ferda, Serkan Benk, Tamer Budak, 2011. *The Acceptance of Tax Office Automation System (VEDOP) By Employees: Factorial Validation of Turkish Adapted Technology Acceptance Model (TAM)*. International Journal of Economics and Finance Vol.3 No.6. 107-116. ISSN: 1916-9728
- Hair, Joseph. F, 2014. *A Primer On Partial Least Squares Structural Equation Modelling (PLS-SEM)*. Los Angeles: SAGE
- Hazrita, Fadilah, M. Rasuli, Kamaliah, 2014. *Pengaruh Kompetensi dan Sistem Akuntansi Terhadap Kualitas Pertanggungjawaban Laporan Keuangan Pada Satuan Kerja Di Lingkungan Kanwil Kementerian Agama Provinsi Riau*. Jurnal SOROT Vol.9 No.1. 59-69. ISSN: 1907-364X
- Kasmir, 2016. *Analisis Laporan Keuangan*. Jakarta: Raja Grafindo Persada
- Kurniawaty, Dian Dwinita, Sri Restu Yulia, 2009. *Pengaruh Implementasi Enterprise Resource Planning (ERP) Terhadap Kualitas Informasi Akuntansi pada PT.PLN*. Jurnal Riset Akuntansi Universitas Komputer Indonesia (Unikom) Vol.I No.1
- Laudon, Kenneth C. and Laudon Jane P, 2012. *Essential of Management Information System: Managing the Digital System*. Canada: Prentice Hall.
- Moller, Robert R, 2011. *COSO Enterprise Risk Management – Establishing Effective Governance, Risk, and Compliance Processes*. Canada : John Wiley & Sons Inc
- O'Brien, James A., George M. Marakas, 2014. *Sistem Informasi Manajemen*. Jakarta: Salemba Empat
- Ratifah, Ifa, Mochammad Ridwan, 2012. *Komitmen Organisasi Memoderasi Pengaruh Sistem Akuntansi*

- Keuangan Daerah Terhadap Kualitas Laporan Keuangan*. Trikonomika Vol.11 No.1. 29-39. ISSN: 1411-514X
- Ratnaningsih, Kadek Indah, I Gusti Ngurah Agung Suaryana, 2014. *Pengaruh Kecanggihan Teknologi Informasi, Partisipasi Manajemen dan Pengetahuan Manajer Akuntansi Pada Efektivitas Sistem Informasi Akuntansi*. E-Jurnal Akuntansi Universitas Udayana Vol.6 No.1. 1-16. ISSN: 2302-8556
- Romney, Marshal B., Paul John Steinbart, 2015. *Sistem Informasi Akuntansi*. Jakarta: Salemba Empat
- Sacer, Ivana Mamic, Katarina Zager, Boris Tusek, 2006. *Accounting Systems Information as The Ground for Quality Business Reporting*. IADIS International Conference E-Commerce.
- Silalahi, Uber, 2015. *Metode Penelitian Sosial Kuantitatif*. Bandung: Refika Aditama
- Susanto, Azhar, 2015. *Influence The Quality of Accounting Information on The Implementation Good Study Program Governance*. International Journal of Scientific and Technology Research Vol.4 Issue.12. ISSN: 2277-8616
- Syaifullah, Muhammad, 2014. *Influence Organizational Commitment on The Quality of Accounting Information System*. International Journal of Scientific and Technology Research Vol.3 Issue.2.299-305. ISSN: 2277-8616.



Determinants That Affecting Accounting Information System Success and Its Implication on Accounting Information Quality in ERP Environment: Empirical Study on the Indonesian Plantation Company

ORIGINALITY REPORT

20%

SIMILARITY INDEX

20%

INTERNET SOURCES

0%

PUBLICATIONS

0%

STUDENT PAPERS

PRIMARY SOURCES

1

www.scitepress.org

Internet Source

20%

Exclude quotes On

Exclude matches < 10%

Exclude bibliography Off