

# Management Commitment, Accounting Information Systems and Quality of Accounting Information

**Achmad Fadjar\*, Deni Sukandi, Rizky Mentari, Febriana Sihombing, Rizkia Mutiara Hasbiya**

Widyatama University Bandung, Indonesia

\*achmad.fadjar@widyatama.ac.id

## ABSTRACT

The purpose of this research is to determine and analyze the effect of management commitment on the use of accounting information systems and its impact on the quality of accounting information. The method used in this research is descriptive and verification methods. The objects in this study are management commitment, use of accounting information systems and quality of information at PT Bank Rakyat Indonesia, Bandung Setiabudi Branch. The results showed that management commitment had a positive effect on the use of accounting information systems and had a positive impact on the quality of accounting information.

## Keywords

Management commitment, use of accounting information systems, quality of accounting information

## Introduction

Information quality look at the information that has content, form and time characteristics, which have certain value for some end users (O'Brien, 2005). The level of information leads to the results of an information system, which includes the value, benefit, relevance and urgency of completed information (Pitt & Watson, 1997). According to DeLone and Mclean (2003), measuring the quality of information with accuracy, timeliness, completeness, relevance, and consistency.

Information quality issues are an important concern in organizational management in both the private and government sectors. Minister of Finance (Menkeu), Sri Mulyani Indrawati (2019) asked the Directorate General of Taxes (DGT) to optimize various sources of credible and relevant information in quality improvement of taxpayer data report (WP). The shows that quality information affects government decisions in determining fiscal policy (Saudi, 2018).

Another phenomenon regarded to the quality of information as stated by Basuki Hadimuljono (2021), Minister of Public Works and Public Housing (PUPR) invites all ministries / agencies in the Main Auditorate for State Finance (AKN) IV of the State Audit Agency (BPK) to commit to improving the quality of financial reports and delivered in a timely manner.

Executive Director of Banking Research and Regulation of the Financial Services Authority (OJK) Anung Herlianto (2020) stated that quality financial reports for investors can increase investment flows related to trust issues, so the credibility of financial reports is a key role in supporting the creation of a discipline market, and maintaining trust. the public on the quality of financial reports.

To get quality information, a quality information system is needed. According to Krismiadi (2008), information systems cannot process data to produce information without instructions and procedures. And procedures are components of accounting information systems, as stated by Azhar (2013) that the components of accounting information systems are hardware, software, bainware, procedures, databases and communication networks.

According to Hall (2011), an information system aims to support the company's operational activities (operational support), accountability for owner's capital (stewardship), and decision support. Therefore, with the information system used by large companies, company management must be selective in choosing the information system used in accordance with the company's environment.

The accounting information system has a role and function to support daily activities, support the decision-making process, assist company

managers in fulfilling their responsibilities to external parties (Azhar, 2013). Financial statements are a product of the accounting information system (Albrecht et al., 2008).

To make a good financial report the information system should be accurate. Similar to what is stated by Pornpandejwittaya (2012), effectiveness of the accounting information system is the procedure for collecting, inputting, processing data, storing, managing, controlling and reporting accounting reports in an organizational body, so as to achieve the quality of financial reports. According to DeLone and Mclean (1992), the effectiveness or success of an information system is seen in terms of system quality, information quality, use, user satisfaction, personal influence, and organizational influence.

The management commitment put forward by Englund and Buchero (2006) really supports the implementation of quality information systems, it is the relationship between management commitment and information system development is the participation of senior managers and middle managers in deciding goals and explaining the development of information systems. Work commitments, record accountability work plans to direct the business, approve, measure, and support activities from the start to the end of the development project, as an active role for senior management and middle management.

According to Laudon and Laudon (2008), managers who are committed and work in companies intensively use information systems and invest in information technology will outperform their competitors. Scwhalby (2010) emphasize that management commitment is very important, because adequate resources and human resources are needed in the application of information systems.

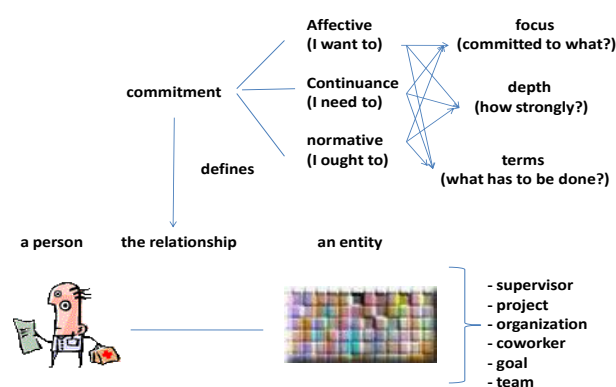
## Literature Review

### Management Commitment

Abrahamsson and Iivari (2002) state their understanding of commitment as a relationship between actors and entities. Meyer and Herscovitch (2001) show that commitment is a

force that restricts people's behavior in relation to one or more goals. Roades (2001) shows that commitment comes from the Latin "Committere", which means to unite, unite, believe and work for it.

Furthermore, Meyer and Allen (1997) argue that commitment is identified into three forms: Emotional commitment, ongoing commitment, and normative commitment are psychological states that can characterize the relationship between employees and the organization or influence whether the employee will continue to have an impact with the organization. Abrahamsson and Jokela (2000) explain the concept of commitment in Figure 1 as follows:



**Figure 1.** Explaining the concept of commitment

One of the causes of failure of company activities is management commitment which usually includes depth, focus and terminology, these three aspects are psychological aspects and can be divided into three different forms of commitment, namely: emotions, norms of commitment and continuity (Abrahamsson, 2000).

### Use of Accounting Information Systems

Experts define accounting information systems, some of which are according to Bodnar and Hopwood (2010), the notion of an accounting A system is a collection of people and resources (such as people and equipment), designed to turn financial and other data into information. Meanwhile, according to Azhar (2013), the definition of an accounting Information system is a subsystems are interconnected and coordinated to process financial data into financial information needed by management in the decision-making process in the financial

sector. According to Hall (2011), the accounting information system processes various financial and non-financial transactions that directly affect financial transactions

### **Quality of Accounting Information**

The meaning of information according to Bodnar and Hoopwood (2010) is the result of data processing that is organized and useful for those who receive it. Another definition of information according to Jogiyanoto (2002) is data that has been placed in useful contexts which is passed on to recipients for use in decision making.

The definition of accounting according to Tanjung (2000) is the process of identifying, measuring, and reporting financial information to enable clear judgments and decisions for those who use the information. Another understanding of accounting according to Horngren et al. (2003) is a system that follows business activities to process reports containing the information and communicate it to decision makers.

According to Azhar (2013), the quality of accounting information is information that has been able to reliably disclose material information completely and accurately covering important relevant dimensions and essential events. Therefore, it can be neglected that the quality of accounting information is accurate and time-accurate information and has a reliable quality, free from misleading notions that can provide benefits to the users of the information.

A quality information must have the characteristics: Effectiveness, Efficiency, Confidence, Integrity, Availability, Compliance and Truth (Azhar, 2013). Meanwhile, according to DeLone and Mclean (2003) to measure the quality of information, namely accuracy, timeliness, completeness, relevance, and consistency.

### **Framework**

A thinking framework is a conceptual model of how a theory deals with various factors identified as research problems (Sekaran, 2010).

### **Effect of Management Commitment on the Use of Accounting Information Systems**

The use of accounting information systems is influenced by management commitment, as stated by Chen (2001) which revealed that management's commitment does not only include the provision of blessings for the use of information systems but must continue until its completion. Management commitment means they want to spend a lot of time leading and supervising the system implementation team (Schwalbe, 2010), management commitment is essential in implementing an information system because it requires adequate human resources and resources.

Furthermore, Abrahamsson (2000) states that if most of the initiatives in developing information systems do not involve management commitment, it will fail. According to Laudon and Laudon (2008), managers must be committed to responding quickly to any changes in the environment, if they want their organization to survive and improve its performance, management must be sensitive to the impact of technological developments, which include information, equipment, techniques and processes that change inputs be a way out. In addition, management must have a good understanding of the role of information systems in the organization.

Mahring (2002) stating that many show the importance of management support for the implementation of information systems implementation, including the use of accounting information systems effectively. The results of research conducted by Bhanu et al. (2004) stated that top management support has been identified as a determining factor in a major organization. These results provide a framework for understanding the impact of top management support on information system performance.

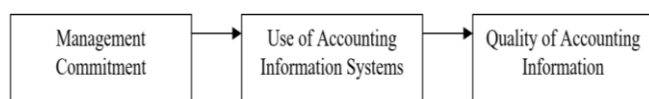
### **Effect of the Use of Accounting Information Systems on the Quality of Accounting Information**

In the business world, quality information plays an important role for the smooth running of company activities. The need for information

regarding the condition of the company can be met through an accounting information system. According to La Midjan and Azhar (2001), Accounting Information System is an accounting data processing system which is the coordination of humans, tools and methods that interact harmoniously in a structured organizational container to produce structured financial accounting information and management accounting information.

Meanwhile, according to Barry E. Cushing which is translated by La Midjan and Azhar Susanto (2001), the notion of an accounting information system is a set of human and capital resources in an organization that is built to present financial information obtained from the collection and processing of financial data. Thus, the use of a good accounting information system will produce quality information and in its implementation the information system will run smoothly if there is support in the form of commitment from management.

Based on the explanation above, the frame of mind in this study can be seen in the following figure:



**Figure 2.** Framework

## Research Hypothesis

Based on the description of the discussion of problems, theories, concepts, and frameworks of thought previously presented, the hypotheses to be proposed in this study are:

**H<sub>1</sub>:** Management commitment affects the use of information systems

**H<sub>2</sub>:** The use of accounting information systems affects the quality of accounting information

**H<sub>3</sub>:** Management commitment affects the quality of accounting information which is moderated by the use of accounting information systems

## Methodology

### Research Object

Nuryaman and Veronica (2015) state that the research object is the characteristics inherent in the subject of research, where the subject is the unit of analysis or unit of observation to be studied. The object of this study is management commitment, the use of accounting information systems, and the quality of accounting information at Bank Rakyat Indonesia, Bandung Setiabudi branch.

### Research methods

According to Darmadi (2013), in obtaining data for a specific purpose, a research method is needed as a scientific method. The research methodology used in this study is an explanatory research method by conducting a survey.

### Population and Samples of Research

Population according to Sugiyono (2013) is the generalization field, which includes entities or entities with certain facts and features determined by the researcher, and then drawn. Based on this explanation, the population in the study were all employees, either permanent, contractual or outsourcing, middle management at PT Bank Rakyat Indonesia, Bandung Setiabudi Branch who used an accounting information system totaling 53 people and all of them were used as respondents using the census method (saturated sample).

### Operationalization of Research Variables

The variables in this study include the independent variable(X), the intervening variable(Y) and the dependent variable (Z). The independent variables in this study are Management Commitment (X), Use of Accounting Information Systems as the dependent variable and Quality of Accounting Information (Y) as an intervening variable and Quality of Accounting Information as the dependent variable (Z).

### Data Analysis Technique

In this research, the data analysis technique is descriptive and verification using a path analysis approach to test the effect of variable X on variable Z through variable Y (intervening).

## Results and Analysis

### The Effect of Management Commitment on the Use of Accounting Information Systems (Stage I)

Following are the results of the calculation of the path coefficient in sub structure 1, namely the effect of Management Commitment on the Use of Accounting Information Systems:

**Table 1.** Result of path analysis sub structure 1  
Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.261	.217		4,326	
	Management Commitment	.228	.109	.244	5,174	.000

a. Dependent Variable: Accounting Information System

Based on the above results, the regression equation shows that the management commitment variable has a positive regression coefficient direction or is directly proportional to the use of the accounting information system and the above results also obtained a t-calculated value of 5.174 and a t table value of 2.007. Because the t value is greater than the t table value ( $5.174 > 2.007$ ) and the sig value  $< 0.05$ ,  $H_0$  is rejected and  $H_1$  is

accepted, which means that management commitment affects the use of the accounting information system at PT Bank Rakyat Indonesia Bandung Setiabudi Branch.

Furthermore, the amount of direct influence of Management Commitment on the Use of Accounting Information Systems will be calculated as follows:

**Table 2.** R-square sub structure 1  
Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.576 <sup>a</sup>	.331	.340	.335140

a. Predictors: (Constant), Management Commitment

b. Dependent Variable: Accounting Information System

The table above, the coefficient of determination is 0.331. These results can be interpreted that the magnitude of the contribution of the influence of the management commitment variable on the use of the accounting information system is 33.1%, while the remaining 66.9% is influenced by other factors not examined.

### Effect of the Use of Accounting Information Systems on the Quality of Accounting Information (Stage II)

Following are the results of the calculation of the path coefficient in sub structure II, namely the effect of the Use of Accounting Information Systems on the Quality of Accounting Information.

**Table 3.** Results of Path Analysis Sub Structure II  
Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.455	.256		3,703	
	Accounting information system	.517	.295	.564	6,528	.017



## a. Dependent Variable: Quality Accounting Information

Based on the results the regression equation above, it shows that the variable use the accounting information system has a positive regression coefficient or is directly proportional to the quality accounting information. Based on the above results, it is obtained the calculated t value is 6,528 and the t table value is 2.007. Because the t value is greater than the t table value is 6,528 > 2.007 and the sig. value <0.05, H0 is rejected and

H2 is accepted, which means that the use accounting information systems affects the quality accounting information at PT Bank Rakyat Indonesia, Bandung Setiabudi Branch.

Next will be calculated the amount direct influence the Use Accounting Information Systems to the following:

**Table 4. R-Square Sub Structure II  
Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.592 <sup>a</sup>	.350	.359	.467357

a. Predictors: (Constant), Accounting Information Systems

b. Dependent Variable: Quality Accounting Information

Based on the table above, the coefficient determination is 0.350. These results can be interpreted that the contribution the variable influence the use accounting information systems to the quality accounting information is 35.0%, while the remaining 65.0% is influenced by other factors not examined.

### The Effect Management Commitment on the Use Accounting Information Systems and its Impact on the Quality Accounting Information

Based on the results the total hypothesis testing, the following data were obtained:

**Table 5. Total hypothesis testing  
ANOVA<sup>a</sup>**

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	.8,570	.2	.3,337	.12,570	.000b
Residual	.4,472	.50	.264		
Total	.13,042	.52			

a. Dependent Variable: Quality Accounting Information

b. Predictors: (Constant), Management Commitment, Accounting Information Systems

The results showed that the calculated F value 12.570 and the F table value 3.17. Because the calculated F value is greater than the F table value (12.570 > 3.17) and the sig value <0.05, H0 is rejected and H3 is accepted, which means that management commitment affects the use accounting information systems so that it has an impact on the quality accounting information at PT Bank Rakyat Indonesia Bandung Setiabudi Branch.

Furthermore, to determine the magnitude the contribution the influence management commitment variables and the use accounting information systems on the quality accounting information, the coefficient determination (R square) is used. The following are the results the determination coefficient test:

**Table 6. Total coefficient of determination  
Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.618 <sup>a</sup>	.381	.384	.472631

- a. Predictors: (Constant), Accounting Information Systems, Management Commitment
- b. Dependent Variable: Quality Accounting Information

Based table above, coefficient determination is 0.381. These results can be interpreted magnitude the variable 38.1%, while the remaining 61.9% is influenced by other factors not examined.

## Discussion

### Effect of Management Accounting Information Systems

Quality Management commitment positive on application system at PT Bank Rakyat Indonesia, Bandung Setiabudi Branch. According to Schwalbe (2010), management commitment is essential in implementing an information system because it requires adequate human resources and resources. Therefore, if the resources and human resources are adequate, it will result in more successful use information systems in the company.

### Effect of Use of Accounting Information Systems Quality

Accounting information systems a positive effect quality PT Bank Rakyat Indonesia Bandung Branch Setiabudi. According to La Midjan and Azhar (2001), the accounting information system tools methods interact harmoniously in a structured organizational container to produce financial accounting information and structured management accounting information.

Supported by Kadek and I Gusti (2014) suggest effectiveness accounting information systems a success achieved by accounting information systems in producing information in a timely, accurate, and reliable manner. This opinion is supported, among others, successful accounting enhances statements.

## Conclusion

### Conclusion

1. This result means that the higher the management commitment, the more successful

the use of the accounting information system will be.

2. These results indicate that the resulting accounting information will be of high quality, the use of managed information systems and the use of accounting information systems will be more successful if management commitment is higher.

## Recommendations

Therefore, management needs to consider that employees feel comfortable at work and feel involved in the successful use of accounting information systems, especially for employees who have received provision in the form of training and education funded by the company.

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