

# The Effect of Management Support on the Quality of Accounting Information Systems and Its Impact on the Quality of Accounting Information

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# THE EFFECT OF MANAGEMENT SUPPORT ON THE QUALITY OF ACCOUNTING INFORMATION SYSTEMS AND ITS IMPACT ON THE QUALITY OF ACCOUNTING INFORMATION (IN PRIVATE HIGHER EDUCATION IN BANDUNG CITY)

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## ABSTRACT

This article aims to determine management support, the quality of accounting information systems and the quality of accounting information. The method used in this research is descriptive and verification method (verificative research). Based on the results of testing the hypothesis by using Structural Equation Modeling (SEM) with the Partial Least Square - Path Modeling approach with the help of XL-STAT software, there is a relationship between top management support variables and the quality of accounting information systems reflected in the value of 1.0247. Furthermore, the quality of accounting information systems has an impact on the quality of accounting information reflected in the value of 0.8104. The results of this test prove that top management support influences the quality of accounting information systems and has an impact on the quality of accounting information.

**Key words:** Top management support, quality of accounting information systems, quality of accounting information.

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## 1. INTRODUCTION

Economic globalization that has occurred since the 1990s has encouraged worldwide business competition [1] in this case a strategy is needed to utilize all the strengths and opportunities, so that management is able to make appropriate decisions based on information [2]. Information is very important for a company, because with information, company managers can find out how the development of operations that occur in the company and avoid the risk of doing something that should not be fatal for the company[3]. To obtain quality information needed information systems that can be utilized by both internal users and external users[4].

One of the factors that influence information systems is the support of top management[5]. This is because top management support is an important factor for the success of a quality accounting information system[6]. The quality of accounting information systems can also be influenced by the factors of top management support, because the application and development of information systems in each organization to achieve the expected goals can not be separated from the involvement of top management support [7][8].

The phenomenon of the lack of top management support is reflected in the weakness of organizational systems and procedures[9] due to lack of oversight of top management, weak internal supervision[10][11]. Furthermore, more than 200 PDAMs in sick conditions caused by poor management and a lack of government support according to the Chairperson of the Indonesian Drinking Water Association (Perpamsi) Central Leadership Council (Perpamsi) for that the quality of PDAM management (PDAM) human resources [12]. In addition, the case in the Central Bank found weaknesses in the leadership of Bank Mega where the directors did not yet have adequate information system and SOP facilities so that there were still weaknesses in policies and procedures, which had an impact on the company's strategic plans [13].

The phenomenon that occurs in the field related to the lack of quality accounting information systems in producing accounting information occurs in the public sector as stated by Anwar Nasution [14] that the cause of not quality government accounting information is due to the lack of integration between the general accounting system in the finance department and the accounting system agencies in other departments, then the reporting system of local government financial management is inefficient both in terms of time and budget [15] so that the accounting system and recording methods in the Ministry of Finance are bad[16] and information systems in local governments in Indonesia not functioning optimally [17]. The Indonesian government has not been able to integrate the assets and wealth of the country, so that it adversely affects state revenues and creates a waste of state budget [18]. This also happens in the Port of Batam where the information system is not yet integrated [19].

## 2. LITERATURE REVIEW

Sheth [20] suggests that top management support is an important factor that influences the implementation of information systems and in determining the limits of success with the limits of potential business continuity failure (Top management supports an important factor that determines the point between success and failure when the potential business continuity

and implementation of information systems). Furthermore Schwalbe [21] argues that top management commitment is very important, without top management commitment will have an impact on project implementation because top management is the main support in implementing information systems (Top management commitment is essential, without top management commitment many implementation projects). fail because they are key managers in implementing information systems.

Azhar Susanto [22] states that executives are responsible for long-term organizational planning and control in information systems. Then according to Laudon & Laudon (2012) which states that management support is needed to ensure a system project receives sufficient funding and resources to succeed.

In line with this, according to Hussin's research, et al., [23]states that the role of top management is very influential on the alignment of information systems. In line with the above research there are several previous studies that support the influence of top management support on the quality of accounting information systems proposed by Young and Jordan[24] stating that top management support is the most important factor for the success of an information system.

O'Brien [25] states that information systems can help managers by providing information needed to carry out each managerial function. Scott also states that accounting information systems aim to present financial reports designed by external users and internal users. Internal companies such as marketing managers, production supervisors, finance directors and other officials, need accounting information in supporting activities such as managing and running the company and assisting internal parties in making decisions for the company[26]. Whereas external companies that need accounting information are investors and creditors, where accounting information is needed to evaluate credit risk, where accounting information is needed to evaluate the risk of lending or loan money. Then for a company, accounting information systems are built with the main purpose of processing accounting data originating from various sources into accounting information needed by various types of users to reduce risk when making decisions [22].

Accounting information is information generated from accounting information systems that exist within the company [22]. So that useful accounting information produced by accounting information systems, such as financial statements and various types of reports must present an accurate, complete and timely description of company activities[27]. According to Laudon & Laudon [28] accounting information systems have an effect on the quality of accounting information in the statement as follows: With the implementation of the quality of accounting information systems will produce the quality of accounting information that is also used by the user in making decisions. Similarly, according to Hall (2011: 14) which states that fundamentally the purpose of accounting information systems is (1) providing information about organizational resources used (2) providing information relating to management decision making. Furthermore Azhar Susanto [22] states that "the quality of accounting information systems influences the quality of accounting information".

The results of various previous studies corroborate the statements expressed by experts that the quality of accounting information systems influences the quality of accounting information, as research conducted by Azleen, et al. (2007) provides empirical evidence that accounting information systems influence the quality of information..

Based on the description above, it can be concluded that the quality of accounting information systems influences the quality of accounting information.

Based on the above framework, the hypothesis proposed in the study is 1) Top management support affects the quality of accounting information systems 2) The quality of accounting information systems influences the quality of accounting information

### 3. METHOD

The objects in this study are the support of top management, the quality of information systems and the quality of accounting information in private universities in the form of universities in the city of Bandung.

This research using Structural Equation Modelling (SEM) approach Partial Least Square - Path Modeling with the aid of XL-STAT software. Respondents in this study is the Head/Head of Staff Accounting/ Finance in private universities in Bandung. There are 50 universities with 150 employees as respondent for research. The number of respondents who returned the questionnaire as many as 136 respondents or 90,7 % with a number of university research as much as 45 or 90 %, all of which can be processed as all places visited research directly.

### 4. RESULT AND DISCUSSION

**Table 1.** Recapitulation Test Result Validity Research Instruments

Latent variable	Manifest variables	Standardized loadings
Planning	TMSPL01	0.935
	TMSPL02	0.925
Organizing	TMSORG01	0.919
	TMSORG02	0.922
Supervision	TMSSP01	0.878
	TMSSP02	0.889
X1 (Top Management Support)	TMSPL01	0.837
	TMSPL02	0.783
	TMSORG01	0.844
	TMSORG02	0.859
	TMSSP01	0.778
	TMSSP02	0.816

Source : The research data processing with SEM approach PLS

**Table 2.** Recapitulation Test Result Validity Research Instruments

Latent variable	Manifest variables	Standardized loadings
Integration	AISIT01	0.927
	AISITT02	0.933
Flexible	AISFL01	0.966
	AISFL02	0.968
Ease of Access	AISEA01	0.891
	AISEA02	0.920
Y (Quality of Accounting Information Systems )	AISIT01	0.854
	AISITT02	0.887
	AISFL01	0.836
	AISFL02	0.851
	AISEA01	0.727
	AISEA02	0.842

Source : The research data processing with SEM approach PLS

**Table 3.** Recapitulation Test Result Validity Research Instruments

Latent variable	Manifest variables	Standardized loadings
Z( Quality of Accounting Information)	QAITM01	0.780
	QAITM02	0.771
	QAICD01	0.782
	QAICD02	0.814
	QAICD03	0.720
	QAIFM01	0.829
Time Dimension	QAIFM02	0.801
	QAITM01	0.905
Content Dimension	QAITM02	0.903
	QAICD01	0.863
	QAICD02	0.890
Form Dimension	QAICD03	0.790
	QAIFM01	0.941
	QAIFM02	0.936

Source : The research data processing with SEM approach PLS

Facts based on research the validity of indicators for Top Management Support, Quality of Accounting Information Systems, and Quality of Accounting Information variables can be indicated by the value of standardized loading, which illustrates the magnitude of the correlation more than 0.5 so it can be stated that the whole question items Top Management Support, Quality of Accounting Information Systems, and Quality of Accounting Information variables used are valid and can be used to measure the variables studied. Next to determine whether a variable is reliable or not refer to the term proposed by Kaplan, *et al.*, (2009:125) state that the reliability value of at least 0,70.

Testing reliability of extracts using Composite Reliability. In the partial least square model of the reliability of the constructs owned by the reliability composite, it has a better value compared to Cronbach alpha. The Peak Management Support variable has a value of 0.925, the Accounting Information System Quality variable has a value of 0.932 and the Accounting Information Quality variable has a value of 0.932. Based on these data, it can be seen that all Composite Reliability has a value of > 0.7, which means that all indicators in a latent variable have reliable reliability values.

Based on the results of hypothesis testing, it shows that the relationship between top management support variables and the quality of accounting information systems is reflected in the value of 1.0247 and  $P > |t| = 0.0737$  whose value is smaller than alpha error, reject  $H_0$  means that there is a significant influence between the top management support variables towards the quality of accounting information systems.

Based on the results of hypothesis testing, the relationship between the quality of accounting information system quality and the quality of accounting information is reflected in the value of -0.2483 and  $P > |t| = 0.0311$  whose value is smaller than the alpha error, rejecting  $H_0$  means that there is a significant effect information on the quality of accounting information

## 5. CONCLUSIONS

From the results of the research findings as outlined in the conclusions, the researcher proposes suggestions and recommendations to Private Higher Education in Bandung City on the following matters.

- Top management support has a positive effect on the quality of accounting information systems. The better the top management support in providing effective resources and firm leadership commitment can improve the quality of accounting information systems.
- There is the influence of the quality of accounting information systems on the quality of accounting information. Not yet the quality of accounting information at private universities in the city of Bandung because of the lack of optimal accounting information system capabilities in providing convenience to access wherever and whenever in accordance with the authority and responsibility.
- Providing software that is easier and dynamically follows the needs of users in the future will be easily developed if there is a change in management policy.
- Information systems should be equipped with programs that help speed up users of accounting information systems in completing and achieving the main job goals

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