

The Usefulness of an Accounting Information System for Effective Organizational Performance of Zameco 1 in Palauig, Zambales Year 2020-2021

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Abstract— This study aimed to determine the Usefulness of Accounting Information System for Effective Organizational Performance of Zameco 1 in Palauig, Zambales. The respondents were composed of the total population of 25 Zameco 1 employees. The survey questionnaire method was used in data gathering. The findings show that majority of the respondents belong to the age group from 31-40 years old, most were females and married, believers of Roman Catholic, designated in finance department, has other position not included in the identified choices, with master's degree professional education, and were in service for 5-9 years. The respondents strongly agree on the usefulness of accounting information system for effective organizational performance. The respondents likewise strongly agree on the impact of accounting information system on organizational financial performance and performance management respectively. There is no significant difference on the level of usefulness of Accounting Information System for effective organizational performance when grouped according to profile variables. There is no significant difference on the impact of accounting information system on the organizational financial performance when grouped according to the respondents' profile variables. There is a significant difference on the impact of accounting information system on the organizational performance management when grouped according to the respondents' civil status. And there is a moderate significant relationship between the accounting information system and organizational performance in terms of financial and management.

Keywords— accounting information system, organizational performance.

INTRODUCTION

The business world today requires a change of strategy on business practices. The strategy done with the aim that the company still compete and improve its performance (Arisman, & Fuadah, 2017)

An accounting information system comprises several components vital in the accounting cycle. The information contained in a system varies among industries and business sizes, a typical AIS includes data relating to revenue, expenses, information from customer, employee and tax. On the other hand, accounting information system have a database structure to store information. (Tuovila, 2019). Accounting systems can support in decision making provided that information is relevant to the decision and the decision maker. Effective and efficient accounting information plays a central role in management decision making (Haleem, 2016). In handling an organization and applying an internal control system the role of accounting information system (AIS) is crucial (Soudani, 2012)

Accounting information system evaluates by its impacts on improvement of decision-making process by financial performance, performance management to

achieve the better organizational performance (Soudani, 2012)

This system combines the methodologies, controls, and accounting techniques with the technology of the IT industry to track transactions that provide internal reporting data, external reporting data, financial statements, and trend analysis capabilities to affected organizational performance. (Bouwens and Abernethy, 2010).

In managing an organization and implementing an internal control system the role of the accounting information system (AIS) is crucial. An important question in the field of accounting and management decision-making concerns the fit of AIS with organizational requirements for information communication and control. The benefits of the accounting information system can be evaluated by its impacts on the improvement of the decision-making process, quality of accounting information, performance evaluation, internal controls, and facilitating the company's transactions (Yang and Koo, 2011).

Therefore, performance management has a key role to play in improving the overall value of an organization. Control efficacy of financial information reliability has affected operating performance (Yang and Koo, 2011).

OBJECTIVES OF THE STUDY

This study aimed to assess the level of usefulness of Accounting Information System for effective organizational performance and its impact on financial performance and performance management of ZAMECO I.

LITERATURE REVIEW

Financial Performance

Financial managers need the financial and accounting data provided by AIS to evaluate the firm's past performance and to map future plans. Therefore, the organizational performance is measured in terms of ROA (Return on Assets) and ROE (Return on Equity) these ratios are financial performance measuring ratios (Sadia Majeed, 2011).

Return on equity is a key to provides useful information about the performance of debt in the capital structure that the general manager must try to influence in order to improve financial performance. If AIS design can be linked to financial performance and financial performance is linked to organizational performance, then we can argue that AIS design can be expected to have positive effects on organizational performance through ROA and ROE. However, other researchers supported the use of Return on Assets (ROA), Return on Equity (ROE) as the most common measures of organizational performance. (Sadia Majeed, 2011).

Chenhall and Morris (2012) described AIS according to the perceived usefulness of four information attributes, namely scope, timeliness, level of aggregation, and integration. Scope refers to the measures being used and to the extension of AIS in time and space. Then information could focus on future vs. historical events or external vs. internal events. Also the information could be quantified in monetary or non-monetary terms. Timeliness refers to the frequency, speed of reporting and the orientation of the information. Aggregation refers to the way data is aggregated in time periods, functions or in accordance with decision models. Finally, integration refers to the need of providing information to reflect the interaction and coordination effects of several functions in the organization. These four attributes have been analyzed for comparing AIS and organizational strategies and performance. Only recently have studies begun to examine whether organizations systematically vary the AIS design to support their chosen strategy, recognizing that AIS have the potential to facilitate strategy management and

enhance organizational performance. (Chenhall and Morris, 2012)

Performance Management

Performance management (PM) includes activities that ensure that goals are consistently being met in an effective and efficient manner. Performance management can focus on the performance of an organization. Accounting systems affect behavior and performance management and have affects across departments, organizations, and even countries. Performance management has a key role to play in improving the overall value of an organization. Accounting systems are often the most important formal sources of information in industrial organizations. They are designed to provide all levels of management with timely and reasonably accurate information to effect on performance management and help them make decisions which are in agreement with their organization's goals. Organizational performance is one of the most important constructs in management research. (Chenhall and Morris, 2012)

Management is engaged with different types of activities which require good quality and reliable information. Quality information is one of the competitive advantages for an organization. In an accounting information system, the quality of the information provided is imperative to the success of the systems. Thus, the relationship between AIS and organizational performance would be moderated by the performance management. According to the pervious argument we analyze the contingency fit between AIS, performance management and organizational performance using accounting data, decision making and internal control process. (Arisman, & Fuadah, 2017)

METHODOLOGY

This study used the descriptive method using survey and interview as the main instrument in order to determine the usefulness of Accounting Information System for effective organizational performance.

There were 25 employees of ZAMECO I in Palauig, Zambales in the financial, audit and accounting department were considered as the respondents of this research. They were considered as the primary sources of information necessary to realize the objectives of this research. For this purpose, the study used the adapted questionnaire as the main instrument in gathering data to suit the context and the respondents of the study.

The survey instruments were composed of three (3) parts. These included Part I the profile of the respondents; Part II level of usefulness of Accounting Information System for effective organizational performance, and the Part III includes impact of Accounting Information System on the elements of organizational performance in terms of financial performance and performance management using a (4) point scale with 1= Strongly Disagree to 4= Strongly Agree.

Cronbach alpha testing was utilized to ensure the reliability of the survey instruments. Weighted Mean was utilized to obtain the average perceptions of the employees in the impacts of AIS on elements of organizational performance.

Analysis of Variance (ANOVA) was used to test the hypotheses determining the significant differences on one variable against other many variables. Pearson R this was used to test the significant relationship of Accounting Information System on the elements of Organizational Performance.

Table 1: Respondents' Perception towards Usefulness of Accounting Information System for Effective Organizational Performance

Statements	Mean Scores
1. The data recorded in accounting information system contributes to the transparency of the financial reporting process.	3.64
2. The recorded information in accounting information system is sufficient details to fairly reflect company's asset.	3.64
3. Data collecting in accounting information system could help you save money and time.	3.72
4. Data processing in accounting information system helps managers to form predictions about the outcomes of past, present, and future.	3.68
5. Data processing in accounting information system improves the financial reports of the organization's transactions.	3.80
Total Mean Score	3.70

Note: 3.25-4.00 Strongly Agree; 2.50-3.24 Agree; 1.75-2.49 Strongly Disagree; 1.00-1.74 Disagree

2. Respondents' Perception towards the Impact of Accounting Information System on Organizational Financial Performance

In the perception towards the impact of accounting information system on organizational financial performance (Table 2), respondents generally agree (M=3.70). They strongly agree that Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets (M=3.68); that return on equity is an important metric for providing useful information about the performance of debt in the capital structure

RESULTS AND DISCUSSION

1. Respondents' Perception towards Usefulness of Accounting Information System for Effective Organizational Performance

Generally, employees of ZAMECO 1 were found to have Strongly Agree to the usefulness of accounting information system for effective organizational performance (M=3.70) (Table 1). This result shows that accounting information system is very beneficial for an organization as it provides a high level of competitiveness, improved management of business transactions, and a better acceptance of changing business environmental conditions (Grande, Estebanez & Colomina, 2010).

Specifically, the respondents (ZAMECO 1) indicate that the data processing in accounting information system improves the financial reports of the organization's transactions (M=3.80) since data collecting in accounting information system could help save money and time. (M=3.72) to which it helps managers to form predictions about the outcomes of past, present, and future. (M=3.68).

(M=3.68); an increasing operating margin over a period of time indicates a company whose profitability is improving. (M=3.68); and financial performance measures should provide a perspective of what is happening in the business organization in terms of financial performance, allowing effective business decisions to be made (M=3.68). According to Majeed (2011), financial managers need the financial and accounting data provided by the accounting information system to evaluate the firm's past performance and to map future plans, measured in terms of return on assets and return on equity.

Table 2: Respondents' Perception towards the Impact of Accounting Information System on Organizational Financial Performance

Statements	Mean Scores
1. Stakeholder satisfaction is an important measure for the organizational success.	3.76
2. Return on assets (ROA) is an indicator of how profitable a company is relative to its total assets, are critical for tracking overall organizational performance and advancement.	3.68
3. Return on equity is an important metric for providing useful information about the performance of debt in the capital structure, which general managers should strive for in order to improve financial performance.	3.68
4. An increasing operating margin over a period of time indicates a company whose profitability is improving.	3.68
5. Financial performance measures should provide a perspective of what is happening in the business organization in terms of financial performance, allowing effective business decisions to be made.	3.68
Total Mean Score	3.70

Note: 3.25-4.00 Strongly Agree; 2.50-3.24 Agree; 1.75-2.49 Strongly Disagree; 1.00-1.74 Disagree

3. Respondents' Perception towards the Impact of Accounting Information System on Organizational Performance Management

In the case of impact of accounting information system on organizational performance management found in table 3, the respondents perceived as strongly agree with (M=3.71). Among all the test statements only an organization should recognize its employees as powerful contributors to the success of the organization

have strongly agree with (M=3.88). The focus to the formation of developing a strategy can help managers to integrate new data and learning in the decision-making process (M=3.72); having successful practices in improving performance can control and lower the organization's labor cost. (M=3.68); employee engagement is critical to any organization that seeks to retain valued employees. (M=3.68) respondents all strongly agree.

Table 3: Respondents' Perception towards the Impact of Accounting Information System on Organizational Performance Management

Statements	Weighted Mean
1. Having successful practices in improving performance can control and lower the organization's labor cost.	3.68
2. An effective measurement and reporting process can improve performance and lower costs.	3.60
3. Employee engagement is critical to any organization that seeks to retain valued employees.	3.68
4. An organization should recognize its employees, more than any other variable, as powerful contributors to the success of the organization.	3.88
5. The focus to the formation of developing a strategy can help managers to integrate new data and learning in the decision-making process.	3.72
Total Mean Score	3.71

Note: 3.25-4.00 Strongly Agree; 2.50-3.24 Agree; 1.75-2.49 Strongly Disagree; 1.00-1.74 Disagree

The results show that accounting systems affect the behavior and performance management and have affects across departments, organizations, and even countries; thus performance management has a key role to play in improving the overall value of an organization (Chenhall & Morris, 2012) noted.

Furthermore, according to Arisman and Fuadah (2017), accounting information system and organizational performance would be moderated by the performance

management, using accounting data, decision making, and internal control process.

4. Correlation Analysis

The scores representing the accounting information system were correlated with their corresponding scores for financial performance and performance management using Pearson r Product Moment Correlation as presented in Table 4.

Table 4: Test of Relationship between the Respondents' Perception on the Accounting Information System and Organizational Performance.

		Financial Performance	Performance Management
Accounting Information System	Pearson Correlation	0.638**	0.564**
	Sig. (2-tailed)	0.001	0.003
	N	25	25

**Correlation is significant at the 0.05 level (2-tailed)

The computed value of $r=0.638$, $p=0.001$ for financial performance and $r=0.564$, $p=0.003$ for performance management denotes a moderate relationship and statistically significant between the perception of impact of accounting information system and organizational performance, therefore, there is a significant relationship between the variables.

I. CONCLUSIONS AND RECOMMENDATIONS

This study concludes that employees of ZAMECO 1 in Palauig, Zambales strongly agree on the usefulness of accounting information system for effective organizational performance. Moreover, it is concluded that employees likewise strongly agree on the impact of accounting information system on organizational financial performance and performance management respectively. There is a moderate significant relationship between the accounting information system and organizational performance in terms of financial and management.

This study humbly recommends that the Zameco 1 may continually use the accounting information system in their operation as it enhances that value of the Member-Consumer-Owners, affecting in making decision they may continually recognize its employees and Member-Consumer- Owners as powerful contributors to the success of the organization and not to be taken for granted. Furthermore, follow-up studies should be conducted to validate the current findings.

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