Factors Influence on the Quality of Management Accounting Information System and Its Impacts on Good Corporate Governance Implementation

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Abstract—Poor implementation of Good Corporate Governance (GCG) in sharia banking institutions resulted in many obstacles, such as the low Quality of the Management Accounting Information System (QMAIS) at the institution. Weak human resources, poor organizational culture and the absence of external environment cause the low QMAIS which makes managers unable to carry out their functions properly. This study aims to empirically prove that manager competence, organizational culture and external environmental uncertainty are the factors that influence QMAIS and have an impact on GCG implementation in sharia banking institutions in Bandung city. Survey and verification with data collection methods: 1) distributing questionnaires, 2) in-depth interviews and 3) documentation are used as the research method. There are 15 banks as a total sample in the target population of 42 Sharia Banking Institutions in Bandung. The sampling technique of this study is a non-probability sampling technique with convenience sampling. Furthermore, the research hypothesis was tested using the SEM-PLS statistical technique. The study results showed that manager’s competence and organizational culture did not have influence on QMAIS. On the contrary, the uncertainty of the external environment had a positive and significant influence on QMAIS. Thus, QMAIS had a positive and significant influence on GCG implementation.

Keywords: manager competence, organizational culture, uncertainty of the external environment, QMAIS, GCG implementation

I. INTRODUCTION

The theme of this study focuses on character building and behavior change at the individual, social and organizational level in Islamic perspective. The background of this study starts from the Implementation of Good Corporate Governance (GCG) in sharia banking institutions that has begun to be regulated in POJK No.4 / POJK.03 / 2015 [1]. In improving the performance of sharia banking institutions, implementation of GCG or good corporate governance is carried out in every bank activity. But in reality, many cases have occurred in sharia banking institutions related to weak GCG implementation such as the case of fictitious financing distribution of IDR 1.1 trillion, at PT Bank Syariah Mandiri (Persero) Tbk [2]. One of the reasons is the low QMAIS [3]. The quality of SIAM is a collection of integrated system components and work together to produce information that is useful to help management in making decisions [4]. There are many factors influence the quality of MAIS including manager competence [5], organizational culture [6] and uncertainty of the external environment [7].

Some previous study results have stated that the managers’ competence as the users of information systems has an influence on the quality of MAIS, such as the results of the study from Hertati which conducted the study on state-owned companies in South Sumatra show user competency is an important factor in building QMAIS [8], Napitupulu who conducted study on SOE companies throughout Indonesia stated that user competencies were able to improve the QMAIS [9], Susanto who conducted study at 55 universities in Bandung city showed that the involvement of user competencies had a positive influence on the quality of accounting information systems [10], then Carolina and Susanto stated that management as a user is not fully able to improve the success of the quality of accounting information systems [11]. In addition, there are several other studies prove that organizational culture influences the QMAIS, as the study conducted by Busco show that organizational culture influences management accounting practices [12], Erserim stated that organizational culture enhances management accounting practices [13], Nusa proved that organizational culture significant influence on the quality of accounting information systems [14], Wisna showed that organizational culture is an important factor that can improve the quality of accounting information systems [15], Susanto and Meiryani who conducted study on 80 insurance companies throughout Indonesia stated that organizational culture influences the QMAIS [16], Napitupulu also showed that organizational culture can improve the Q MAIS [17], Aldegis showed that organizational culture influences on the quality of accounting information systems [18], Zaena, Kuraesin showed that organizational culture strongly influences the QMAIS [19, 20].

Subsequent study shows that uncertainty of the external environment influences the QMAIS, as Erserim stated that the external environment influences the QMAIS [13], Hertati stated that uncertainty of the external environment influences...
the quality of SIAM so that it is able to assist managers in making decisions [21]. Furthermore, several study results on the effect of the QMAIS on GCG implementation have been carried out by MK & HM stating that MAIS influences the structure of GCG [22]. Kuntjoro showed that GCG can improve strategic planning from measuring performance with BSC through accounting information system practices [23]. Uyar showed that financial and management accounting practices have a positive effect on GCG implementation [24]. Susanto also stated that CG in study programs in several universities in Bandung is influenced by accounting information produced by the quality of accounting information systems [25] and Januri, et al., stated that the implementation of accounting and management information systems was one of the factors in the successful implementation of good governance in several universities in North Sumatera Indonesia [26]. This study focuses on the goal to show that manager competence, organizational culture and uncertainty of the environment influence the QMAIS and subsequently the QMAIS influences the implementation of GCG in several sharia banking institutions in Bandung city, Indonesia. The study results have empirically proven that managerial competence and organizational culture do not influence the QMAIS. On the contrary, the uncertainty of the external environment has a positive and significant effect on the quality of MAIS. Besides, the QMAIS has a positive effect on GCG implementation significantly.

II. METHODS

Survey and verification methods are used in this study. Due to the intention to test the research hypothesis, whether manager's competence, organizational culture and external environmental uncertainty influence the QMAIS and whether the QMAIS influences GCG implementation [27]. The population of this study are all sharia banking institutions in Indonesia with a target population of all 42 sharia banks in Bandung city in the period 2017-2018. All population targets will be sampled using non-probability sampling techniques with convenience sampling methods. This convenience sampling method is determined by calculating how many companies (sharia banks) willing to return questionnaires that have been distributed for approximately three to four months (starting in February to June).

The collection techniques in this study were 1) a questionnaire, given directly to the operational manager in sharia banking institution in Bandung, 2) in-depth interviews, 3) documentation. Based on the results from the distribution of questionnaires to 42 sharia banking institutions in Bandung city, only 15 sharia banking institutions willing to respond and return the questionnaires.

The data analysis techniques are: 1) Testing the research instruments through: a) validity testing and b) reliability testing; 2) Hypothesis testing using statistical techniques namely SEM-PLS to test what factors most influence the quality of MAIS and to prove how much influence the quality of MAIS has on GCG implementation.

III. RESULTS AND DISCUSSION

A. The Effect of Manager’s Competence on the QMAIS

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management support [11]. This can be a motivation for further study.

C. The Effects of Uncertainty in the External Environment on the QMAIS

As we known that the t_{count} value of the uncertainty of the external environment is 2.181 which is greater than t_{critical} (1.96) based on testing the third hypothesis. As the value of t_{count} is greater than t_{critical}, at a level of error of 5%, Ho is rejected. It can be concluded that the uncertainty of the external environment affects on the QMAIS in sharia banks significantly. The study results provide empirical evidence that the uncertainty of the external environment can improve the quality of management accounting information systems, with a positive path direction. Further positive path direction proves that if the uncertainty of the external environment is formed, the QMAIS will be better as well. The uncertainty of the external environment can be better demonstrated from the ability of managers who are better at accommodating all changes and complexity of the environment. It makes them have sufficient information to use MAIS in order to realize a better QMAIS. All information accommodated from changes and complexity of the external environment is used as the basis for forming QMAIS especially in the dimension of flexibility. It is able to meet the needs of users, especially internal users of the company. The study results are supported by the results of previous study such as those that are conducted by Hammad, Jusoh and Ghozali [7] and Herti [22] and proved that environmental factors influence QMAIS.

D. The Effect of the QMAIS on GCG Implementation

It can be seen that the value of the t_{count} of the QMAIS for the implementation of GCG is 8.746 which is greater than t_{critical} (1.96) based on the results of the fourth hypothesis testing. If the value of t_{count} is greater than t_{critical}, at a level of error of 5%, Ho is rejected. It can be concluded that the QMAIS influences GCG implementation. The QMAIS gives an effect of 45.16% to the implementation of GCG. The remaining of 54.84% is influenced by other factors such as organizational structure [28], the effectiveness of accounting practices [29] and the quality of accounting information [26]. Furthermore, the positive path direction means that the better the QMAIS, the better the implementation of GCG. In other words, a better QMAIS will produce better quality of management accounting information. When GCG principles are implemented, all principles are implemented based on quality information, namely when the transparency principle will be carried out, it cannot be done properly in the absence of quality information. Due to transparency starts from reports that are produced in a timely manner, and timely information is one of the factors formed by QMAIS. The study results are supported by several studies that have been done by previous researchers namely Lestari, Sofianty, Sukarmanto and Nurleli [3] and Sari [29] that show that implementing GCG principles requires QMAIS.

The formation of QMAIS from its forming factors namely the uncertainty of the external environment will be able to encourage the implementation of the principles of GCG as well. The implementation of GCG in this study is measured by five principles, namely transparency, accountability, responsibility, independency and fairness. As it is seen from the integration dimension that forms QMAIS through the integration of all components and sub-components of the system, it is able to produce the same information to every part of the organization. Thus, the principle of transparency in GCG whenever it is needed can be realized. The more implementation of GCG principles, the higher QMAIS is needed [3]. When transparency can be realized, managers are able to implement the next principle of accountability and responsibility through information. As it is reported on time and in accordance with the principle of banking prudence so that it can be accounted for. Due to the banking business is a business that is very close to the risk of misuse or misuse. It can be blind the perpetrators entangling in corrupt acts. As in the long run, it will incur losses to the state and can blind the banking institutions unable to survive (sustainable).

IV. CONCLUSIONS

Based on research questions, hypothesis testing and discussion, the researchers can make the following conclusions:

- Manager’s competence and organizational culture do not influence the QMAIS. On the contrary, the uncertainty of the external environment has a positive and significant effect on the QMAIS.
- The QMAIS has a positive and significant effect on GCG implementation. In other words, the better QMAIS, the better GCG implementation.

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