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## TOP MANAGEMENT SUPPORT AND ACCOUNTING INFORMATION SYSTEM

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### ABSTRACT

*Accounting information system refers to the relationship between a set of activities that are interlinked with each other within the organization and technologies designed to collect and process data and present it as useful information to managers and beneficiaries of this information for decision-making process within organization or outside the organization. The target of this study to determine top management support as a part of the accounting information system effectiveness. This study was theoretical investigate which considered the impact of top management support on the accounting information system effectiveness which using expand review of past studies in the field. The outcome of this study revealed that the top management support have a positive effect on the accounting information systems effectiveness.*

**KEYWORDS:** Top Management Support, Accounting Information System

### INTRODUCTION

Accounting information systems and their outputs such as the financial statements for any bank or financial institution considered to be the most important indicators in the judgment of the validity of their financial position and their ability to fulfill all their obligations. Accounting information helps in making various decisions by beneficiaries inside or outside the financial institution. Information indicates as a simple, interpreted as a result of data processors that have been converted to a more meaningful context and helpful to the end user (Azhar Susanto 2013).

Information system is a collection of sub-systems both physical and non-physical that are interrelated with one each other and work in harmony together to realize the goal of procedure data into

meaningful and useful information (Azhar Susanto, 2008: 52). According to The International Standards Organisation (ISO) defines information as "the meaning that a human assigns to data by means of the human conventions used in their presentation" (Yovits, 1990: 328). According to Ba-theeb et al. (2011) Information refers as a set of data that has been prepared and compiled in a way that makes it usable for those who receive it or who use it and its represent the outputs the information system. (Ba-theeb et al. 2011: 15). Accounting information system effectiveness defined by the Raymond (1990) as the degree to which accounting information system AIS actually contributes to reaching the organizational target. Top management support is the significant factor that determines the point between success and failure of implementation of accounting information

system (sheth, 2010:50). Management support can be in the form of a commitment and participation users in building a high-quality approach towards the effectiveness of information systems to achieve corporate objectives and strategies (Jarvenpaa and Ives, 1999). based on this background, the central subject matter of research is clearly as the following “the quality of accounting information is believed to be determined by the accounting information system, while the accounting information system is effected by the top management support and other factors as manager accounting knowledge and training and education of users”.

**TOP MANAGEMENT SUPPORT**

(Tong and Yap, 1995; Senyal and Abdul Rahman, 2003) state that management supports is critical in implementing accounting information system. Management commitment is a leadership style where the manager from top or middle management worked together in the foundation employment objectives, locate the level of authority, and crystallize the performance top management commitment (Chalk, 2008: 3). Top management support is a construct that describes the search for consistency involves understanding the attitudes, beliefs and engagement behavior and its impact to a rejection of a viable alternative in the implementation by the employees in the organization ( Paul Currie and Brian Dollery, 2006). In the same line Cooper (2006) reveals that management commitment is the participation and effort to maintain behaviors to assist others reaches the target. While the explanation of the commitment of top management support according to Liker and Hoseus (2008:192) Commitment could be defined as enthusiasm of oneself for a field goal or a relation. Top management commitment is an agreement to determine, protect and maintain the main activities from the opening to the ending of a development project (Englund and Bucero, 2006:8).

**Accounting Information Systems Concept**

In order to understand what the term "accounting information systems" means, it is essential to give a broad analytical view on the meaning of the

terminology that compiles accounting information systems.

**Accounting**

According to the Committee on Terminology of the AICPA (1941), accounting “is the art of recording, classifying and summarizing in a significant manner and in terms of money, transactions and events which are, in part at least, of a financial character and interpreting the results thereof” (Belkaoui, 1992: 22). In other hand, American Accounting Association AAA (1966) has attempted to provide an extensive perspective in the following definition of accounting as “The process of identifying, measuring and communicating economic information to permit informed judgments and decisions by users of the information”.

**Information**

This section begins by looking at information as one of the most fundamental concepts in understanding the nature of accounting information systems. According to The International Standards Organization (ISO) defined information as "the meaning that a human assigns to data by means of the human conventions used in their presentation" (Yovits, 1990: 328). According to Romney and Steinbart (2015) defines the information refers to the data that have been managed and organized to provide the helpful and meaningful of information to enhance a value of process decision-making (Romney and Steinbart, 2015: 30). According to Ba-theeb at el. (2011) Information refers as a set of data that has been prepared and compiled in a way that makes it usable for those who receive it or who use it and its represent the outputs the information system (Ba-theeb et al. 2011 : 15). According to Al-Obidi (2012) defines the data as a set of unorganized facts, which may be in the form of numbers, words or symbols that have nothing to do with each other, meaning they have no real and do not affect the behavior of those who receive and used (Ibid).

Finally, after showing all the previous definitions of both data and information separately, we can discover the core distinction between ‘data’ and ‘information’ in the following table:

**Core differences between data and information**

	<b>Data</b>	<b>Information</b>
1	Representing numbers and figures unexplained	Representing numbers and figures explained
2	Represents the input of any system	Represents the output of any system
3	Cannot make a decision by using it	Decision can be made by using it
4	Initials and have not been processed yet	Completely processed by system

Resource: made by researcher

## **INFORMATION SYSTEM**

Concept of information systems is one of the most common scientific terms used today, which has various scientific implications, that includes a group of individuals, equipment, software, communication networks and data resources that collected, operated, stored and distributed the a necessary information for decision making as well as coordination and control within the organization (Alhadi, 2001 : 94). In line with the opinion of Stair and Reynolds (2010) state that information system refers to “a set of elements or components that collect, manipulate, store and disseminate the data and information and provide a feedback mechanism to meet an objective.” Information systems can be considered as a set of interrelated elements that work together to collect, retrieve, process, and store and disseminate information to support decision-making and coordination, control, analysis and observation in the organization. At the same time, considered as a group of individuals, equipment, software, communications, databases that work automatically or manually to collect, store, process and transmit data to beneficiaries (Loudon& Loudon, 2008: 13). Through the above definitions, we reach to a comprehensive definition of information systems, we can said that information system is a set of components (human or material components) that includes elements and procedures that work together in a coherent and integrated way by applying the functions of the system from entering and running data and extracting and deliver them to the beneficiary groups to assist them in taking the necessary steps to perform their functions in a timely manner.

## **ACCOUNTING INFORMATION SYSTEM**

Accounting information systems in the current time are the main artery responsible for supplying management and other parties the needed of qualitative and quantitative (financial and non financial) information to make the appropriate decision. In 1966, American Institute of Certified Public Accountants (AICPA) stated that “Accounting actually is information system and if we be more precise, Accounting is the practice of general theories of information in the field of effective economic activities and consists of a major part of the information which is presented in the quantitative form”. And according to Hurt (2008), defined the accounting information system as the relationship between a set of activities that are interlinked with each other within the organization and technologies designed to collect and process data and present it as useful information to managers and beneficiaries of this information for decision-making process within organization or outside the organization. In line with

the opinion of James Hall (2008), considered accounting information system as the one of the subsystems within an organization that works on collecting and processing financial and non-financial data for the reason that of their directly impact on the processing of financial transactions of the organization. Therefore, Abu khadruh and Eashish (2008) defined the accounting information system as a group of people, procedures and information technologies that all seek to achieve certain goals. Researcher, can defines the concept of accounting information system as the system that provides the necessary information to all parties within the financial institution as well as other parties outside the financial institution, which used it as a tool to facilitate the process of making decisions from those parties with respect to their rights and duties towards the financial institution.

## **Accounting Information System Fundamentals**

Accounting information system has fundamentals that consist of inputs, Processes, outputs, control and Feedback which connected to each other on a regular basis in order to produce useful and meaningful information to the users in a timely and appropriate manner.

### **Inputs**

Hurt, (2008:5) state that the inputs are the vocabulary and data that occur to describe events and assets that enter the system. Thus, inputs are the initial needs for the system work. In the accounting system, the inputs represent the total data obtained from the objective evidences supporting economic events of a financial nature which are carried out in the organization that documented with documents proving their occurrence and their specific dates as Bill, Purchase Order, Order purchase, Receipt report, Memorandum of entry into stores, Sell order, Shipping document, Payment authorization and etc (Hussain, 1997:50).

### **Processes**

Processes is the process through which data are analyzed, sorted, arranged, summarized and computed using statistical and accounting methods (Ayoub, 1987:11). In accounting system, processes is the process that aggregation, classification and summarization of inputs "data" in accounting books and records which made according to accounting principles and concepts, and according to the chronology of system inputs (Al-Habaiti and Al-Sakka,2003:17).

### **Outputs**

outputs is a set of financial reports and information that generated by the interactions of the operational processes of the inputs within the surround environmental and subjective variables, which are

provided to those who can use it and take benefit from it ( Al-Rmahi, 2009:160).

(Mohammed Mattar,22) state that outputs is the information that provides to beneficiaries in the various formats such as reports, tables, lists and diagrams that considered as final outputs of procedures the process and transformative activities of the system. Accounting outputs of the accounting information system are inputs to other systems within the organization such as the finance information system, cost accounting system and etc. As well as these outputs required through many outside parties such as tax administration to identify The taxpayer, bank, shareholders, suppliers, research centers, statistics and others.

**Control**

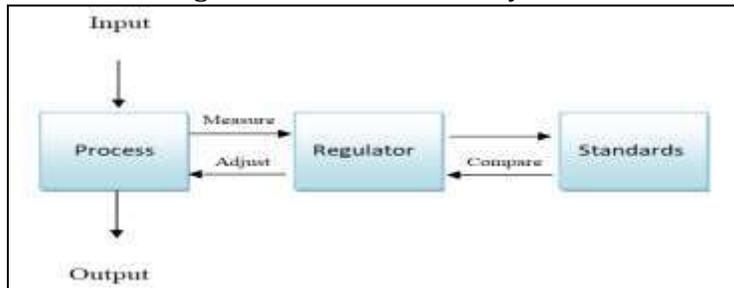
Importance of the control and the needs for it as one of the main administrative functions in the companies, due to the control plays an essential role in correcting the line of the organization in future from any intended or unintentional deviations. Qasem (2004), state that Control is a set of procedures and rules that aimed to investigating whether the operation of the system as planned in its design, as well as the

verification of the final results that reached whether in the same line with its goals that planned previously.

**Feedback**

Feedback is a process for measuring the reaction of the beneficiaries on the work of the system that can be internal or external. In the accounting system, the process of feedback through the control (inputs - processing - outputs) in order to evaluate and guide the correct guidance, to correct the objectives that the accounting system seeks to achieve (Ibrahim and Amer, 2009: 21). Feedback control system contains five essential components in common, these are (1) operation process that converts an inputs (Enter Data) into an outputs (Results) (2) Countenance of the process, that is the subject of control (3) measurement system, that assesses the condition of the characteristic (4) set of standards against that the measured condition of the process is evaluated (5) controller, whose functions are to compare measure of the process characteristic to the standards, and to take action to adjust the process if the comparison reveals that the process is deviating from plan (Barry E, 1974 : 58,59). The relationship of these components are illustrated graphically as the following;

**Figure 1: feedback control system**



**Influence Top Management Support to Accounting Information Systems**

Top management support is the key factor that influencing the effectiveness of accounting information system in the organization. ( Schwalbe, 2006:66) reveals that top management support is vital factor important, without the top management commitment of many projects that under the implementation of information systems will not success for the reason that, top management is a most important supporter in the accounting information systems implementation that will ensure the providers of sufficient resources which will fund, human resources and visibility of accounting information systems implementation in the organization. Top management support has to participate as a dynamic role throughout the life cycle of information systems (Englund and Bucero, 2006:8). In the same line Laudon & Laudon (2007:586) state that top

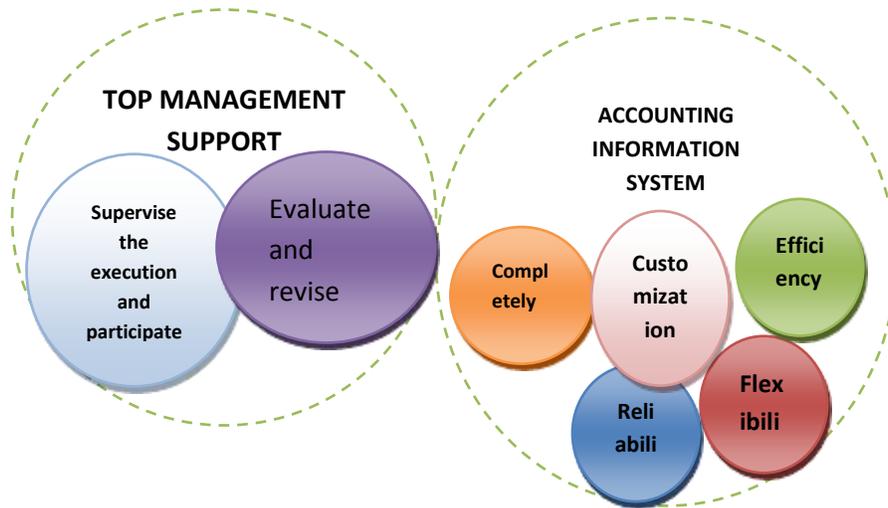
management support “is as the mechanism for dealing with the level of risk in each new system project” Cooper (2006) state that top management support is play the vital role in the accounting information systems implementation, thus the top management commitment can getting the good feedback, and accomplish the predictable objective of the organization. in the same way, according to Kimball et al. (2008: 18) in the implementation of accounting information systems, top management be supposed to contribute in its implementation in order to feel they have a common ground in its implementation.

The theories mentioned above is supported by the many previously studies results from the different of researchers as Al-Hiyari et al. (2013), Nurhayati (2014), Arlis Dewi Kuraesin (2015), all these researchers reached the conclusion that top management support is the one of the important factors that play the very vital and significant role in the successes of implementation of accounting

information systems. Thus, there is the positive relationship between the top management support and the successes of implementation of accounting information systems effectiveness. In the same way, Fitrius (2015) in the conclusion of his research gives a proved the concept theory of the relationship between top management commitment and the accounting information system implementation and their influence on the accounting information quality. Koronios et al., (2008) presents the results of his research that there is a critical factor in the successful implementation of information systems, namely management commitment. In the same way, the results of previous studies that the management commitment to participate on the successful implementation of accounting information systems. Significance of management commitment to the implementation of an organization's information system is confirmed. Kerr (2008), suggested the implementation of accounting

Information System required proactive management of the organization, that namely the top management support. On other hand, Meiryani Jun Shien (2015), Vodapalli (2009), Nunuy Nur Afiah et al. (2015), Elly et al. (2015) and Syaifullah (2014) in those research that conducted in influence top management support on the quality of accounting information system and its impact on the quality of accounting information reveals that top management support and other factor partially or fully in this study give the evidence that can be solve any matter happen on the quality of accounting information system by using the outcomes this study as well as to improving the quality of accounting information. And top management support has a positive effect on accounting information system effectiveness and its impact on the accounting information quality that produced by the organizations which help the managers in making decisions.

Figure 2: Framework



**CALCULATION**

Top management support be supposed to be accountable for the improvement and developing a long-term strategic view on a change in the organization, that will be only the accountable for controlling the any change and pay full awareness on the matter of human, organization and how information systems be able to influence the way in that the work will organized. Thus, its indicate that internal control for the system must play the vital role in the organization that have to running to control the system in organization as must be. Top management commitment significantly has an effect on the accounting information system effectiveness successes and its impact on outputs of information system.

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