

# Influential Variables and The Efficiency of The Accounting Information System of The People's Credit Institutions (LPD) in Denpasar

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**Abstract.** Although all people's credit institutions (LPD) in Denpasar already have an accounting information system, this fact is backed by the numerous delays in filing financial reports to the LPD regulatory body. The authors investigate various factors that are theoretically related to the effectiveness of accounting information systems in an authentic financial institution in the province of Bali, particularly in the city of Denpasar, because information that is not current will reduce the usefulness of the information presented. The authors directly collected the research data by interviewing respondents with access to accounting information systems. Overall, the findings of this study show a positive relationship between personal internal factors, such as education and performance, and the efficiency of an accounting information system. However, other internal factors, such as work experience, and external factors, such as training and managerial support, do not significantly affect this relationship.

**Keywords:** Effectiveness of accounting information systems.

## 1 Introduction

An organization's accounting information system is tasked with gathering financial data to support management or other interested parties in making choices for both internal and external parties (creditors, investors, tax officials). Information from a management accounting information system helps management make wiser decisions. Management accounting information systems would undoubtedly enhance the quality of decisions and boost overall performance in businesses and organizations, such as greater financial performance and internal process performance (Hutahayan, 2020).

The main goals of information system implementation are to enhance operational management and employee productivity. The effectiveness of a company's information system implementation can be judged by how simple it is for users to locate, access, and analyze data (Verma, 2018). Utilizing available technologies effectively will boost the efficacy of developing an information system. The Village Credit Institution (LPD) is one of Bali's financial institutions

that employs an accounting information system in its day-to-day operations. This organization has enormous potential and has a track record of improving village communities' welfare and serving the needs of the village as a whole. LPD goes through a process where it must deal with people on different levels. It will lead to a number of difficulties, including erroneous recording, the preparation of reports that does not follow the rules, and even the lack of performance of the recording.

In order to solve these issues, effective technology use is crucial. Because it is based on Regional Regulation No. 4 of 2012, which mandates that LPDs employ the precautionary principle in managing LPDs, the deployment of an accounting information system in LPD is crucial. One of the things that must be taken into account for LPDs to be able to overcome difficulties and issues is the precautionary principle. In addition, LPDs are creating computer-based information systems as a result of the increasing complexity of transaction processing and the demands for timely and accurate financial reporting. In order to make it logically obvious that an accounting information system exists and will significantly aid LPD operational activities, particularly in the presentation of information related to the institution's financial condition to stakeholders. While the overall LPD in the city of Denpasar, the capital of Bali Province, has used an accounting information system in its operations, the system's effectiveness is actually up for debate. This is due to a number of issues with LPD reporting that are not handled promptly. LPDs are required to be able to report financially to the LPD supervisory institution, but it has been discovered that several LPDs are not timely in implementing their reporting requirements. The timing of the presentation of financial information can have an effect on the quality of the information presented, reducing the evaluation and usefulness of the information.

This experience led the author to investigate a number of elements, the first of which is the person administering the system, that theoretically may affect whether an accounting information system is effective or not. Employee aspects are one of the company's considerations while adopting an accounting information system, which involves using technology like computers. This is so because the success of establishing the system depends on the human resources that run it (Sari, 2020). Employees frequently fail to fully utilize the technology offered to aid in work completion, which results in the technology not offering the desired benefits. The use of this information system will impact how each person performs, both directly and indirectly.

So that the tasks carried out can be accomplished efficiently, people are expected to be able to complete their work with the aid of technology (Grover, 2019). The use of technology to facilitate the execution of staff duties is related to the relationship between effectiveness and individual performance. This is in line with other studies by Safitri (2017) and Kusumawati (2019), which found a correlation between individual performance and the efficiency of accounting information systems. Syahputra's research (2020), in contrast, indicated that individual performance had a limited impact on the efficiency of the accounting information system.

**H1: Individual performance positively influences the effectiveness of accounting information systems**

In addition to performance, the individual aspect is the experience one has in their job. Work experience is a measurement of the amount of time or working period it has taken for a person to comprehend and correctly perform the duties of a job. The better a somebody performs at work, the longer they have worked in this profession (Adnyani, 2019). Work experience can be

acquired directly by practice or reading already published material. According to Sari's research (2020), work experience can enhance one's ability to use accounting information systems. The usefulness of accounting information systems is unaffected by job experience, in contrast to research by Muslim (2022), who found the opposite.

H2: Work experience positively influences the effectiveness of accounting information systems

Education, which is a tool used to help someone learn about a subject, is another element that is theoretically connected to the efficacy of the accounting information system (Ningtias, 2021). Education has a beneficial impact on the efficiency of using accounting information systems, claim Dewi (2019) and Sari (2020). This contradicts study from Ningtias (2021), who discovered that the effectiveness of using accounting information systems is unaffected by one's level of education.

H3: Education positively influences the effectiveness of accounting information systems

The level of training, the fourth element, is similar. Employees and a company's entity must both share responsibilities for training (Ningtias, 2021). The findings of research from Sari (2020), which claim that training programs have a beneficial impact on the efficacy of using accounting information systems, are in line with this. On the other hand, Pangestu (2021) demonstrates that training initiatives have little impact on how well accounting information systems are used.

H4: Training positively affects the effectiveness of accounting information systems

Superior assistance, defined as the manager's involvement in project progress and provision of the necessary resources (Azhmy, 2022) is the author's final factor. According to Putri's research (2020), exceptional support, or what may be called management support, has a favorable impact on AIS efficacy. In contrast, Aditya (2018) discovered in his research that top management support had a detrimental impact on the efficiency of accounting information systems.

H5: Support from your management improves the efficiency of your accounting information system.

## **2 Literature Reviews**

### **Technology Acceptance Model Theory**

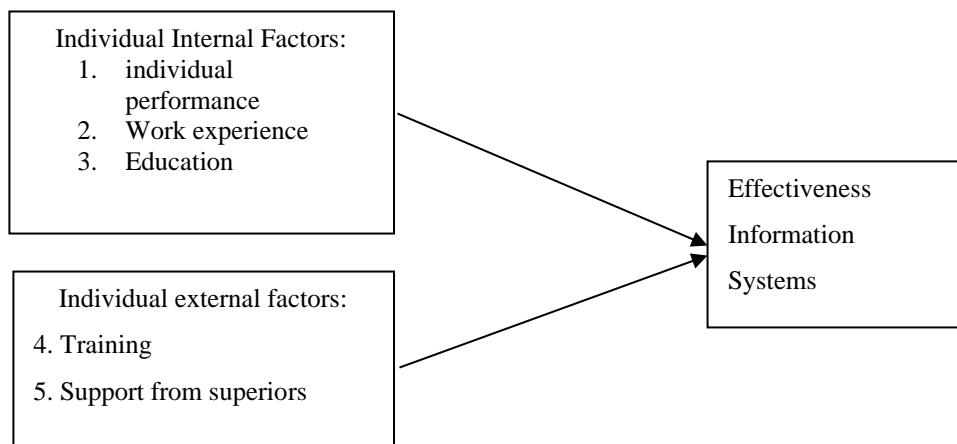
According to the Technology Acceptance Model Theory, there are two elements that affect how individuals accept and use technology. The two components are usefulness and usability. The success of an information system within a company or organization is significantly influenced by how convenient and simple it is to use. It can reduce the likelihood of errors made by employees while entering data into the information system by fostering comfort with its use. The Technology Acceptance Model can help with more effective presentation of financial reporting. Because AIS is primarily utilized to be able to deliver benefits to users (usefulness) and also provide convenience in the accounting process (easy of use), this study employs TAM as its theoretical foundation. The Technology adoption Model, a theoretical framework that may characterize the level of adoption of technology, can be used to measure the level of acceptance of accounting information systems at LPD in Denpasar City. This theory explains how users' responses to and perceptions of technology might influence their attitude toward and acceptan.

### Accounting information system

A system is defined by Gani (2020:98) as a framework of associated processes that are organized in accordance with a thorough (integrated) plan to carry out an activity or the primary function of the firm. Purba (2020:66) contrasts this by defining a system as an entity (unity) made up of connected components that have a certain purpose. Systems are developed to deal with recurring or routine events. The following four qualities—relevant, reliable, understandable, and comparable—are normative prerequisites required for financial reports in accounting information systems to meet the desired quality, according to Government Regulation Number 71 of 2010 concerning Government Accounting Standards (SAP).

### 3 Methodology

Financial institutions that only exist in the province of Bali, namely the People's Credit Institutions (LPD) are used as research subjects. The research location focused on LPDs registered in Denpasar City where 35 LPDs were obtained as a population. The author obtained data directly from respondents by filling in questionnaires using several sample criteria, including employees who work at the LPD and use an accounting information system. Based on the criteria, 105 employees were used as samples. Data analysis used multiple linear regression analysis, classical assumptions and model feasibility tests. The research model is presented as follows:



**Figure 1.** Research Model  
*Source:* Author, 2022

## 4 Results and Discussion

### Testing Research Instruments

**Table 1.** Test The Validity and Reliability

Variables	Indicators	Correlation coefficient	Cronbach's Alpha	Explanation
Individual performance (IP)	IP 1	0.525	0.830	Valid & Reliable
	IP 2	0.476		Valid & Reliable
	IP 3	0.490		Valid & Reliable
	IP 4	0.510		Valid & Reliable
	IP 5	0.594		Valid & Reliable
Work experience (WE)	WE 1	0.512	0.705	Valid & Reliable
	WE 2	0.400		Valid & Reliable
	WE 3	0.342		Valid & Reliable
	WE 4	0.349		Valid & Reliable
Education (ED)	ED 1	0.468	0.715	Valid & Reliable
	ED 2	0.469		Valid & Reliable
	ED 3	0.374		Valid & Reliable
	ED 4	0.417		Valid & Reliable
	ED 5	0.403		Valid & Reliable
	ED 6	0.429		Valid & Reliable
Training (TR)	TR 1	0.646	0.715	Valid & Reliable
	TR 2	0.663		Valid & Reliable
	TR 3	0.625		Valid & Reliable
	TR 4	0.639		Valid & Reliable
	TR 5	0.592		Valid & Reliable
	TR 6	0.668		Valid & Reliable
Employer support (ICE)	ES 1	0.603	0.769	Valid & Reliable
	ES 2	0.585		Valid & Reliable
	ES 3	0.635		Valid & Reliable
Effectiveness of accounting information systems (EF)	EF 1	0.737	0.767	Valid & Reliable
	EF 2	0.636		Valid & Reliable
	EF 3	0.680		Valid & Reliable
	EF 4	0.601		Valid & Reliable
	EF 5	0.668		Valid & Reliable
	EF 6	0.750		Valid & Reliable

Source: Results from SPSS (2022)

In order to be considered valid and reliable, all variables must have a correlation coefficient value with a total score of all statement items greater than 0.30 for the validity test and a Cronbach's Alpha coefficient of more than 0.70 for the reliability test, as shown in the test table.

### Classical Assumption Testing

<b>Test Statistics</b>	<b>0.139</b>
<b>asymp. Sig. (2-tailed)</b>	<b>0.000</b>

Source: Results from SPSS (2022)

The Kolmogorov Smirnov (KS) value of 0.139 and the Asymp value are displayed in the test table above. Since the significance level (2-tailed) of 0.000 is less than 0.05, the variables in the regression model can be regarded to have a normal distribution.

### Multicollinearity Testing

	<b>tolerance</b>	<b>VIF</b>
<b>IP</b>	<b>0936</b>	<b>1,069</b>
<b>WE</b>	<b>0937</b>	<b>1,067</b>
<b>ED</b>	<b>0937</b>	<b>1,068</b>
<b>TR</b>	<b>0911</b>	<b>1,098</b>
<b>ICE</b>	<b>0.923</b>	<b>1,084</b>

Source: Results from SPSS (2022)

The results of the Variance Inflation Factor (VIF) calculation also demonstrate that all independent variables have a VIF value of less than 10, and that all independent variables have a tolerance value of more than 10%, or 0.10, respectively. Therefore, it may be stated that the regression model's independent variables do not exhibit any signs of multicollinearity, and the model is appropriate for usage.

### Heteroscedasticity Testing

	<b>Sig</b>
<b>IP</b>	<b>0.394</b>
<b>WE</b>	<b>0.993</b>
<b>ED</b>	<b>0.484</b>
<b>TR</b>	<b>0.580</b>
<b>ICE</b>	<b>0.258</b>

Source: Results from SPSS (2022)

The significance value of each examined variable is greater than 0.05 in the table above, demonstrating that the independent variables have no effect on the absolute residual. so that the

produced model does not exhibit heteroscedasticity-related symptoms.

### Results of Multiple Linear Regression Analysis

Linear regression analysis will be used if the number of independent variables is two for minimum (Sugiyono, 2019: 275). Based on the results of data processing, the results of multiple linear regression analysis are illustrated in Table below:

**Table 5.** Multiple regression analysis and T test

	<b>B</b>	<b>t</b>	<b>Sig</b>	<b>Conclusion</b>
<b>Constant</b>	<b>22,805</b>	<b>6,467</b>	<b>0.000</b>	
<b>IP</b>	<b>0.179</b>	<b>2,808</b>	<b>0.006</b>	<b>H1 Accepted</b>
<b>WE</b>	<b>-0.104</b>	<b>-0.775</b>	<b>0.440</b>	<b>H2 Rejected</b>
<b>ED</b>	<b>0.115</b>	<b>2,186</b>	<b>0.031</b>	<b>H3 Accepted</b>
<b>TR</b>	<b>-8.165E-5</b>	<b>-0.001</b>	<b>0.999</b>	<b>H4 Rejected</b>
<b>ICE</b>	<b>-0.096</b>	<b>-0.723</b>	<b>0.471</b>	<b>H5 Rejected</b>

Source: Results from SPSS (2022)

Each variable tested for significance must get the required significance score, which is less than 5% or 0.05. As noted in the table, two factors—person performance and individual education—meet the criteria for being considered as having an impact on an information system's effectiveness. The other three variables did not get the required score, thus it is clear that the tested variables of superior training, work experience, and support did not significantly affect the effectiveness of an accounting information system in the LPD under investigation.

#### **The relationship between individual performance and the effectiveness of accounting information systems**

The analysis's findings showed that the effectiveness of the accounting information system at the Denpasar City Credit Institution (LPD) is positively influenced by individual performance. It is claimed that individual performance is connected to the completion of a number of discrete activities with the aid of already-in-use information technology. This individual performance metric examines the influence the new system has on the efficiency with which activities are completed, assisting in performance improvement and helping to be more productive and creative. The findings of this study are consistent with those of Safitri (2017), Kusumawati (2019), and Sari (2020), who found that an individual's performance has an impact on how well accounting information systems function.

#### **The relationship between work experience and the effectiveness of accounting information systems**

The efficiency of the accounting information system at the Denpasar City Credit Institution (LPD) is unaffected by prior work experience. Work experience has no bearing on the efficiency of the accounting information system because users of the company's current information

system, including those with experience, still need to adjust to the policies, procedures, and training that are in place to ensure that every action taken is in line with the objectives expected by the organization. The findings of this study support research by Muslim (2022), who found that work experience has little bearing on how well accounting information systems are used.

#### **The relationship between education and the effectiveness of accounting information systems**

The effectiveness of the accounting information system at the Denpasar City Credit Institution (LPD) is positively impacted by education level. Any deliberate effort to persuade someone—an individual, a group, or a whole society—to act in a certain way is education, according to educational practitioners. The period of study an employee took to accomplish their final education can be used to determine their level of education, specifically the most recent level of education that they have taken and completed while employed by an organization. Employee competency in the managed system is increased through education, enabling staff to efficiently handle the accounting information system.

#### **The relationship between training and the effectiveness of accounting information systems**

The effectiveness of SIA at the Denpasar City Village Credit Institution (LPD) is unaffected by staff training. The effectiveness of the accounting information system is unaffected by staff training. This may occur if system users who receive training do not take the instruction seriously and actively follow it. As a result, it affects how effective SIA is, and actual data indicates that SIA effectiveness is mostly dependent on the individual SIA user. The findings of this study concur with those of Pangestu (2021), who found that training initiatives had no impact on how well accounting information systems are used.

#### **The relationship between superior support and the effectiveness of accounting information systems**

The efficiency of SIA at the Village Credit Institution (LPD) in Denpasar City is unaffected by the supervisor's backing. If there is inadequate communication and transparency regarding AIS, supervisors may not provide effective support because they will be too preoccupied with the success of AIS within the organization. The value of the SIA's effectiveness is not materially impacted by this cause of the superior's support. The findings of this study concur with those of Aditya (2018), who found that top management support, or superior support, had no bearing on the efficacy of accounting information system.

## **5 Conclusion**

The author raises a research topic with the main aim of analyzing every internal and external factor of individual employees who use accounting information systems and the resulting influence on whether an accounting information system is effective or not, especially in financial institutions owned by the Balinese people, namely village credit institutions (LPD). The findings in this research include a positive relationship between individual internal factors, which include individual performance and education, on the effectiveness of an accounting information system, although other internal factors, namely work experience and external factors, training and support from superiors, do not show a significant influence.

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