Relationship between Accounting Information Systems Quality and Organizational Performance in Selected NGOs in Juba, South Sudan

Daniel Lodinya Stephen[a] and Prof. Mabonga Eric[b]

[a]Kampala International University P.O.Box 20000, Kampala, Uganda
[a]Kampala International University P.O.Box 20000, Kampala, Uganda

A B S T R A C T

The purpose of the study to investigate the relationship between accounting information system quality and organizational performance. The study employed a survey design with a sample of 124 respondents from the selected NGOs in Juba South Sudan. The sample was statistically drawn and the tools for date collection were tasted for validity and reliability. Descriptive statistics and correlational analysis was employed. The findings reveled that accounting information systems quality have a strong positive relationship with organizational performance. The study concludes that improvement in the quality of the accounting information system leads to improvement in organizational performance.

Keywords:Accounting information systems quality, organizational performance

1. Introduction

Accounting information system refers to a collection of data and processing procedures that generates the required information of the user (Hall, 2012). Accounting information system is vital, businesses that have an effective system are able to get up to date relevant information for use in the organization. Accounting information system implementation and success have been comprehensively researched but the contemporary literature shows slight evidences of the relationship between Accounting Information System (AIS) and performance measures. AIS can positively impact on organizations by the following; better adaptation to a changing environment, better management of arm's length transactions and a high degree of competitiveness. There is also a boost to the dynamic nature with a greater flow of information between different staff levels and the possibility of the new business on the network and improved external relationships for the firm, mainly with the foreign customers accessed through firm's web (Elena,Raquel, &Clara(2011). A well designed and operating accounting system enables an organization to manage its most valuable resources which is information (Adewoye, & Akanbi, 2012).

2. Literature review

With the existence of more intercommunication, there are increased chances for diversification of traditional businesses to improve firm's performance. Ogah (2012) reveals that high level of profitability is not dependent on the use of accounting information. The low explained variability implies that other variables apart from AIS positively impact on the bank's profitability. This is true as the employment of accounting information system if not supported with necessary and enabling facilities to make it functional becomes monumental, which may affect the bank's operation process.

Accounting information systems is an important mechanism of an organization that is vital for effective management decision-making in controlling organization (Zimmerman, 1995). Generally, AIS is classified in two categories: a: effective decision-making for information that is largely for control of organization and b: to facilitate information that is mainly used for coordination of organization in decision-making are used (Kern, 1992). Effectiveness of AIS to increase system integration is to improve internal communications throughout the organization (Huber, 1990).

Thus, the successful integration of accounting information system will depend on how well other factors are efficiently put in place to facilitate its operation. Similar opinion has been echoed by scholars, for instance, Ogah (2012) asserted that the successful implementation of accounting systems requires a fit between three factors such as perception of the organization concerning the situation, the accounting system must fit when problems are normally solved and the accounting system must fit with the culture, i.e. the norms and value system that characterize the organization. Grande et al., (2011) argued that IT is readily available and using them gives no competitive advantage for achieving improved results.

They argued that many firms have invested in information system but they do not succeed in attaining the established performance goals. This therefore implies that AIS can only be useful in organizational operations when appropriate factors are put in place and operated harmoniously. Baj, Khodadadi, and Ahmadi, (2014) (2014) found a significant relationship between AIS and knowledge management.

Abdullahi (2014), asserted that the use of accounting information is relevant in simplifying issues and in the provision of quality information in the Nigerian banking industry, the use of AIS has also led to the timely and accurate preparations of reports, as customers have limitless access to banking service through the aid of internet banking. The information technology has become a critical business resource because its absence could result in poor decision and ultimately business failure.

Onaolapo and Odetayo (2012) believe that accounting information system has a significant effect on organizational effectiveness with a research study carried out in a selected construction companies in Ibadan Nigeria. The study examined the effect of accounting information system on organizational effectiveness specifically on quality of financial report and decision making. Descriptive and inferential statistics tools were used to analyze the data with the aid of statistical package for social sciences SPSS. ANOVA was used in testing the hypothesis the results showed accounting information system has effect on organizational effectiveness. Recommendations were subsequently made to both the managers of such organizations and government on how to use the AISS known as 'contract-plus Financial and project accounting' package Information system can enhance performance in finance department.

Muhindo, Mzuza and Zhou (2014), conducted a research on impact of accounting information on profitability of small scale business in Kampala city in Uganda east Africa. Descriptive method was used, where qualitative data were collected. Secondary data was collected to analyze the impact of accounting information system on profitability level of small scale businesses. The major problem found was that, most small scale businesses do not have accounting information system which always

results to low performance levels. The research findings revealed that accounting information plays an important role in our economy and social systems especially in its management and a great works it does in facilitating management decision making process. They also found out that, most small scale businesses do not apply accounting information systems which results into low profit. More so, the finding shows that there is a positive relationship between accounting information system and profitability level of small scale businesses.

Hunton, (2002) study, which investigated the relationship between automated accounting information system and organizational effectiveness; showed that there was strong relationship between accounting information system and organizational effectiveness, which means access to accounting information will lead to organizational effectiveness.

3. Methodology

The study used descriptive survey research design which aimed at examining the accounting information system and organizational performance in selected NGOs in Juba, Republic of South Sudan. A descriptive design is usually concerned with describing a population with respect to important variables with the major emphasis being to establish the relationship between the variables. A sample of 124 respondents was employed, it was statistically drawn from the study population. The tool for data collection was tested for validity and reliability and the statistics were found to be above the minimum requirement. Correlation analysis was employed to ascertain the relationship between accounting information system and organizational performance.

4. Results

The results were attained by use of descriptive statistics and inferential statistics, particularly correlational analysis.

Table 1. Descriptive statistics on accounting information system quality

Items	Mean	Std. Dev.	Interpretation
The AIS has safe data storage and retrieval	4.4758	.63070	Very Satisfactory
The AIS is always updated	4.3629	.84905	Very Satisfactory
The AIS is align to the organizational objectives	4.1532	.95462	Satisfactory
The AIS is users Friendly/ Understandable	4.1371	.75799	Satisfactory
The AIS has users Verifiability	4.0403	.82046	Satisfactory
The AIS is reliable	4.0242	.90584	Satisfactory
The AIS is Fast	3.8952	.96119	Satisfactory
The AIS is robust in data processing	3.8790	1.15887	Satisfactory
The AIS is compliance conscious	3.8710	.86455	Satisfactory
The AIS can do online Transaction	3.8226	1.18971	Satisfactory
The AIS is cost effective	3.8065	1.02551	Satisfactory
Overall mean	**4.042**	**0.909**	Satisfactory

The result in table 1 above reveals the means and standard deviation of the responses of items concerning the extent of accounting informationsystem quality in Selected NGOs in Juba, Republic of South Sudan. The results reveals that concerning whether respondents regard AIS as a safe data storage and retrieval, this was ranked the highest under this construct with (mean = 4.4758, std. dev. =

0.63070) interpreted as very satisfactory. This implies that AIS is viewed as very good in terms of keeping information safe and retrieval of such information. Regarding whether AIS is always updated, this was ranked 2nd under this construct with (mean = 4.3629, std. dev. = 0.84905) interpreted as very satisfactory. In terms of whether the AIS align to the organizational objectives, the results reveals that this was ranked the 3rd under this construct with (mean = 4.1532, std. dev. = 0.95462) interpreted as satisfactory. In terms of whether the AIS is users Friendly/ Understandable, this was ranked fourth with (mean = 4.1371, std. dev. = 0.75799) interpreted as satisfactory. On the other hand, concerning with whether the AIS has users verifiability, this was ranked fifth with (mean = 4.0403, std. dev. = 0.82046) interpreted as satisfactory. In terms of whether AIS is reliable in NGOs in Juba, Republic of South Sudan, this was ranked 6th with (mean = 4.0242, std. dev. = 0.90584) interpreted as satisfactory. In terms of whether AIS is considered faster, this was ranked 7th with (mean = 3.8952, std. dev. = 0.96119) interpreted as satisfactory. Regarding whether the AIS is robust in data processing, this was ranked 8th with (mean = 3.8790, std. dev. = 1.15887) interpreted as satisfactory. Terms of whether the AIS is compliance conscious, this was ranked 9th with (mean = 3.8710, std. Dev. = 0.86455) interpreted as satisfactory. Regarding whether respondents regard AIS capable to do online Transaction, this was ranked 10th with (mean = 3.8226, std. dev. = 1.18971) interpreted as satisfactory. The least ranked item under this construct was concerned with whether AIS is cost effective, with (mean = 3.8065, std. dev. = 1.02551) interpreted as satisfactory. Overall, the level of system quality assessment was satisfactory with (mean = 4.042). This implies that generally, the selected NGOs in Juba, South Sudan regard AIS as satisfactory in it use.

Table 2. Descriptive statistics on organizational performance

Items	Mean	Std. Dev.	Interpretation
The Organization achieves effectiveness	4.3306	.64671	Very High
The Organization achieves Improvement in decision making	4.3145	.80007	Very High
The Organization achieves efficiency	4.2823	.66943	Very High
The Organization achieves Financial Performance	4.2742	.62909	Very High
The Organization achieves internal budgetary control	4.1855	.97419	High
The Organization Achieves automated reports	4.0242	.84067	High
The Organization realizes improved internal and external communication	4.0000	.68669	High
The Organization realizes employees learning knowledge and expertise skills	3.9839	.76492	High
The Organization Realizes Cost Saving	3.9758	.86920	High
The Organization achieves high productivity	3.6935	.88508	High
Mean	**4.106**	**0.77661**	**High**

The results in table 4.10 are mean responses of items regarding organizational performance (OP). The results reveal that concerning whether the NGOs achieve effectiveness, this was ranked the highest with (mean = 4.3306, std. dev. = 0.64671) interpreted as very high. This implies that organizational are achieving the intended objectives and goals. Regarding whether NGOs achieve Improvement in decision making, this was ranked 2nd with (mean = 4.3145, std. dev. = 0.80007) interpreted as very high. Regarding whether the organization achieve efficiency, this was ranked 3rd with (mean = 4.2823, std. dev. = 0.66943) interpreted as very high. In terms of whether organization's achieve financial

performance, this was ranked 4th with (mean = 4.2742, std. dev. = 0.62909) interpreted as very high. Regarding whether NGOs achieve internal budgetary control, this was ranked 5th with (mean = 4.1855, std. dev. = 0.97419) interpreted as high. Regarding whether NGOs achieve automated reports, this was ranked 6th with (mean = 4.0242, std. dev. = 0.84067) interpreted as high. Concerning whether NGOs realizes improved internal and external communication, this was ranked 7th with (mean = 4.0000, std. dev. = 0.68669) interpreted as high. Regarding whether NGOs realizes employees learning knowledge and expertise skills, this was ranked 8th with (mean = 3.9839, std. dev. = 0.76492) interpreted as high. On the other hand, in terms of whether NGOs realizes cost saving, this was ranked 9th with (mean = 3.9758, std. dev. = 0.86920) interpreted as high. In terms of whether NGOs achieve high productivity, this was ranked the least with (mean = 3.6935, std. dev. = 0.88508) interpreted as high. Overall, the level of organizational performance was high with (mean = 4.106).

5. Relationship between accounting information system quality and organizational performance

The study applied Pearson's Linear Correlation Coefficient (PLCC), denoted as r, and used the results to test the null hypothesis that there is no significant relationship between System quality assessment and organizational performance.

Table 3. Pearson Linear Correlation Coefficient – AI System quality and organizational performance

		AI System Quality	Organizational Performance
AI System Quality	Pearson Correlation	1	.443[**]
	Sig. (2-tailed)		.000
	N	124	124
Organizational Performance	Pearson Correlation	.443[**]	1
	Sig. (2-tailed)	.000	
	N	124	124
**. Correlation is significant at the 0.01 level (2-tailed).			

Results in 3 reveals the results from correlation analysis between accounting information system quality and organizational performance. The results reveal that there exists a significant positive relationship between accounting information system quality and organizational performance in Selected NGOs in Juba, South Sudan with (r = 0.443, sig. value = 0.000 < 0.01). The results reveals that as system quality assessment and organizational performance moves in the same direction. This implies that improvement in organizational performance can be achieved partly by improving on the accounting information system. This is because a quality system will produce quality information relevant for management decision making.

6. Conclusion

Accounting information system quality is significantly related to organizational performance. The organization can be effective indecision making when the systems quality is appropriate. As changes

keep taking place in the environment where organizations operate in, there is need to change with change, hence continuous improvement in the information system is vital to better organizational performance.

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