

Effects of Top Management Support, Education and Training on the Effectiveness of Accounting Information System (Survey on Government-Owned Insurance Companies in Bandung)

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Abstract: *This study aims to determine (1) the support of top management, education and training, and the performance of accounting information systems in insurance companies in Bandung, (2) To what extent the support of top management affects the effectiveness of accounting information systems, (3) To what extent education and training affect the effectiveness of accounting information system. Descriptive and verification methods are used for this research. Analysis Unit is the insurance companies in Bandung. Statistical data analysis uses multiple linear regression and t test. Based on the results of a descriptive study, the support of top management, education and training as well as the effectiveness of accounting information system in insurance companies in Bandung are fairly good. According to verification study, the support of top management significantly affects the effectiveness of accounting information systems at 35.2%. Meanwhile education and training affects the effectiveness of accounting information system at 18%, but based on the, the effects is not significant.*

Keywords: *Support of Top Management, Training and Education, Performance of Accounting Information Systems. (AIS).*

1. INTRODUCTION

1.1. Background

According to Bodnar and Hopwood (2006: 13), the fact that companies need information system cannot be argued. Information system helps a company to work effectively and efficiently so that the productivity increases. Djoko Sungkono (2011), a member of State-social security Board, has stated that the system failure of BPJS (National Social Security Company) was caused by the problem of participants' registration process. Invalid payment collecting records, payment failure to health care providers due to the lack of solid support and, management error in decision making. Another case which occurred in the National Train Company was caused by the failure of SAP/ ERP system. The managing Director of HCM and IT, M.Kuncoro has explained that this failure happened due to the lack support from top management.

Based on this phenomenon, the support of top management has a very important role to play in achieving accounting information system which is consistent with Choe (1966), who has stated that one of management's roles is to provide support and encouragement to the information system project.

In addition, to enhance the effectiveness of accounting information system, it is necessary to give education and training to the system users so that the application of the system can be implemented in accordance with expectations. Komara (2005) has explained that in order to support to the use of accounting information systems in business processes, guidance is provided to users by providing training and education. Based on these statements, this research is provided in the journal titled Effects of top management support, education and training on the effectiveness of accounting information system.

1.2. Formulation of the Problem

Based on the background described above, the problem formulations of this study are: (1) the top management support, education and training and, the effectiveness of accounting information in Insurance companies belonging to the government of Bandung. (2) How much is the effect of Top

support top management on the effectiveness of accounting information systems in Insurance company of Bandung Government, (3) How much is the effect of education and training on the effectiveness of accounting information system in insurance company belonging to Bandung Government?

2. THEORETICAL BASIS

2.1. Support Top Management

According to Robbins and Coulter (2007: 8), "management is the process of coordinating activities so the work is completed efficiently and effectively with and through other parties, organizing, leadership and controlling organizational resources."

According to Solihin (2009: 11), "*Top management* is the highest executive in the company that will set goals and overall corporate strategy."

According to Lee and Kim (1992), top management support is defined as the understanding of top managers about computer systems and the level of interest, support, and knowledge about information systems or computerization.

Notoatmodjo (1992) has defined that "education and training are an effort to develop human resources, particularly for development in intellectual abilities and personality aspects." Sumarsono (2009: 92), defines education and training as follows; education and training are one important factor in the development of human resources.

2.2. Education and Training

Education and training do not only improve knowledge, but also improve work skills to improve productivity. Meanwhile, according to Sjafriz Mangkuprawira (2011: 136), "Training for employees is the process of delivering knowledge and specific skill, and attitudes so that employees become more skillful and are able to carry out their responsibilities better, in accordance with the standards."

2.3. Accounting Information Systems

According to Romney and Steinbart (2015: 10), accounting information system is a system that: collects, records, stores and process data to provide information for decision makers. This system includes people, procedures, instructions, data, software, information technology infrastructure, and internal control and security measures. According to Hall (2011: 5), "*a system is a group of two or more interrelated components of subsystems that's serve a common purpose*". This means that a system is a series of two or more components or subsystems that are connected to each other which have the same purpose. Meanwhile, James O'Brien (2010: 26) has stated, "a system is a group of related components, working together to achieve a goal by receiving input and producing output in an orderly transformation process".

2.4. Effectiveness of Accounting Information Systems

Siagian (2001: 24) has found that performance is related to effectiveness in general. Effectiveness is defined as a measurement of success achieved on the set goals. According to the German Industrial Standard DIN55350, "Performance consists of all characteristics and important activities required in a production including quantitative and qualitative differences in the production or whole activity".

According to ANSI standards (ANSI / ASQC A3 / 1978) "Performance is a description and characteristics of the overall production or services related to the fulfillment of needs". According to the IEEE standards for software performance (IEEE Std 729-1983) "performance is levels to meet the desired software combination". From the definition of performance and accounting information systems, the authors conclude that performance of accounting information system is an achievement or result or the effectiveness of an important activity of a group of important elements that consists of (data, information, human resources, IT tools, accounting model and procedures) integrated in collecting, recording and processing data into information that is related to the fulfillment of users needs as a basis for decision making.

3. RESEARCH METHOD

Descriptive and verification methods are used. The analysis unit is an insurance company of Bandung Government and observation unit is accounting information system users. The population is 9

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insurance companies of Bandung government. To decide samples, authors used Solving formulation with probability sampling technique with simple random sampling. Five companies are selected as samples. This method hypothesis testing is done by using multiple regression analysis, and t-test.

4. RESULTS AND DISCUSSION

4.1. Descriptive Analysis

There are five companies as analysis unit in this study. They are: PT TASPEN, PT JASINDO, PT BPJS Employment, PT BNI Life and PT SERVICE RAHARJA. The reason researchers conducted a study in these companies because an insurance company is a company that uses developed information system technology to support business process activities with a large transaction in which an insurance company has a specific transaction. The premium received is known, while claims or insurance benefits have not occurred or full of uncertainty. Results of a descriptive analysis can be outlined below.

- The condition of top management support in five Bandung government-owned insurance companies is good but not ideal. This is because top management has little care for the use of accounting information system.
- Conditions of education and training programs that are given by these five companies are good but not ideal. This happens because some users' think the training and education program they receive do not provide them an expertise needed.
- Condition of the effectiveness of accounting information systems in these five companies is good but not ideal. This can happen because the display format of information system is not interesting and makes users hesitate to use it.

4.2. Verification Testing

4.2.1. Multiple Linear Regression Analysis

This analysis is used to determine the degree or strength of the relationship between x and y variables by using *SPSS 17.0 for Windows*. The results obtained can be seen in the table below:

Table 1. Multiple regressions linear

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta	B	Std. Error
1	(Constant)	14,876	7,509		1,981	,061
	Top management	,889	,339	,508	2,625	,016
	Education	,879	,581	,293	1,514	,145

A Dependent Variable: The effectiveness of accounting information system

Based on Table 1 above, multiple regression linear equation ($Y = 14.876 + 0.889x_1 + 0.879x_2$, $b_0=14.876$). This means that if the value of variables is zero, the effectiveness of Accounting Information Systems is positive at ($14.876.b_1=0.889$). If top management support increases one unit and the other variables remain constant, it will increase the effectiveness of accounting information systems for ($0.889.b_2 = 0.879$). If Education and training increase by 1 unit and other variables remain constant, it will improve the effectiveness of information systems accounting to (0.879).

4.2.2. Determination Coefficient (R^2)

Based on the results of data processing, the influence of *top management support, education and training* on the effectiveness of the accounting information system in government –owned insurance companies is at 53.2% and the remaining 46.8% is influenced by other factors that are not examined. Individually the influence of top management support in insurance companies is 35.2%, while education and training is 18.0%

4.2.3. Hypothesis Test (t-test)

To test the significant level and determine whether the hypothesis is rejected or accepted, t-test is performed. Based on the calculations using *SPSS 17.0 for Windows*, the result can be seen in table above. With the error rate of 5%, the t count of top management support is 2.625 bigger than t table

(2.069) or sig coefficient is 0.016 less than 0.05. Therefore H_a is accepted and H_o is rejected which means there is a significant influence of top management on the effectiveness of accounting information systems. While education and training do not significantly influence the effectiveness of the accounting information system, this can be seen that t count is 1.154 smaller than t table (2.069) or sig coefficient is 0.145 bigger than 0.05.

5. CONCLUSION

- Top management support in Government-owned insurance companies in Bandung is good but not ideal because the top management only gives little attention in the use of accounting information systems. Therefore the top management support in the use of accounting information systems must be improved. Education and training program given by the insurance companies is good but does not work appropriately because most users do not receive the expertise needed. Support of the existing management in state-owned insurance company in the City of Bandung is good but has not yet reached the ideal condition, because top management has a lack of interest in using accounting information systems. With the support from top management in the use of accounting information systems at companies still have the level. Training and education that exist in the insurance company the Condition of the effectiveness of accounting information systems in five insurance companies of Bandung government is good but has not reached the ideal condition. This happens because the display format is not attractive and makes users hesitate to use it.
- Top management support has a significant influence on the effectiveness of accounting information systems.
- Education and training have no significant influence on the effectiveness of accounting information systems.

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