

# Acceptancy of Application an Innovative Management Accounting System, User Satisfaction and Corporate Soundness Level

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**Abstract**—This study aims is to examine factors that affect corporate soundness level based on the hypothesis that there are significant acceptancy of application an innovative management accounting system on the corporate soundness level either partially or simultaneously through user satisfaction . In this study the analysis unit is the state-owned company (BUMN) in Strategic Industrial fields that are governed by Kepmen BUMN No. Kep-100/MBU/2002. BUMNIS which selected as the analysis unit of BUMNIS that domiciled in Bandung West Java province of Indonesia. The empirical test results indicate that there are significant influence by acceptancy of application an innovative management accounting systems on the corporate soundness level either partially or simultaneously through user satisfaction.

**Keywords**---Innovative management accounting systems, user satisfaction and corporate soundness level.

## I. INTRODUCTION

ACCORDING to the BUMN Minister Secretary, Said Didu in Ade Hapsari Lestari [1] stated that during the year 2007, the Ministry of BUMN noted, at least 28 BUMN companies suffered losses throughout 2007 to Rp 2,94 trillion. Especially for BUMNIS, Said Didu [2] stated that the Government continue to make efforts to improve the performance of BUMNIS.

Alexandros et al [3] in his study of the implementation on an integrated performance measurement methodology states that in recent years there has been an explosion in technology, learning, creativity and innovation in response of competition and globalization so with such conditions require the company to establish a policy strategy in the company.

Economic observers Dradjad Wibowo in Yoz [4] said that this phenomenon is considered among others by the inability of management in anticipation of the changes that occur in the internal and external environment of the organization. Hence, the performance of BUMN decrease constantly and should be followed up with restructuring internal and external organizations.

Management accounting system (MAS) as an important instrument to support management, also have to follow the changes (updating) through the restructuring process. Research that aimed at understanding attitudes of innovative management accounting systems user and the factors that

influence such attitudes was conduct by Jermias [5] which use cognitive dissonance theory to investigate the resistance on the accounting system. Cavallazo and Ittner [6] also examined the factors which affect the approval ( acceptancy ) performance measurement system .

In the field of accounting, in addition to the quantitative / technical approach, management accounting can be addressed with behavioral approaches. Through this approach the human aspect as part of the system become an interesting discussion from the point of view of accounting which is not looking at the technical and clerical aspects of accounting but looking at the socio- cultural aspects. [7]

Zina Gaidienė and Rimvydas Skyrius [8] in his study on the attitudes of users in utilize information management accounting states that management accounting provide value added in sustainable improvement through the planning process, design, and measurement of financial and non-financial information systems. As similarly stated by Zulkarnain, M. Sori [9].

## II. ACCEPTANCY OF APPLICATION AN INNOVATIVE MANAGEMENT ACCOUNTING SYSTEM

Venkatesh et al [10] stated that the Technology Acceptancy Model, the perception of the receiver viewed from two aspects, these are the user's perception of the ease of using the implemented technology and user perceptions about the usefulness of the implemented technology.

Atkinson [11] stated that one of the functions of management accounting system is to provide important information to help managers control their activity and reduce uncertainty in order to achieve organizational goals. Management accounting system is a mechanism of control through reporting and create visibility in all of the actions and performance of its members [12].

Several previous studies which using the contingency approach to examine the relationship between contextual variables (information technology, strategy and environmental uncertainty) to accounting information systems management and performance as Gordon and Miller [13], Chenhall and Morris [14], Arthur and Singer [15], and Abernethy and Bouwens [16] states that organizations need to consider the contextual variables so that management accounting information system dominated by financial information but the development also provides non-financial information.

Management accounting literature mentions that the practice of management accounting system has changed from the traditional management accounting practices such difference analysis of variance ( variance analysis ) and financial-based performance measurement towards a new contemporary management accounting practices because of advances in competitive information technology environment, economic recession, new management strategies, and the organization's focus on quality service to the customer [17].

According to Abernethy and Bouwens [18] that contemporary management accounting system or also called as an innovative management system is conceptualized as a new system ( such as Activity Based Costing System, Balanced Scorecard etc. )

Lau and Woodman [19] stated that organizational change can be analyzed by looking at the specific attitude of managers towards specific changes in the organization. There are three valid indicators to measure attitudes toward specific changes that occur within the company :

1. Connectedness between specific changes in the organization with the needs of the user in accomplishing his task.
2. The value of the specific changes associated with individual users.
3. Beliefs of individuals against the specific changes.

### III. USER SATISFACTION

Santosa et al [20] defines satisfaction as a state of mind that are a collection of user emotional responses for a particular activity such as searching for information. User will be emotionally satisfied when outcomes appropriate to the needs, expectations, task orientation, and the intended purpose.

According to Palvia [21] measurement of user satisfaction will be different one from another, depending on its environment, nevertheless its mention that the user satisfaction measurement must meet two main objectives : (1) tend to be comprehensive in object range measurement, and (2) solid in the measurement .

In Palanisamy and Sushil research [22] User satisfaction are influenced by the involvement of users and the information received in the priority phase ( prioritization ) and design phase ( design ) . User satisfaction of information systems in the information systems success model studied by Seddon and Kiew [23], DeLone and McLane [24]. User satisfaction in this study was measured using indicators :

- (1) User satisfaction in the output reports
- (2) Flexible and easy to change information content in the reports
- (3) Emphasize on critical information
- (4) Timelines of the reports
- (5) Reliable and accurate information

### IV. CORPORATE SOUNDNESS LEVEL MEASUREMENT

Performance assessment according to Mulyadi and J. Setiawan [25] is a periodic determination of the operational effectiveness of an organization, part of the organization and its personnel based on objectives, standards, and criteria that have been set previously. Since the organization is basically operated by human, then the real performance assessment is

assessment of human behavior in carrying out the role play in the organization.

The main objective of assessment performance according to Anthony and Gorvindarajan [26] is the implementation strategy. In design such a system, senior management choose the most suitable measurements that represent the company's strategy. Corporate Soundness Level of BUMN determined by evaluating the performance of the company for its the financial year which is governed by Kepmen BUMN [27] which includes assessing aspects below :

- a. Financial Aspects.
- b. Operational Aspects.
- c. Administrative Aspects.

### V. THEORETICAL FRAMEWORK

The Theoretical framework on this research is shown below:

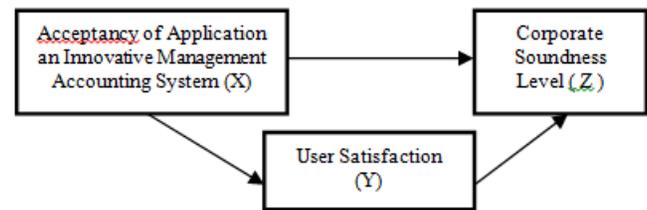


Fig. 1 Theoretical Framework

### VI. RESEARCH METHODOLOGY

Design of this study is used a descriptive design analysis and verification, due to the design of descriptive analysis aimed at obtaining clarity on empirical phenomena (real words) regarding the characteristics of the variable causes and symptoms of change in the object study and verification analysis design aims to determine the relationship between variable through hypothesis testing. The population in this research is BUMN in the field of Strategic Industries which regulated by Kepmen BUMN No. Kep-100/MBU/2002. BUMNIS who selected as the unit analysis is BUMNIS that based in Bandung, which is directly or indirectly implementing the Innovative Management Accounting System, There are PT. LEN ,PT. INTI, PT. IPTN and PT. PINDAD. Respondents in the population / sample of this study is the manager or head division because they can be expressed as the personnel who understand and innovative management accounting system users as well as understanding the corporate soundness level by 27 respondents. To test the quality of the data are using Method of Successive Interval ( MSI ), Test Validity and Reliability Test. The statistical testing is using path analysis to examine the structural causal relationship from the independent variables on the dependent variable by considering the relationship between the independent variables .

### VII. HYPOTHESIS TESTING

The hypothesis test in this study used two ways: simultaneously test used F\_test and individual test (partially) used t\_test.. The hypothesis is formulated as below:

- $H_0 : \rho_{ZX} = \rho_{ZY} = 0$  Both Acceptancy of Application an Innovative Management Accounting System and User Satisfaction do not have a significant influence on Corporate Soundness Level.
- $H_a : \rho_{ZX} \neq \rho_{ZY} \neq 0$  Both Acceptancy of Application an Innovative Management Accounting System and User Satisfaction have a significant influence on Corporate Soundness Level.
- $H_0 : \rho_{YX} = 0$  Acceptancy of Application an Innovative Management Accounting System does not has a significant influence on User Satisfaction.
- $H_a : \rho_{YX} \neq 0$  Acceptancy of Application an Innovative Management Accounting System has a significant influence on User Satisfaction.
- $H_0 : \rho_{ZX} = 0$  Acceptancy of Application an Innovative Management Accounting System does not has a significant influence on Corporate Soundness Level.
- $H_a : \rho_{ZX} \neq 0$  Acceptancy of Application an Innovative Management Accounting System has a significant influence on Corporate Soundness Level.
- $H_0 : \rho_{ZY} = 0$  User Satisfaction does not has a Significant influence on Corporate Soundness Level.
- $H_a : \rho_{ZY} \neq 0$  User Satisfaction has a significant influence on Corporate Soundness Level.

VIII. STATISTICS TEST

Based on the results by processing the correlation coefficient obtained these three variables as follows:

TABLE I  
CORRELATION BETWEEN VARIABLE RESEARCH

Correlations				
	Z	X	Y	
Pearson Correlation	Z	1.0000	.7266	.7553
	X	.7266	1.0000	.6659
	Y	.7553	.6659	1.0000
Sig. (1-tailed)	Z	.	.000	.000
	X	.000	.	.000
	Y	.000	.000	.
N	Z	27	27	27
	X	27	27	27
	Y	27	27	27

Based on the value of the correlation coefficient, it can be seen that the relationship between acceptancy of application an innovative management accounting system ( X ) with user satisfaction ( Y ) equal to 0.6659 and defined into the category of high or strong . Then the relationship between acceptancy of application an innovative management accounting system ( X ) with corporate soundness level ( Z ) of 0.7266 is included in the strong category, as well as the relationship between user satisfaction ( Y ) with corporate

soundness level ( Z ) of 0.7553 is defined as a strong category with a positive direction.

IX. PATH TESTING IN THE FIRST SUB-STRUCTURE

From the calculation of determination coefficient after calculating path coefficient value, show the result that acceptancy of application an innovative management accounting system contribute/influence 44.34 % on the user satisfaction as described in the table below:

TABLE II  
THE DETERMINATION COEFFICIENT ACCEPTANCY OF APPLICATION AN INNOVATIVE MANAGEMENT ACCOUNTING SYSTEM

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.6659 <sup>a</sup>	.4434	.4211	.3919094

a. Predictors: (Constant), X

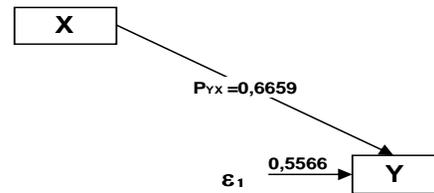


Fig. 2 Diagram And Coefficient First Sub-Structure Line

• Hypothesis test partially ( t<sub>test</sub> )

Acceptancy of Application an Innovative Management Accounting System Influence ( X ) on User satisfaction ( Y ) From the t-test calculating, it show the results of t<sub>test</sub> value (4.4627) which greater than t<sub>table</sub> (2.0595) then the error rate of 5% means it has a good reason to reject Ho and accept the research hypothesis (Ha)

X. PATH TESTING IN THE SECOND SUB-STRUCTURE

Through the determination coefficient (R Square) is known that both acceptancy of application an innovative management accounting system and user satisfaction contribute / influence of 66.03 % on corporate soundness level as described in the table below:

TABLE III  
THE DETERMINATION COEFFICIENT OF AKSEPTANSI IN THE ACCEPTANCY OF APPLICATION AN INNOVATIVE MANAGEMENT ACCOUNTING SYSTEM AND USER SATISFACTION ON CORPORATE SOUNDNESS LEVEL

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.8126 <sup>a</sup>	.6603	.6320	.3071054

a. Predictors: (Constant), Y, X

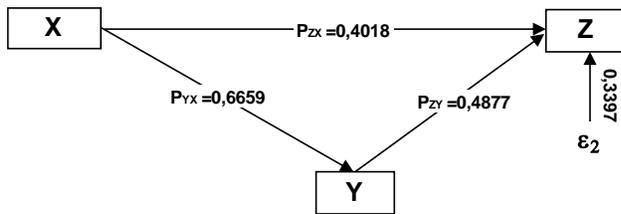


Fig. 3 Diagram And Coefficient Second Sub-Structure Line

• Hypothesis Test Simultaneously ( $F_{test}$ )

From the t-test calculating, it show the results of  $t_{test}$  value as described in Anova table below:

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.400	2	2.200	23.326	.000 <sup>b</sup>
	Residual	2.264	24	.094		
	Total	6.664	26			

a. Predictors: (Constant), Y, X  
 b. Dependent Variable: Z

Based on the testing table above, it can be seen that the value of  $F_{test}$  at 23.326 with a significance value (p-value) less than 0.001. While on the F table for the 0.05 significance level = 3.403 was obtained . Since the  $F_{test}$  ( 23.326 ) is greater than the  $F_{table}$  ( 3.403 ) then on error rate of 5% means it has a good reason to reject  $H_0$  and accept the research hypothesis (  $H_a$  ).

• Hypothesis Test partially ( $t_{test}$ )

1) Acceptancy of Application an Innovative Management Accounting System Influence (X) on the Corporate Soundness Level (Z).

From the t-test calculating, it show the results of  $t_{test}$  value (3.0584) which greater than  $t_{table}$  (2.0639) then the error rate of 5% means it has a good reason to reject  $H_0$  and accept the research hypothesis (  $H_a$  ). The direct influence of 0.1615 or 16.15 % . Indirect influence 0.1305 or 13.05 % . So the total influence Acceptancy of Application an Innovative Management Accounting System ( X ) on soundness company level ( Z ) is 29.20 % with a positive direction.

2) Influence of user satisfaction (Y) on Corporate soundness level ( Z )

From the t-test calculating, it show the results of  $t_{test}$  value ( 3.0584 ) which greater than  $t_{table}$  ( 2.0639 ) then the error rate of 5% means it has a good reason to reject  $H_0$  and accept the research hypothesis (  $H_a$  ). The direct influence of 0.2379 or 23.78 % . Indirect influence of 0.1305 or 13.05 % . So the total influence of user satisfaction ( Y ) to Corporate soundness level ( Z ) is 36.83 % with a positive direction .

XI. CONCLUSION

Both acceptancy of application an innovative management accounting system and user satisfaction partially have a significant effect on the corporate soundness level for BUMN domiciled in Bandung. This shows the importance of considering factors that affect the performance of the company such as customer satisfaction, including internal

users and business processes with the proper application of innovative management accounting system.

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