

The Role of Accounting Information Systems (A.I.S.) in the Raising the Performance of the Financial Management in the Jordanian Private Hospitals

Dr. ATEF AQEEL AL-BAWAB

Accounting Department

Irbid National University

E-Mail: atefbawab@yahoo.com

Tel: 00962 777 326 901

Abstract

This study aimed to identify on the role of accounting information systems (A.I.S.) in the raising the performance of the financial management in The Jordanian Private Hospitals. The study was designed questionnaire to study the role of (A.I.S.) in the raising the performance of the financial management, was distributed to (47), has recovered from (41) identify the rate of recovery was (87%), and after analyzing the data using analysis methods through the program (SPSS) was tested hypothesis and to reach many of the results was the most important: The (A.I.S.) achieve the information quality to raise the performance of the financial management. The (A.I.S.) help to take the rational decision in the financial management to raise the performance. The researcher recommends that The Private Hospitals in Jordan have to computerize the financial accounting systems, in order to improve the performance of accounting and financial. In addition, must follow technical developments, modern technology, and information communication, and use it to perform various tasks, with the need to link all internal systems to a network of internal and central database.

Key Words: Accounting Information Systems, The Performance And Financial Management.

Introduction

The information technology (IT) entered the various aspects of the economic life, because it has many advantages in the business, such as the speed of access to information and accuracy, and the economic sectors have been used this technology to walk with the development and obtain on the benefits, the (A.I.S.) consider one of the (IT) systems so the current study examines the role of accounting information systems in raising the performance of financial management in hospitals Jordanian own.

Study Problem

Based on the above, the problem lies in the study were asked the following question:

Is there a role for accounting information systems in raising the performance of financial management in the Jordanian private hospitals?

Study Importance

The study importance appear in awareness the accountants and financial employees in the Jordanian private hospitals to the importance using of accounting information systems to raise the performance of the financial management by providing accurate information and timely to the senior management in order to take administrative rational decisions.

Study Objective

The current study mainly focuses on the accounting information systems and has several objectives as mentioned below. Firstly, the accounting information systems and financial accountants help the implementation of their own accounting and finance in private Jordanian hospitals. Secondly, perceptions of accountants and financial importance of the use of accounting information systems, thus, raising the performance of the financial management.

Study Hypothesis

Based on the study problem, the following main hypothesis was constructed:

H_0 : "There is no a role for the accounting information systems (A.I.S.) in the raising of the performance for the financial management in the private Jordanian hospitals".

Literature Review

There are many empirical studies which have been conducted on the issue of accounting information systems in different countries such as Spanish (e.g. Grande and Estébanez, 2011), Yemen (e.g. Al-Bawab, 2011; Al-Bawab and Alulymi, 2010; Touman, 2008), Libyan (e.g. Abu Fares, 2006), Iran (e.g. Sajady, Dastgir and Nejad, 2008).By reviewing previous research studies, one finds out that 10 researches have been conducted on the issue of accounting information systems and decision making the number of which shows the importance of the research in this area.

Accounting information systems are considered as important organizational mechanisms that are critical for effectiveness of decision management and control in organizations. For the first time in 1966, the 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".

Al-Rawi (1999) defines accounting information systems as systems that operate functions of data gathering, processing, categorizing and reporting financial events with the aim of providing relevant information for the purpose of score keeping, attention directing and decision-making.

Kim (1989) argues that usage of accounting information systems (A.I.S.) depends on the perception of the quality of information by the users. Generally the quality of information depends on reliability, form of reporting, timeliness and relevance to the decisions. Effectiveness of accounting information system also depends on the perception of decision-makers on the usefulness of information generated by the system to satisfy informational needs for operation processes, managerial reports, budgeting and control within organization.

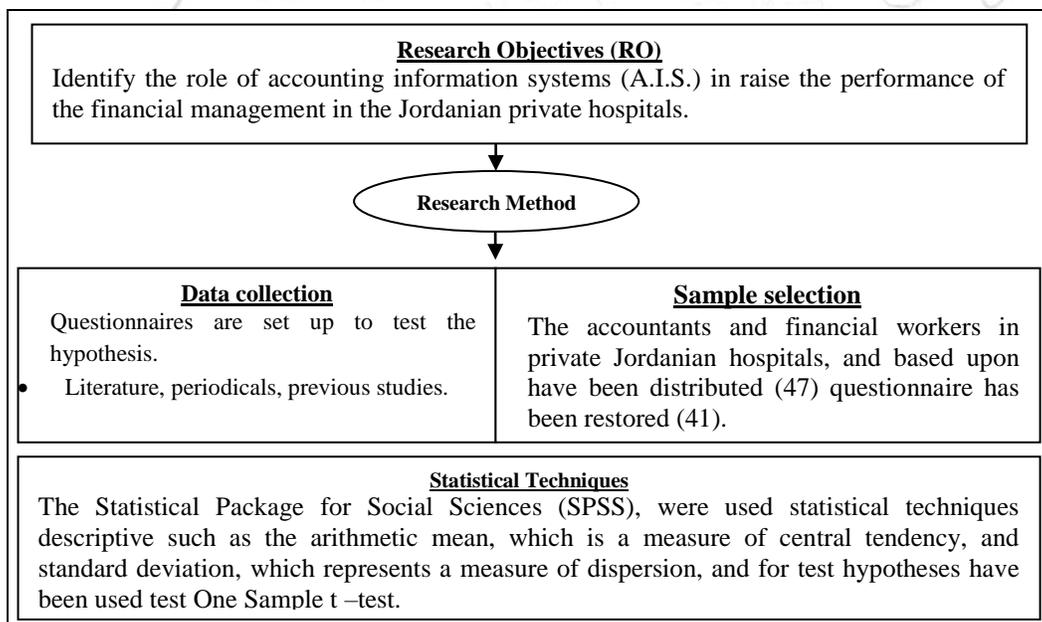
According to Choe (1998) effectiveness of accounting information systems can be analyzed on three bases: 1) information scope, 2) timeliness, 3) aggregation. Information scope is considered as financial and non-financial information, internal and external information that is useful in prediction of future events. Timeliness quality is related to the ability of accounting information system to satisfy information needs by providing systematic reports to the user. Aggregation of information is considered as means of collecting and summarizing information within a given time period.

Doll and Torkzadeh (1992) for studying the satisfaction of users use some concepts to measure the effectiveness of the accounting information systems. These concepts are information content, accuracy, format, ease of use and timeliness. Sajady, Dastgir and Nejad (2008) stated that the benefits of accounting information system can be evaluated by its impacts on improvement of decision-making process, quality of accounting information, performance evaluation, internal controls and facilitating company's transactions. Regarding the above five characteristics, the effectiveness of AIS is highly important for all the firms. Moreover, quality information is one of the competitive advantages for an organization. In an accounting information system, the quality of the information provided is imperative to the success of the systems.

Based on above, the gaps in these studies have been identified. More specifically, the current research is the first to look at the effect of accounting information systems to raise the quality of financial information in the private hospitals in Jordan, Where the focus was on different accounting systems and computerized financial, as well as the need to provide a database and an internal network connecting all systems used.

Study Design

In order to achieve the objectives of the study a research design should be clearly identified. The research method would include the identifying and collection of data, and the application of appropriate statistical analysis techniques. However, one of the important factors which should be taken into consideration in designing the research is the availability of the data (Wallace, 1991). Therefore, the research method was based on collecting data from questionnaires are set up to test the hypotheses and literature. Before proceeding with the data collection and statistical techniques, figure 1 summarizes the research design and it is relationship with the research objectives of the study.



Theoretical Framework

The discussion in this section focuses on the theoretical framework adopted in this study which can explain the role of the accounting information systems (A.I.S.) in raise the performance of the financial management in the Jordanian private hospitals. Several theoretical perspectives or rationales of the characteristics of information have been discussed in the accounting literature.

Hanan, (2006) suggested two characteristics that may effect on the quality of accounting information. These characteristics include. First: Accounting information users “Decision Makers” (e.g. level of understanding and awareness, and their ability to analyze information, that meaning it has to provide a level of disclosure with that level of understanding). Second: The basic characteristics of accounting information (e.g. Understandable, Relevance, Timeliness, Predictive Value, Feedback evaluation, Reliability, Faithfulness, Neutrality, Verifiability, Substance over form, Completeness, Comparability, Feasibility, Conservatism).

Romeny (2003). The accounting information systems consist of several elements including:

1. Individuals who run the system, as well as systems analysts, systems designers, and software makers who are engaged in client analysis and design, implementation and development of the information system as well as end-users of the system.
2. Procedures, instructions and the methods used to collect and inventory data preparation, processing and storage of data, whether manual or automatic.
3. The central database of the organization.
4. Various programs used in data processing.
5. Equipment's.
6. Regulations, protection methods and controls on security of the system.

Analyze and Discuss the Results

Table 1: showed averages and standard deviations for the paragraphs of the resolution relating to the hypothesis study and the results were as follows:

Table 1: A table showing the averages and standard deviations for the hypothesis study

No.	Paragraphs	Mean	standard deviation
(A.I.S.) help the management in raising the performance of the financial management			
1	There is complementarily in computerized accounting systems such as public accounting, accounting of patients, accounting of salaries and other systems.	4.4146	0.49878
2	(A.I.S.) has feature comparison and clarity	4.1951	0.40122
3	(A.I.S.) has feature objectivity and flexible	3.9024	0.43617
4	(A.I.S.) are considered low cost compared with the realized benefit	3.8049	0.55765
5	(A.I.S.) help to obtain on the information in high-speed	3.8537	0.42196
6	(A.I.S.) provide the information in timely required	3.7805	0.93574
7	(A.I.S.) provide information are accurate and completeness	4.0488	0.73997
8	The information which obtained it are good to make decision	4.0488	0.44448
9	The information which obtained it are good to determine the cost of patient	4.0976	0.70017
10	(A.I.S.) help the new employees in their job, which raise the performance	4.1220	0.50966

Based on above all arithmetical averages were higher than the mean hypothesis which (3), where the top results with paragraph (1) and on the complementarily in computerized accounting systems such as public accounting, accounting of patients, accounting of salaries and other systems, where he was the arithmetic mean (4.4146) and standard deviation (0.49878), and less results were with paragraph (6) and on the (A.I.S.) provide the information in timely required, where he was the arithmetic mean (3.7805) and standard deviation (0.93574). This is indicating to that private Jordanian hospitals systems use accounting information systems in the preparation of the information, reports, and financial statements.

Test of the Study Hypothesis

H₀: "There is no a role for the accounting information systems (A.I.S.) in the raising of the performance for the financial management in the private Jordanian hospitals".

To test the hypothesis one sample t-test used, this type of tests use to judge the moral differences between the sample mean or a specific value or average society, where the results showed that reached through the analysis in Table (2) that the arithmetic average reached (4.0793) and the largest of the center hypothesis, and the value of (T) calculated total (111.889), and as the value of significance sig was (0.000), which is less than the significance level 0.05, it is rejected hypothesis nihilism and accept the alternative hypothesis that is, There is a role for the accounting information systems (A.I.S.) in the raising of the performance for the financial management in the private Jordanian hospitals".

Table2: Test the hypothesis

The hypothesis	Calculated value of T	Sig.	Mean	Result
"There is no a role for the accounting information systems (A.I.S.) in the raising of the performance for the financial management in the private Jordanian hospitals".	111.889	0.000	4.0793	Rejected

Conclusions and Recommendations

The study found many of the most important results:

1. The accountants and financial employees use (A.I.S.) at the private Jordanian hospital.
2. The (A.I.S.) achieve the information quality to raise the performance of the financial management.
3. The (A.I.S.) help to take the rational decision in the financial management to raise the performance.
4. The (A.I.S.) help the new employees in executive their job by quickly to raise the performance.

The Based on the results that have been reached, the researcher recommends the following:

1. The researchers recommend that the private hospitals in Jordan have to computerize the financial accounting systems,
2. Must follow technical developments, modern technology, and information communication, and use it to perform various tasks, with the need to link all internal systems to a network of internal and central database, and this would raise the work efficiency and get the reports in a timely manner.
3. The need to train employees on the use of accounting information systems, through the provision of training courses both combining technical education and accounting education for accountants and auditors in the field of the use of accounting software and systems, as well as electronic audit programs.

References

- Abu Fares, Randa Attia, (2006), "The Skills should be Available in the Accountant to develop his efforts", unpublished Master's Thesis, Academy of Graduate Studies, Department of Accounting, and Tripoli, Libya.
- Ahmed, Ahmed Hussein, (2004), Accounting Information Systems Intellectual Framework and Applied Systems, Al-Dare Al-Jameiah, Alexandria, Egypt.
- Al-Bawab and Alulymi, Atef A. and Monier, (2010), "The Importance of Using computerized accounting information systems and their effect on the quality of accounting information".field study, Journal of Zarka for Research and Humanities Studies, Zarka Private University, Zarqa, Jordan.
- Al-Bawab, Atef A., (2011), "The Efficiency of Accounting Information Systems in Islamic Banks," Case Study: Applied to Saba Islamic Bank in Yemen, Journal of The Faculty of Commerce and Economics, Sana'a University, No. 35, March , Sana'a, Republic of Yemen.
- Al-Buhiassi, Essam and Mohamed, (2006), "The Risk of Accounting Information Systems", Journal of the Islamic University (Humanities Studies), Volume XIV, No.1, p159.
- Aldalahmeh, Ahmed, (2008), the Basics of Accounting Information Systems and Information Technology, Dar Al-Warraq for Publishing and Distribution, Amman, Jordan.
- Alqatawneh, Adel Mohammed, (2005), "The Effect of The Using of Information Technology on The Effectiveness of The Accounting Information System", the Arab Academy for Banking and Financial Sciences, Unpublished Ph.D Dissertation, Amman, Jordan.
- Al-Rawi, Hekmat Ahmed, (1999), Accounting Information Systems and Organization, Dar Al-Thaqafa Library, Amman, Jordan.
- Boockholdt, J.(1999), Accounting Information Systems Transaction Processing and Control. The Mac-Graw-Hill companies.
- Choe, J. M., (1998), the Effects of User Participation on Design of Accounting Information Systems." Information & Management, Vol. 34, pp. 185-198.
- Dahmash and Alkasheh, Naeem and Thaher, (2004), "The Appropriateness of The Accounting Profession for The E-Commerce Environment", Irbid Journal of Scientific Research, Volume 8, No. 2, Irbid National University, Jordan.
- Debian and Nasser, Alsiad Abdel-Maksoud, and Noordeen, (2004), Accounting Information Systems and Information Technology, Al-Dare Al-Jameiah, Zakaria Ghoneim St. The Arab Republic of Egypt.
- Grande and Estébanez, Elena Urquía and Raquel Pérez, (2011), The impact of Accounting Information Systems (AIS) on performance measures: empirical evidence in Spanish, The International Journal of Digital Accounting Research Vol. 11, 2011 pp. 25 - 43 ISSN: 1577-8517.
- Hanan, Radwan Helwa, (2006), the Model Contemporary for Accounting, From Principles to Standards, 2th, Dar Wael for Publishing, Amman, Jordan.
- Jumah, Ahmed Helmi and other, (2003), Accounting Information Systems: An Introduction contemporary applied, Dar Al-manahej for Publishing and Distribution, Amman, Jordan.
- Kim, K.,(1989) "User Satisfaction: A Synthesis of Three Different Perspectives." International Journal of Accounting Information Systems, Vol. 4, pp. 1-12, 1989.
- Qasim, Abdul Razaq Mohammed, (2004), Accounting Information Systems, Applied Sciences University, Economics Faculty, Damascus University, Damascus, Syria.
- Romney/stein Bar, (2003), Accounting Information systems, 9th.
- Sajady, M and Hashem, N (2008) Evaluation of the Effectiveness of Accounting Information Systems. International Journal of Information Science & Technology, Volume 6, Number 2.
- Shehata, Hussein, (2000), The Basic of The Auditing and The Control Under The computerized and The Internet, the Faculty of Commerce, Al-Azhar University, Cairo, Arab Republic of Egypt.
- Stephen A. Moscove and Mark G- Simkin, (1980), Accounting Information systems.
- Touman, Ahmed Ezzat, (2008), "The Operating Electronic for the Accounting Data and Its Effect on the Results of the Work of Accounting", the Science and Technology University, Sciences Administrative and Humanities College, Sana'a – Yemen.