

## The Effect of Incentives and Employee Empowerment on the Effectiveness of Accounting Information Systems

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**ABSTRACT :** Rural Banks , which are located close to the community and assist the micro, small and medium enterprises (MSME) sector, require a good accounting information system (AIS) in order to compete with other financial institutions. In this case, providing incentives and empowering employees related to AIS are important for the AIS users in the Rural Banks. This research was conducted at 13 Rural Banks in Denpasar. The number of samples used in this study amounted to 65 employees who work in the operational section, using purposive sampling. The data collection method is done by using a combination of online-based questionnaires with google forms and by distributing hardcopy of the questionnaire. The data analysis technique in this study used multiple linear regression analysis. The results of this study found that incentives have a positive and significant effect on the AIS effectiveness. Employee empowerment has a positive and significant effect on the AIS effectiveness

**KEYWORDS:** *Incentives, Employee Empowerment, AIS effectiveness*

### I. INTRODUCTION

In general, an entity depends on a good information system to be able to provide the information the entity needs. The quality of a good information system is one of the advantages possessed by the company. Currently, the development of financial and banking institutions, requires these institutions to provide financial services and services that are attractive and competitive (Tuan Ibrahim et al., 2020). These developments resulted in the entity requiring an effective information system to support decision-making and describe the state of the company quickly and accurately (Elmawazini et al., 2020). Information systems require competent human resources to be able to use company information systems effectively and a company needs human resources to achieve this (Irum & Yadav, 2019). The resources in question are employees. Employees are resources, just like plants and equipment. An information system is a series of formal procedures in which data is collected, processed into information, and distributed to other users. In addition, the information generated will be useful for information users such as managers or employees, and even external parties such as potential investors, governments, and auditors (Fatima et al., 2021).

The Accounting Information System (AIS) is a collection of components in an entity that is integrated to carry out planning, control, analysis, coordination, and decision-making functions (Kwarteng & Aveh, 2018). The output of the AIS is financial reports and information related to customers. If users of the accounting information system feel that the system has been well-used, the accounting information system can be said to be effective (Dagiliene & Šutiene, 2019). The level of effectiveness of a good AIS also has a positive effect on company performance (Suryawan & Suaryana, 2018). The accounting information system is influenced by the treatment and accounting policies in a company (Domil et al., 2019). The use of AIS can provide real-life skills or it can be said as applied abilities that are very useful for companies and this experience for employees is considered important in the job market (Lois et al., 2017).

Computer-based accounting information systems have been used by all organizations including financial institutions, which in this study the financial institution discussed is the Rural Bank. Computer-based AIS cannot be separated from Electronic Data Processing (EDP) or computerized systems. This is due to the growing development of accounting information system technology used in every company, especially banking and improving the performance of accounting information systems. In developing and providing information for a company, the use of AIS is considered important as management control and helps in decision making. Asatiani et al. (2019) stated that cloud-based AIS provides many advantages for companies such as easy access, more affordable costs, and real-time collaboration function.

Current technological developments have made existing companies use AIS with Electronic Data Processing (EDP) or a good computerized system to survive in business competition and integrate with other types of business. Technological developments are a formidable challenge. People, both potential customers,

and potential customers need fast and easy banking services when making transactions. This change makes several changes to the implementation of AIS, such as the flow of cash income and disbursements for an online basis. AIS in companies, in general, has been created and documented through flowcharts to monitor the company's internal controls (Kim et al., 2017). The information system application used by each BPR is different, with a different difficulty level for each application. This implication is a form of response to competitive pressures in the banking world which has now implemented a sound accounting information system. So the use of an effective accounting information system is crucial for BPRs to assist company operations.

The tight competition in acquiring customers has forced the existing Indonesia Rural Bank to continue to improve service and company performance. Either by providing attractive financial service products or by improving the services provided by Indonesia Rural Bank to customers. This increase must be balanced by providing facilities and access for company employees in running the company's accounting information system. To make it easier for employees to run the accounting information system, it is necessary to empower employees. Ardana & Radnyamanastri (2017) define employee empowerment as a process carried out by management by giving employees the ability and freedom to act, work and behave with the aim of employees being able to do their jobs better and contribute more to the company. The location of the research was carried out in Denpasar with a total of 13 Rural Bank's units which have implemented an accounting information system. The accounting information system used is computer-based, which helps users of the accounting information system in various activities related to the job.

On the effectiveness of using AIS, the company's human resources as executors must be considered for their welfare. Following the Technology Acceptance Model (TAM) theory, which states that the application of an entity's accounting information system will be effective if individuals who use the system feel that the existing system is easy and brings benefits. The Technology Acceptance Model (TAM) is a model compiled by Fred Davis that was built to analyze and understand the factors that influence the acceptance of the use of computer technology. TAM has two key factors in the success of information system users, namely perceived usefulness and perceived ease of use. In addition, there are three other factors in TAM, namely attitude toward using, behavior/intentions in use (behavioral intention to use), and actual system usage (Suleman et al., 2019). The effectiveness of AIS in the company can be achieved if the users of the system are satisfied and can accept the system used (Diavastis & Anagnostopoulou, 2016)

Incentives are a form of motivation by the company towards company personnel which is expressed in the form of money. According to Robescu & Iancu (2016), providing incentives is one way to improve individual performance in the entity. Ernawatiningsih (2019) state that incentives have a positive and significant effect on the effectiveness of the use of accounting information systems. Belawa & Putra (2018) state that incentives have a positive effect on the individual performance of users of accounting information systems. The effectiveness of the use of accounting information systems must consider the needs of human resources in the company. Thus, meeting the needs of human resources in an entity is very important to produce better individual performance. The complexity of activities at a Rural Bank is very difficult to implement without an accounting information system in carrying out its operations. The accounting information system is run by competent company human resources which are expected to be motivated by the provision of incentives.

**H1: Incentives have a positive effect on the effectiveness of using AIS.**

Employee empowerment according to Adi & Adnyani (2019) is an approach taken by leaders or superiors in a company to employees to be involved in democratic decision-making related to work. It is expected that the empowerment of employees within an entity will increase the effectiveness of the use of accounting information systems which will improve the performance of accounting information systems. Because an increase in the performance of the accounting information system has a positive influence on company success (Phornlaphatrachakorn, 2020). The effectiveness of the use of accounting information systems in a company can increase the conservative level in accounting implementation (Al-Halabi et al., 2019). The stages in the empowerment model are divided into 6 stages, namely Desire, Trust, Confident, Credibility, Accountability, and Communication. By empowering employees, a company will get many benefits such as increased levels of cooperation within the company, employee motivation, self-confidence and can increase innovation in the company. Given that in a company, the services, products, and assets of a company can be imitated by other companies, but human resources cannot be imitated by other companies so that the human resources in a company can be considered as the most strategic resource of a company. However, Ni (2020) stated that employee empowerment is like a double-edged sword. In some conditions, employee empowerment can actually reduce the productivity of the employees themselves.

**H2: Employee empowerment has a positive effect on the effectiveness of using AIS.**

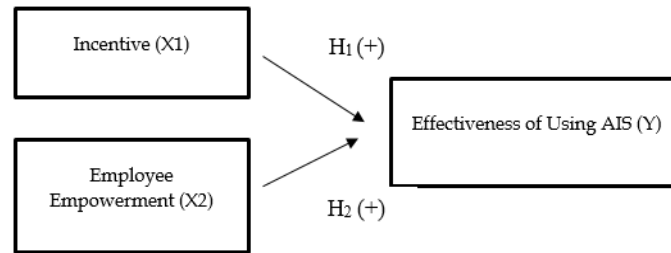


Fig. 1 Conceptual framework

II. RESEARCH METHODS

This research is associative quantitative research. Quantitative research is a study using data in the form of numbers and analyzed using statistical tools. This study aims to determine the effect of incentives and employee empowerment on the effectiveness of using AIS in Rural Bank in Denpasar. The location of this research was conducted at 13 Rural Banks. The sample in this study was determined by the probability sampling method with the purposive sampling technique. The samples used were employees who worked and were directly involved in the use of AIS for > 1 year, 5 employees who worked in the operational section of each BPR studied. So that the number of samples in this study was 65 people. In this study, researchers used a special application of multiple linear regression to determine the relationship between two or more variables that are affected by the third variable.

Indicators to measure incentives are adopted from Pragaswari & Sari Widhiyani (2020), the provision of incentives, providing incentives to motivate employees, job perceptions, and providing incentives to appreciate the use of AIS. The measuring instrument used to measure this variable is to use a four-point Likert scale, namely the number 1 (one) which indicates strongly disagree with up to 4 (four) which indicates strongly agree.

Adi & Adnyani (2019) state that employee empowerment is a democratic approach where leaders encourage employees to be involved in making decisions related to work. The indicator used to measure employee empowerment is adopted from Paradisani & Putra (2019), namely the presence of employee involvement in the AIS development process, empowerment increases employee motivation and empowerment increases employee trust. Like the previous variable, this variable is measured on a 4 (four) point Likert scale.

The indicators used to measure the effectiveness of using AIS are adopted from Wilayanti & Dharmadiaksa (2016) : Information Quality, System Quality, Service Quality, Service Use, User Satisfaction, and Net Benefits. The measuring instrument used to measure this variable also uses a four-Likert scale. points as in the previous variable. The TAM concept is very important in this study, the expansion of the TAM concept can provide predictions regarding the acceptance of technology in the company by employees and what factors are the basis for such acceptance by employees.

III. RESULTS AND DISCUSSION

Hypothesis testing in this study using multiple linear regression analysis. The following are the results of multiple linear regression analysis in this study which are shown in table 1:

Table 1  
Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	16.983	2.509		6.768	0.000
X1	0.611	0.191	0.349	3.195	0.002
X2	0.825	0.198	0.456	4.167	0.000
Adjusted R <sup>2</sup> : 0.503					

The value of the coefficient of determination indicated by the value of Adjusted R<sup>2</sup> is 0.503. This result means that the effect of incentives and employee empowerment on the effectiveness of using AIS is 50.3% and the remaining 49.7% is influenced by factors outside the research model.

The Effect of Incentives on the Effectiveness of AIS

For the effect of incentives on the effectiveness of using AIS, the calculation results show that the significance value of t = 0.002 < alpha = 0.05 and the beta value of 0.611. So **H1 is accepted**, this shows that incentives have a positive effect on the effectiveness of using AIS. This shows that the provision of incentives

will further increase the effectiveness of using AIS by the assigned employees. With the provision of incentives, it is expected that employee performance will be better and maximally. The results of this study are consistent with research by Huy & Phuc (2020) which states that incentives have a positive and significant effect on the effectiveness of the use of accounting information systems. The effectiveness of the use of accounting information systems in a company must also consider the company's human resource factors.

#### The Effect of Employee Empowerment on the Effectiveness of AIS

For the Effect of Employee Empowerment on the Effectiveness of Using AIS. The calculation results show that the significance value of  $t = 0.00 < \alpha = 0.05$  and the beta value of 0.825. So **H2 is accepted**, this shows that employee empowerment has a positive effect on the effectiveness of using AIS. This means that the empowerment of employees will increase the effectiveness of using AIS. The effectiveness of the use of accounting information systems in a company can increase the conservative level in accounting application. It is expected that the empowerment of employees within an entity will increase the effectiveness of the use of accounting information systems which will improve the performance of accounting information systems. Because the increase in the performance of the accounting information system has a positive influence on the success of the company.

#### IV. CONCLUSION

Incentives have a positive effect on the effectiveness of using the accounting information system (AIS). The results of the analysis show that incentives can motivate employees of SIA users to work better. Employee empowerment has a positive effect on the effectiveness of using AIS. The results of the analysis in this study indicate that the empowerment of employees can increase the effectiveness of using AIS. For further researchers, it is advisable to use a research sample with a balanced proportion of positions for each Rural Bank, or it can change the focus of the research location

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