

IMPACT OF AIS ON SUCCESS FACTORS IN PUBLIC AND PRIVATE ORGANIZATIONS

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ABSTRACT

The effect Accounting Information system practices (AIS) on performance may vary in the public and private Sector organization and may be distinctive to certain cultures and certain organization types. This study analyses the common success factors of AIS in public and private sector organization in India. Public and private Sector organization differ in their managerial practices, managerial climate, and management systems. This Paper is attempted to investigate in order to explore the perceptions of AIS success factors and AIS organizational impact variable depending on ownership type in Indian organizations. The results of the preliminary analysis of the ten AIS success factors imply that, compared to public sectors organization to private sector organization sector, the public sector organization in India have established more and user support units, and their top managers and AIS managers play more balanced roles in making AIS financial decisions. The AIS unit age, AIS organizational levels, AIS sophistication and clarity of AIS strategies emerged in our analysis as AIS characteristics that are similar in the two groups executives in the investigated public sector organizations appear to underline compliance with regulations and formalities while their counterparts in private sector organizations tend to focus on the process and resources required to achieve clearly stated strategies and objectives. Results suggest that ownership type affects AIS success factors

KEYWORDS: AIS (Accounting Information System)

INTRODUCTION

Accounting Information system practices and AIS effect on performance may vary in the public and private Sector organization because of the possible environment and organizational differences between them. Identifying issues that may be distinctive to certain cultures and certain organization types are essential for effective management information system practices. AIS policy alters in the public and private Sector organization needs to be aware of the AIS success factors that may be specific to their organization in order to make decisions that deem necessary to the enhancement of AIS contribution to organizational performance. To study whether AIS success factors are common across the public and private Sector organization in India. Public and private Sector organization differ in their managerial practices, managerial climate, and management systems. This difference, which is a consequence of the type of ownership, may intervene in the relationship between the AIS success factors and AIS potential organizational impact. The article is organized accordingly.

The present study is confined to the AIS user with respect to information provided by Public and Private Sector organization units with their performance appraisal. The AIS users availing such private were identified from the entire Udaipur district and 60 from each public Sectors units and private Sectors units AIS users were selected for this study. A questionnaire has been used in the study for assessing the AIS success factor and organization impact variables. 't' test is used for testing the hypothesis regarding success factor. AIS helps the management at various levels and it is a means of communication where data are collected, processed, stored and retrieved later for making decisions. AIS is viewed and used at many levels by management, it should be supportive of the organization's longer-term strategic goals and objectives.

RESEARCH METHODOLOGY

The Research methodology for the current research is explained as under:

Sample Units: Current study depends upon the citizens of India.

Sampling Technique: Convenient Sampling.

Type of Research: This research work is in the form of exploratory and its nature is also descriptive research Study.

Sample Size: For conducting this research the information will be gathered from the Primary sources. The first-hand primary data will be collected through questionnaires. For this purpose, the views of the respondents engaged in recycling industry form India was selected.

Tools and Techniques of Research

Since the data needed for this research is secondary data as well as primary data. the primary data will be collected by using a questionnaire while some Secondary data will be taken from the annual report and other reports. To meet the research objective of research Questionnaire was used as an instrument for collecting primary data.

DATA ANALYSIS

AIS Success Factors and their Measurement

Executives in Public and Private Sector organizations are well aware that investment in a successful development of information technology for information acquisition, processing and communication can influence decisions and, in turn, affect the efficiency and effectiveness of organizational performance.

Based on a review and synthesis of the literature on AIS effectiveness and the initial set of AIS situational factors that are believed to affect AIS success has been identified. These factors include the age of the AIS organizational unit, the organizational level of the AIS unit, celerity of the AIS strategy, top management involvement in the formulation of AIS strategy, the locus of the AIS end-user training, end-user support and AIS sophistication.

Table 1: Research Variables and Measurements

Research Variables	Measurements
The Independent Variables:	
The age of the AIS unit	Number of years the unit has been in existence (one item)
The organizational level of the IS unit	The management level that the IS unit manager reports to (one item)
Clarity of AIS strategy	The extent to which IS strategy is clear (one item using a 5-point Likert scale: 1=v.low, 5=v.high)
Top management involvement in AIS strategy formulation	The extent to which the roles of top management and IS management in making the IS financial decisions are balanced (two items using a 5-point Likert scale: 1=v.low, 5=v.high)
Locus of AIS financial decisions	The extent to which the roles to top management and IS management in making the IS financial decisions are balanced (two items using a 5-point Likert scale: 1=v.low, 5=v.high)
AIS resources	Availability of the resources needed for IS (one item using a 5-point Likert scale: 1=v.low, 5=v.high)
End-user support	Whether the organization has a special organizational unit to support end-user computing (one item)
IT training	Whether the organization holds regular training programs on computer applications (one item)
End-user involvement in systems development	The extent to which and users participate in systems development (one item using a 5-point Likert scale: 1=v.low, 5=v.high)
AIS sophistication	The breadth (number of IT applications in the organization (one item)
The Dependent Variable:	
AIS organizational impact	The extent to which IS contributes to different aspects of the organizational performance (13 item scale using a 5-point Likert scale: i=v.low, 5=v.high)
Ownership Type	An Organization is Private sector if it is Public Sector unit

The t-test results for the AIS Success factors variables are discussed below:

Table 2

Variables Success Factor Variables	Type	Mean	SD	t-value	Sig.
Age of the AIS unit	1	1.95	0.759	0.952	0.346
	2	1.74	0.779		
Organizational level of the AIS unit	1	0.58	0.501	-1.281	0.206
	2	0.43	0.436		
Clarity of AIS strategy	1	2.25	0.903	-1.641	0.107
	2	0.75	0.757		
Top MGT involvement in AIS strategy formulation	1	3.14	1.167	-0.382	0.021
	2	0.89	0.898		
Locus of AIS financial decisions	1	2.44	1.251	-1.845	0.071
	2	3.05	1.060		
Availability of AIS resources	1	3.22	0.934	-1.149	0.003
	2	3.96	0.735		
End use support	1	2.67	1.109	-2.455	0.018
	2	3.36	0.907		
IT Training	1	19.26	2.443	1.114	0.270
	2	18.60	1.732		
End user involvement in systems development	1	3.697	1.103	1.199	0.236
	2	3.40	0.645		
AIS sophistication	1	3.37	0.884	2.177	0.034
	2	2.87	0.726		

Type 1 = Private Sector Units 2= Public sector Units

Characteristics of Sample Units

Table 3: Demographics

	Count	Percentage		Count	Percentage
Age			Occupation		
15-24	67	59%	Student	66	58%
25-34	23	20%	Employed/service	45	39%
35-above	24	21%	Business	3	3%
Gender			Education		
Male	75	66%	School Education	14	12%
Female	39	34%	Under Graduate	47	41%
Marital Status			Post Graduate	53	46%
Single	89	78%			
Married	25	22%			

- It is found among the AIS users in case of executives 57 percent were male and 43 percent were female.
- 24 percent executives were of the age group up to 25, 61 percent of age group 25-30 and 15 percent were more than 50 years age.
- 15 percent of executives were graduate, 70 percent executives were up to PG, MBA whereas 15 percent of executives have higher or technical qualification.
- 12 percent executive SC, 9 percent ST, 26 percent OBC and 53 percent general caste executive were found among respondents.
- 25 percent executive respondents belong to income group upto 15000-30000 and 20 percent executives belong to income group more than 30000 Rs.
- 13 percent executive of Private and 16 Public sector units were of the opinion that information collected originates from expected private area in all 29 executives said this.

To study the AIS impact on organizational performance following items were selected in light of the reviewed literature and the context of the investigation and these are:

- Simplifying work procedures
- Providing information for paining
- Monitoring over all activities
- Assuring adherence of official work rules and procedures
- Enhancing decision making processes.
- Improving organizational work processes
- Reengineering organizational work processes
- Facilitating communication and information sharing within the organization
- Developing/enhancing employee's skills

- Facilitating collaboration among workgroups
- Increasing the overall work accomplished
- Increasing work quality
- Increasing all cost of work

The AIS organizational impacts Variable are measured as Statement with a 5- point Likert Scale.

AIS Impact on Organizational Performance

The results illustrate that the perceived AIS organizational impact items were generally higher in the Public organizations than private Sector. More specifically, 10 of the 13 AIS organizational impacts-information for planning and scheduling, adherence to work rules and procedures, relationship with customers and clients, communication and information sharing, employees' skills, collaboration among work groups, work accomplished, work quality, and work cost were significantly higher in the public sector organizations than private sector units.

RESULT AND DISCUSSIONS

This investigation was designed in order to explore the perceptions of AIS success factors and AIS organizational impact variable depending on ownership type in Indian organizations.

The results of the preliminary analysis of the ten AIS success factors imply that, compared to private sectors organization to private sector organization sector, the public sector organization in India have established more and user support units, and their top managers and AIS managers play more balanced roles in making AIS financial decisions. Conversely, the organizations in the private sector organization appear to have more top management involvement in the formulation of AIS strategies, make more resources available to their departments, have more involvement of end users in systems development and conduct more IT training for their end users than private sector organization.

The AIS unit age, AIS organizational levels, AIS sophistication and clarity of AIS strategies emerged in our analysis as AIS characteristics that are similar in the two groups – private sector organization and public sector organizations. These findings provide no support to view that AIS units are usually placed lower in the organization structure within public sector organizations, but are in agreement with findings on no significant difference in the organizational location of the AIS units in private sector and public sector organizations.

The aforementioned finding may be interpreted in light of the two different operating environments on the private sector and private organizations. Compared to private organizations, public sector organizations and likely to have higher levels of accountability, more rules and regulations, lower organizational commitment, and less clear objectives. These characteristics are likely to influence the relevant capacity to effectively manage AIS in such organizations.

Executives in the investigated public sector organizations appear to underline compliance with regulations and formalities while their counterparts in private sector organizations tend to focus on the process and resources required achieving clearly stated strategies and objectives. Emphasis on compliance and accountability may have led the public sector organizations to institutionalize AIS units and closely follow formal procedures when making AIS related financial decisions. On the other hand, emphasis on processes and resources may have causes managers in the Indian private sector to get deeply involved in the formulation of AIS strategies, commit the needed AIS resources,

and support end-user involvement in systems development.

This means that organizational commitment to end-user support and provision of required financial resources, that is through balances roles of top management and AIS managers in making AIS financial decisions, may enhance systems usage and consequently, improve work efficiency.

It is noteworthy, however, that ownership type, the contingent variable in this study, was found to correlate with three of the four AIS success factors, namely AIS strategy and resources, end-user support, and AIS sophistication and to correlate with two of the three AIS organizational impact factors, namely improving work efficiency and improving decision making. This finding suggests that ownership type does matter when it comes to AIS success factors and AIS organizational impacts. Public sector and private sector appears to intermediate the relationship of the investigated AIS success factors and AIS organizational impact, measured as improving work efficiency and improving decision-making.

Compared to their counterparts in the public sector organization, executives in the private sector organizations perceive that organizations to develop clear AIS strategies and devote more resources to IT, provide more support to their end users have more sophisticated IT applications, better position AIS units in the organizational structure and experience greater participation of their users in systems development activities. Yet, compared to their counterparts in the public sector organizations, executives in the private sector organizations perceive the organizational, executives impact (e.g., improving work efficiency, improving decision making, and improving work effectiveness) of AIS to be lower and, consequently, less successfully.

CONCLUSIONS AND SUGGESTIONS

The findings suggest that having clearer AIS strategies and devotion of more AIS resources, more support to end users, more sophisticated IT applications, higher reporting level for the AIS unit in the organizational structure and greater users involvements in systems development would result in less AIS impact on organizational performance. Conversely, having less clear AIS strategies and devotion of less AIS resources, less support to end users, less sophisticated IT applications, lower reporting level for the AIS units in the organizational structure and less user's involvement in systems development would result in more AIS impact on organizational performance.

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