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THE INFLUENCE OF AUDIT FEE, AUDIT TIME BUDGET PRESSURE AND PUBLIC ACCOUNTANT ATTITUDE ON THE PUBLIC ACCOUNTANT DYSFUNCTIONAL BEHAVIOR AND IT'S IMPLICATION ON AUDIT QUALITY SURVEY ON "SMALL" SCALE PUBLIC ACCOUNTING FIRM'S IN JAVA

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ABSTRACT

The fierce competition among public accounting firm encourages competitive biddings which lead "fee war" that effect the audit fee. It consequently brings implications to the audit time budget pressure that will cause public accountants dysfunctional behavior and attitude in performing the public accountant duties which results in poor audit quality. Objects of study are the audit fee, audit time budget pressure, public accountant's attitude, public accountants dysfunctional, and audit quality. The research methods used on this case is descriptive –verificative methods. Research type is applied research. The data were obtained through survey techniques by distributing questionnaires to 167 public accounting firms small scale in Java and examined by structural equation model. The result showed that there were a significant effect of the audit fees, audit time budget pressure to public accountant's attitude. The audit time budget pressure and public accountant's attitude also had significant effects on public accountant dysfunctional behavior and its can implicate the increase of audit quality.

Field of Research: *Workplace, emotional dissonance, career intentions, hospitality students.*

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1. INTRODUCTION

Public Accounting firms has face the fierce competition in offering audit services (Carson, et al., 2004) and at the end most of the impact of this competition lead to offering a competitive bidding, so the client can choose Public Accounting Firms easly (Cook dan Kelly, 1991).The Effect of competitive bidding is hard price-bargains between public accounting firms, that occured in Small Scale Public Accounting Firms in Jakarta, where the offering fee of public accounting firms more lower than before (Fuad Rachmany, 2005). The Lower Audit Fee or significantly lower than audit fee before will raise a doubtness about the ability of Public Accounting Firms in applying the profesional standars and technical standard (Tia, 2008), so this issues is important because it relates to a competition concern in audit market (Carson, et al., 2004).

Albercht (2010) provide an explanation of arising issues from the audit fee is the price competition, the price competition give an affect at the time owned by the auditor to conduct an audit, there will be less testing and limitation of collection evidence. these conditions according to Robbins and Judge (2009:208) can create "time pressure for Public Accountant and often complicate to collect all information that public accountas want to before making a final choice". Other problems that arise according to Albrecht (2010) is the presence of new pressures because rely on public accountant low paid, where less professionalism and experience, so according to Jensen and Payne (2005), it might be a concerns about the possible existence of an audit fee competition that erodes of audit quality.

Audit time budget pressure is the other efect of c*ompetitive Bidding to* Public Accounting firms besides the decresase of audit fees (Cook and Kelly,1991). Audit time budget become important to Public Accounting firms because it is the basis to set audit fee, to chose their employee to do the auditting and to evaluate the performance of public accountants. Robbins and Judge (2009 : 208) state that audit time budget is needed to Public Accounting firms to decide many thing in auditting, in the fierce competition some of decision must be taken fast to still stay ahead and fulfill the client expectations, almost important decision is followed by the right and correct time budget. Hendry Simamora (2002:30) state that time audit can help finish the audit bondaries in reasonable time and can create good reputation to public acountants through good and qualified work. Albercht (2010) explained the problem that emerged in fee audit is fee competion that has effect auditor time audit, there is a limitles test and colleting evidence. These condition above according to Robbins and Judge (2009:208) can create time pressure to public accountant and often difficult to collect the whole information that the public accountants have before they make final decision. The other problem that emerged according to Albercht (2010) there is a new pressure because of hiring the cheap auditor, that less exprecience and non profesinalism, so that according to jensen and payne (2005) these fee audit competition it migt be worrying that it can erodes the quality of audit

Based on the explanation above that the reduced of audit fees can cause time budget pressure audit, this will lead to an attitude that must be performed by public accountants. Ethical dilemma is a situation faced by a person where the Public Accountant must make decisions about the appropriate behavior to do (Arens, et al., 2012:112). Malone and Roberts (1996) states, individual behavior is a reflection of the personality while situational factors that occur will encourage someone to make a decision, so it can be concluded (Donnelly, et al., 2003) that dysfunctional audit behavior can be caused by factors personal characteristics of auditors (internal factors) as well as situational factors when performing audits (external factors), according to Donnelly, et al., (2003) auditor dysfunctional behavior continued and evolving and already at a very disturbing (Otley and Pierce, 1995) at the auditor profession.

The conditions of auditor are depressed because of the tend audit time budgets that can dysfunctional behave by making premature sign-offs, such as too convinced on client explanation and presentation, failed to investigate relevant issues, acquisition of a lack of evidence, audit processing is less accurate, and errors in the audit stage, which is produce the audit reports with low quality (Donnelly, et al., 2003). Cook and Kelly (1991) adds that dysfunctional behavior tends to increase proportionaly with the increasing of audit time budget pressure. Donnelly, et al., (2003) also suggested that public accountant dysfunctional behavior in public accountant that affects to audit quality directly is premature sign off, while underreporting off time is indirectly affect the audit quality. Still according to Donnelly, et al., (2003) states that public accountant dysfunctional behavior associated with audit quality reduce.

The Other effects of competitive bidding is not qualified audit. According to Jansen and Payne (2005) audit fees that arising from the audit market competition affects the audit quality, although the increasing audit quality are generally not accompanied by appearance of the high audit fees. Hendry Simamora (2002:15) asserts that the client who pays the service fee auditors, but auditors independent of the client, as already stipulated in the general standard, so as to produce a audit quality. Nor and Smith (2009) states the auditors do the work according to the commitment that interested in the audit quality.

Nor and Smith (2009) describe that audit quality is very important, not only for clients or for Public Accounting firms it's self, but also for the public. Audit Quality is a fundamental element that explains the demand of audit services (Nor and Smith, 2009). Audit quality is not defined in standards auditing, the normal audit process produces only a minimal audit report as a form standard but it not contains more information about the audit quality (Zerni, 2009). Public Accountant Bulletin (2010), stated that the auditing standards guidance also only regulate what should be done in the process of auditing and the obedience to the standars that will indicated to the audit has been conducted on the level of acceptable quality. Besides describing audit risk, audit quality also asses the aspects of knowledge, skills, audit planning, timeliness, adequacy, independence (Hillison, et al., 2004). Similiarly, according to De'Angelo (1981) Audit Quality is determined by two things, namely the ability of auditors to find / detect violations that occur in the client's accounting system, and the ability to report the violations that it found. Riley (2001) provide an explanation further more to the auditor quality, that is multidimensional and inherently unobservable, and there is no single characteristic of the auditor which can be used as a proxy for assessing the audit quality, as an indicator to measure quality directly, we must access the quality using quality surrogates, or the overall reputation of the auditor.

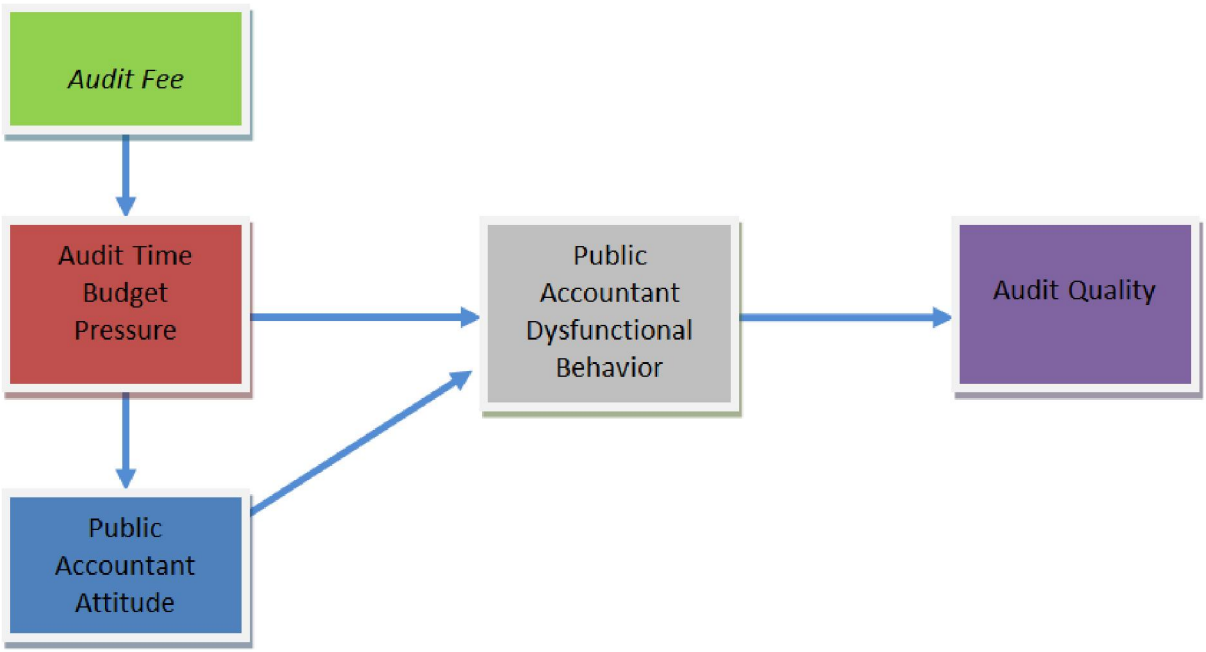
2. THEORETICAL FRAMEWORK

Audit Fee is a source of income for Public Accounting firms, (Arens et al, 2012). Tia (2008) states that the fee associated with the amount of time used to complete the work, the value of services rendered to clients or for Public Accounting firms concerned, while Hendry Simamora (2002:143) states that "the management of time is an important consideration because the bill of the audit fee to the client's often based on the amount of audit time charged to engagement", Bierstaker & Wright (2001) states that "Auditors face significant pressure due to reduced Audit Fee, still according Bierstaker & Wright (2001) and DeZoort (1997) states that" The negative impact of the competitive is reduced to time for audit the effect of reduced audit fee". This is the same with Collier & Gregory (1996), if the Audit Fee is not reduced then the time to audit was not reduced, while Cook & Kelly (1991) states that "The lower of Fee offset by the reduced audit time budget". Reduction of audit time budget can be a source of pressure, McNamara (2008).

The audit time budget has the potential to create pressure because this action is not only as a control mechanism, but also a tool of performance measurement in the Public Accounting firms (Liyanarachchi, 2007), audit time budget pressures tends to increase proportional with public accountant dysfunctional behavior (Cook & Kelly, 1991), audit time budget pressure is one of the main causes of public accountants dysfunctional behavior (Kelley and Margheim, 1990). DeZoort (1997) suggests that one effect of the Audit Time Budget Pressure is attitude. One of attitudes conducted by the Public Accountants as Audit Time Budget set too tight, it can lead to Public Accountant Dysfunctional Behavior (McNamara, 2008).

DeZoort (1997) suggests dysfunctional behaviors are strongly associated with the audit time budget pressure and have an impact on audit quality, while the achievement of audit time budget is the most important component of performance evaluation (Cook & Kelly, 1991). Public Accountants tend to dysfunctional behavior because it is under audit time budget pressure, and the impact of the risk of premature termination of the practice of signing off on audit procedures carried out by public accountants, especially in conditions of time pressure (Coram, 2004). Strength and quality control review procedures related to audit quality while the failure of public accountants to perform the steps correctly audit showed acts reduced audit quality (Malone and Robert, 1996).

Framework based on the description above, it can be described in the diagram of mind mapping as follows:



Picture 1
Mindset

3. HYPOTHESIS

Based on the framework above, it can be formulated several hypotheses in this study, namely:

Hypothesis1: : Audit Fee influence the Audit Time Budget Pressure.

Hypothesis2: : Audit Time Budget Pressure influence the Public Accountants Attitude

Hypothesis3: : Audit Time Budget Pressure and Public Accountant Attitudes influence the Public Accountant Dysfunctional Behavior either simultaneously or partially.

Hypothesis4: : Audit Time Budget Pressure and Public Accountant Dysfunctional Behavior influence the Audit Quality either simultaneously or partially.

4. RESEARCH METHODS

The research methods used on this case is descriptive –verificative methods and research type is applied research, and the unit analysis of this study is the "small" scale Public Accounting firms, which has a maximum of 3 partners (Mustafa, 2009). The "small" scale public accountants firm in Java amounted to 269 units (according to the directory of Public Accounting firms (2010) arranged by Indonesian institute of public accountants and cooperated with the head secretary general department of treasury republic

of Indonesia and the development of accountant and services accesor). This Research is using random sampling in each city with stratified random sampling techniques, the number of this sample is selected using slovin equation (Husein, 2005:78):

$$n = \frac{N}{1 + N.(e)^2}$$

Source: Husein Umar

information :

n = sample dimension
N = population
e = derajat kesalahan yang masih dalam batas toleransi diambil 5%.

According to slovin equation , the number of minimun sample public accountants office in Java :

$$n = \frac{269}{1 + 269\ (0.05)^2} = 160{,}1 \approx 161$$

from 161 sample, there is 167 The “small” scale Public Accounting firms, while the observation units are senior in charge that has more time budget pressure (Cook & Kelly, 1991) than the other level, similar as raghunatan (1991) time budget pressure is the hard stage for senior level, at the other hand many accountant agreed that the most stress profession is public accountants while the partner has low stress (Sanders, 1995). The test instrument is using *Structural Equation Model*.

The next step is variable operational. This stage is concept operationalization so it can be observed and measured by the researcher. The operationalization is conducted by the seeing the behavior indicator or the nature of concept. In the other words, concept operationalization is characteristic identification of the concept. Furthermore, it called as a variable.

Before the operationalization of this research variable, first the variable must be identified as shown below:

1. Audit Fee

Audit Fee variable (X_1) = *senior in charge*, that will have fee from client through their partner based on the time budget prediction to finish their work in auditing until they give the report to the client. This variable is measured by the indicator that has been developed by Arens, et al., (2012), Hendry (2002), Bierstaker and Wright (2001), DeZoort (1997), the calculation generates 1 dimension with 3 indicator

2. Audit time budget pressure

Audit time budget pressure variable (X_2) = one type of pressure that public accountants must have faced and it must be considered seriously during auditing process. This variable is measured by the indicator that developed by Liyanarachchi (2007), Coram, et al., (2004) and DeZoort (1997). The calculation generates 1 dimension with 2 indicators.

3. Public Accountant Attitude

Public Accountant Attitude variable (X_3) = the tendency to answer or to respond. Attitude is not a behavior, but it is the reaction to answer or to respond that lead someone to behave. This variable is measured by the indicator that developed by Schermerhorn, et al., (2005), Robbins and Judge (2009), Siegel and Marconi (1989). The calculation generates 2 dimensions with 3 indicators.

4. Public Accountants Dysfunctional Behavior

Public Accountants Dysfunctional Behaviour variable (Y) = the conduct of not supporting goal achievement (Gibson, et al., 2006), such as not followed procedural audit that appropriate on SPAP standards

(Non-procedural audit), do the overtime and accepted the client reason easily. This variable is measured by the indicator that developed by Gibson, et al., (2006), Kinichi and Kreitner (2003), Dezort (1997), Kelly and Margheim (1990), Raghunathan (1991). The calculation generates 1 dimension with 3 indicators.

5. Audit Quality

Audit Quality variable (Z) = usually related to qualification skill, completion work in proper time, the adequacy of competence evidence investigation in the lowest cost, as well as the independency attitude to the client (Basuki,2006). This variable is measured by the indicator that developed by DeAngelo (1981), Wooten (2003), Basuki (2006), Boon and Mc Kinnon (2008) as well as GAO. The calculation generates 9 dimensions with 12 indicators.

This research is using questioner techniques to collect data; the seriousness of respondents in answering the questions becomes important. Because of that the data must be tested properly to produces valid data, if the instrument of test is not valid and not be trusted, so that research results cannot explain the real condition, there is 2 type of test to know the seriousness of respondent answer which is *test of validity* and *test of reliability*. The next step is to test suitability of the models or *Goodness of Fit using Robust Maximum Likelihood* Estimation methods. The test result has shown the models can be accepted, it means the models can be used to test the research hypothesis (see table 1).

Tabel 1

The test result of the suitability models

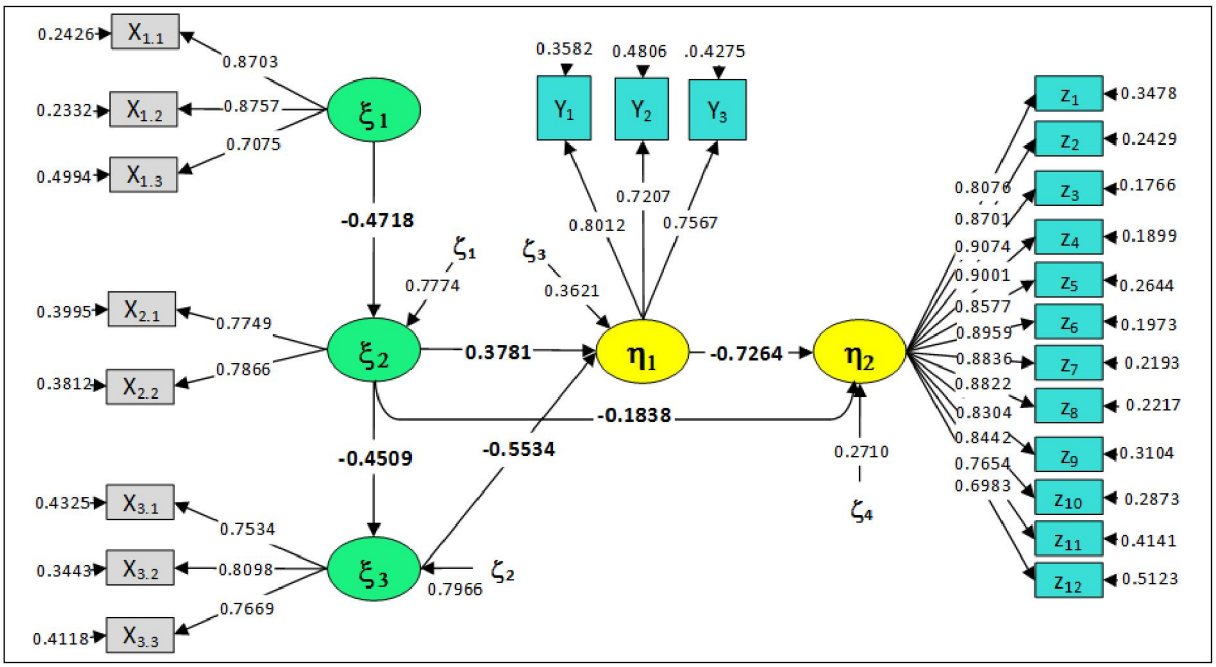
Goodness of Fit dimension	**Estimation result value**
Chi-Square	554,73 (*p-value* = 0,000)
RMSEA	0,094*
GFI	0,776
AGFI	0,724
NFI	0,955*
CFI	0,973*
IFI	0,973*
RFI	0,949*
PNFI	0,846
PGFI	0,630

Source: appendix. Output Lisrel (SEM) * good criteria

5. RESULT AND DISCUSSION

The test research hypothesis is modeling the *exogenous* laten variable related to *endogenous* laten variable or the relation of *endogenous* variable with the other *endogenous* variable. The test is using (SEM) structural equation models, that shown Standardization coefficient of structural equation model (see picture 1)

Picture 1
Standardization coefficient of structural equation models



Source: appendix. Output Lisrel (SEM)

And the test result statistic resume from using SEM can be shown in table 2

Table 2

The Test Result Statistic Resume

Sub Structure	Path	coefisien	T_{count}*	R-Square
first	$\xi_1 \rightarrow \xi_2$	-0,4718	-5,7230	0,2226
second	$\xi_2 \rightarrow \xi_3$	-0,4509	-4,9612	0,2034
third	$\xi_2 \rightarrow \eta_1$	0,3781	4,1975	0,6379
	$\xi_3 \rightarrow \eta_1$	-0,5534	-6,6653	
fourth	$\xi_2 \rightarrow \eta_2$	-0,1838	-2,0552	0,7290
	$\eta_1 \rightarrow \eta_2$	-0,7264	-8,7434	

Source :. Appendix . output Lisrel (SEM) *$t_{critical}$= 1,96

5.1 The Influence of Audit Fee on the Audit Time Budget Pressure

Hypothesis:

$H_0 : \gamma_{1.1} = 0$ Audit Fee hasn't influenced the Audit Time Budget Pressure on The "small" scale Public Accounting Firms in Java

$Ha : \gamma 1.1 \neq 0$ Audit Fee has influenced the Audit Time Budget Pressure on The "small" scale Public Accounting Firms in Java

Table 3

Test Results of The Influence of Audit fees on Audit Time Budget Pressure

Koef. Jalur	T_{count}	$T_{criticism}$	Ho	Ha
-0,4718	-5,7230	1,96	Rejected	Accepted

Based on the test results, it can be seen that the value t_{count} of audit fee variable (-5.7230) is smaller than negative $t_{criticism}$ (-1.96), then the error rate of 5% so it was decided to reject Ho, and accepted Ha. So based on test results (95% confidence level) it can be concluded that the Audit Fee influence to Audit Time Budget Pressure on The "small" scale public accounting firms in Java that means A very high paced competition between Public Accounting firms encourage competitive bidding among Public Accounting firms thus resulting in "hard – priced bargains", as one a Public Accounting firms located in Jakarta, offering a lower fee than the previous Public Accounting firms (Fuad Rachmany, 2005).

Generally, the effect of " hard – priced bargains" that is felt by the senior in charge associated to the Audit Fee to conduct field work to the preparation of draft audit reports and audit fee rate is obtained as an auditor at the "small" scale public accounting firms in Java. It can be categorized "sufficient", where the Audit Fee accounted for 22.26% of the Audit Time Budget pressure on the "small" scale public accounting firms in Java.

The explanation above is the same comment as Bierstaker & Wright (2001) and DeZoort (1997) states that "The negative impact of the bidding and the audit time budget pressure describe as the effects of the decline of Audit Fee". Also with Collier & Gregory (1996) and Cook & Kelly (1991), a reduced in audit fees, offset by increased audit time budget pressure. The reduction of audit time budget can be a source of pressure, McNamara (2008). Bierstaker & Wright (2001) states that "Auditors face significant pressure due to the falling of Audit Fee". So the conclusion can be describe: Audit Fee affect to Audit Time Budget

Pressure. Audit fees negatively affect audit time budget pressure, it means the less of audit fee, it will increase audit time budget pressure on the "small" scale public accounting firms in Java.

5.2 The Influence of Audit Time Budget Pressure to the Public Accountant Attitude

Hypothesis:

$H_0 : \gamma_{2.1} = 0$ Audit Time Budget Pressure hasn't influenced the Public Accountants Attitude on the "small" scale Public Accounting Firms in Java.

$Ha : \gamma_{2.1} \neq 0$ Audit Time Budget Pressure has influenced the Public Accountants Attitude on the "small" scale Public Accounting Firms in Java

Table 4

Test Results of the Influence of Audit Time Budget Pressure on Public Accountant Attitudes

Koef. Jalur	T_{count}	$T_{critism}$	Ho	Ha
-0,4509	-4,9612	1,96	Rejected	Accepted

Based on the test results, it can be seen the value of the variable pressure t_{count} audit deadline (-4.9612) is smaller than negative $t_{criticism}$ (-1.96), then the error rate of 5% so it was decided to reject Ho, and accepted Ha. So based on test results (95% confidence level) it can be concluded that the Audit Time Budget Pressure affect the public accountants attitude on The "small" scale public accounting firms in Java. It means commonly public accountant do the auditing at end of the year and more less at the time of interim audit (interviews with three senior auditor in Bandung), a senior in charge feel the time which has been determined to complete the audit within a very tight budget in recent years can be achieved in doubt, although some are able to achieve it and the impact of a very limited time budget tight at the time of the audit, the senior in charge experiencing a state of "depressed", although in a state of "distress" the senior in charge, keep working on the audit in accordance with the procedures and the work was brought to the house (positive attitude). Where the Audit Time Budget Pressure contributed 20.34% of public accountant attitudes on the "small" scale public accounting firms in Java.

The explanation above is the same comment as DeZoort (1997) time budget audit will give pressure that might impact on attitude and public accountants' behavior who are conducting an audit, while according to Donnelly, et al., (2003) states that the auditor will experience stress when faced with a situation of time budget during the auditing. Hendry Simamora (2002.144) reveals "The presence of an unexpected

situation, even though the Budget time estimate can be completed in accordance with the audit engagement should not be any compromise to the quantitative standards in the implementation of standard work field," meaning that the auditor should behave according to the rules in the field of work when doing the audit. So the conclusion can be describe : The audit time budget pressure affect the public accountant attitude, where the reduced of audit time budget pressures will make a public accountant attitude more positive at the "small" scale public accounting firms in Java, otherwise.

5.3 The influence of Audit Time Budget Pressure and public accountant Attitudes to the Public Accountants Dysfunctional Behavior

1) The influence of Audit Time Budget Pressure and Public Accountant Attitudes to the Public Accountants Dysfunctional Behavior

Hypothesis:

H_0 : Semua $\gamma_{3.i} = 0$ i = 1,2	Audit Time Budget Pressure and Public Accountant Attitude jointly hasn't influenced Public accountant Dysfunctional Behavior on the "small" scale Public Accounting firms in Java
Ha : Ada $\gamma_{3.i} \neq 0$ i = 1,2	Audit Time Budget Pressure and Public Accountant Attitude jointly have influenced Public Accountant Dysfunctional Behavior on the "small" scale Public Accounting firms in Java

The test of hypothesis is using the F test statistic to reject Ho if the provision is F_{count} greater than F_{table}, or otherwise accept Ho if F_{count} less than or equal to F_{table}. Through the value of the coefficient of determination (R^2value) can be calculated the value of F by the following formula.

$$F_{count} = \frac{(n-k-1)R^2_{Y(X_1X_2)}}{k(1-R^2_{Y(X_1X_2)})}$$

$$F_{hitung} = \frac{(167-2-1)\times 0,6379}{2\times(1-0,6379)}$$
$$= 144,457$$

From F_{table} for a significance level of 0.05 and the free degrees (2; 164) F_{table} values was obtained at 3.051, because of the research results F_{count} value (144.457) and greater than F_{table} (3.051), then the error rate of 5% so it was decided to reject Ho and received Ha. Based on the test results with 95% confidence level , we can conclude that audit time budget pressures and the public accountants attitudes together significant effect on the public accountant dysfunctional behavior at the "small" scale

public accounting firms in Java. It means both of the Audit Time Budget Pressure and Public Accountant Attitudes have an account for 63.79% of the public Accountants dysfunctional behavior, the exogenous and endogenous variables between the two public accountants attitude of providing are greater contribution in the amount of 30.60% than the audit time budget pressure (14.30%) of the public accountant dysfunctional behavior.

This explanation is the same comment as De Zoort (1997) suggests that one of the effect of audit time budget pressure is the attitude of the public accountants, when the time budget is set too tight, and implicated to the dysfunctional behavior of the public accountants (McNamara 2008), The attitudes has influenced the dysfunctional behavior and implicated to the accountants profession (Donnelly, et al., 2003).

2) The influence of Audit Time Budget Pressure partially to The Public Accountants Dysfunctional Behavior

Hypothesis:

$H_0 : \gamma_{3.1} = 0$ Audit Time Budget Pressure hasn't influenced partially the Public Accountant Dysfunctional on the "small" scale Public Accounting firms in Java

$Ha : \gamma_{3.1} \neq 0$ Audit Time Budget Pressure has influenced partially the Public Accountant Dysfunctional on the "small" scale Public Accounting Firms in Java

Table 5

Test Results of the influence of Audit Time Budget Pressure to Public Accountant Dysfunctional Behavior

Koef. Jalur	T_{count}	$T_{criticism}$	Ho	Ha
0,3781	4,1975	1,96	rejected	accepted

Based on the test results, the value of the variable t_{count} audit time budget pressure (4.1975) is greater than $t_{criticism}$ (1.96), because the value is t_{count} greater than $t_{criticism}$, then the 5 % error rate, it was decided to reject Ho and accepted Ha. Based on test results with 95% of level confidence, we can conclude that the Audit Time Budget Pressure partially affect the public accountants Dysfunctional Behavior on the "small" scale public accounting firms in Java. It means commonly public accountant do the auditing at end of the year and less at the time of interim audit. These conditions has caused the senior in charge "depressed", because of that, the senior in charge finally has brought the work to their home. It means

the senior in charge has done the dysfunctional behavior in "low" conditions. Audit time budget pressures directly has contributed (14.30%) to the public accountant dysfunctional behavior.

The explanation is the same comment as the McNamara (2008) which states that the audit time budget pressure has a significant influence on the public accountant dysfunctional behavior. Audit time budget has the potential to create pressure for this action, not only as a control mechanism, but also performance measurement tool in the public accounting firms (Liyanarachchi, 2007), the Budget is likely to increase audit time is proportional to the increasing public accountant dysfunctional behavior (Cook and Kelly, 1991), time budget pressure is one of the main causes of public accountant dysfunctional behavior (Kelley & Margheim, 1990). The conclusion of this results : the audit time budget pressures partially influence the public accountant dysfunctional behavior, audit time budget pressure had a positive influence on the of public accountant dysfunctional behavior, where the greater the pressure will increase the audit time budget of dysfunctional behavior on the "small" scale public accounting firms in Java, and otherwise.

3) The Influence of Public Accountant Attitudes partially to Public Accountant Dysfunctional Behavior

Hypothesis:

$H_0 : \gamma_{3.2} = 0$ Public Accountant Attitude hasn't influenced partially the Public Accountant Dysfunctional Behavior on the "small" scale Public Accounting Firms in Java.

$Ha : \gamma_{3.2} \neq 0$ Public Accountant Attitude has influenced partially the Public Accountant Dysfunctional Behavior on the "small" scale Public Accounting Firms in Java

Table 6

Test Results of the Influence Public Accountant Attitudes to Public Accountant Dysfunctional Behavior

Koef. Jalur	T_{count}	$T_{criticism}$	Ho	Ha
-0,5534	-6,6653	1,96	rejected	Accepted

Based on the test results, the value of the variable public accountant attitude t_{count} (-6.6653) is smaller than negative $t_{criticism}$ (-1.96), then the 5% error rate so it was decided to reject Ho and accepted Ha. Based on test results with 95% of level confidence we can conclude that the public accountants attitude affect partially the public accountant dysfunctional behavior on the "small" scale public accounting firms in Java. It means that many of them only as an irregularities justification for their client (Anwar

Nasution, 2006). These conditions has caused the senior in charge generally do the premature sign off, such as receive auditees reasons sometimes which usually cannot be accepted easily because of the limitless of the time audit, although the senior in charge has always it has always follows the procedures of SPAP and always takes overtime when he need more time. It means the senior in charge has done the dysfunctional behavior in "low" conditions.

The explanation is same comment as statement Gibson, et al., (2006), Schermerhorn, et al., (2005), Robbins (2005) and Siegel and Marconi (1989) which states that "attitude is a tendency to respond positively to feeling good and negative". Arfan and Ishak (2008: 44) state that "In the public accounting firms the attitude is important because it affects to work public accountant attitude ". The conclusion of these results is that Public Accountants attitude affected the public accountant dysfunctional behavior; a positive public accountant attitude will reduce public accountant dysfunctional behavior on the "small" scale public accounting firms in Java. The dysfunctional emerged when there is a pressure to behave in certain ways that have incredible power, of course, no individual can completely avoid this mismatch.

5.4 The influence of audit time budget pressure and public accountant dysfunctional behavior to the Audit Quality

1) The influence of Audit Time Budget Pressure and Public Accountants Dysfunctional Behavior to The audit quality

Hypothesis:

$H_0 : \gamma_{4.1} \& \beta_{2.1} = 0$	Audit Time Budget Pressure and Public Accountant Dysfunctional behavior haven't influenced the Audit Quality on the "small" scale Public Accounting Firms in Java
$Ha : \gamma_{4.1} \& \beta_{2.1} \neq 0$	Audit Time Budget Pressure and Public Accountant Dysfunctional behavior have influenced the Audit Quality on the "small" scale Public Accounting Firm's in Java

The test of hypothesis is using the F test statistic to reject Ho if the provision is F_{count} greater than F_{table}, or otherwise accept Ho if F_{count} less than or equal to F_{table}, through the coefficient of determination (R^2value) can be calculated the value of F by the following formula.

$$F_{count} = \frac{(n-k-1)R^2_{Y(X_1X_2)}}{k(1-R^2_{Y(X_1X_2)})}$$

$$F_{hitung} = \frac{(167-2-1)\times 0,7290}{2\times(1-0,7290)}$$
$$= 220,583$$

From F_{table} for a significance level of 0.05 and the free degrees (2; 164) F_{table} values was obtained at 3.051, because of the research results F_{count} value (220.583) and greater than F_{table} (3.051), then the error rate of 5% so it was decided to reject Ho and accepted Ha. Based on the test results with 95% confidence level , we can conclude that audit time budget pressures and the public accountant dysfunctional behavior jointly significant effect on the audit quality at the “small” scale public accounting firms in Java. It means both of the Audit Time Budget Pressure and Public Accountant Dysfunctional Behavior have an account for 72.90% to the audit quality, from the exogenous and endogenous variables, public accountant dysfunctional behavior is the most percentage (52.77%) than the audit time budget pressure percentage (3.38%) to the audit Quality.

The explanation is the same comment as De Zoort (1997) states that "dysfunctional behavior correlates strongly with time budget pressure and have an impact on audit quality", it is the same comment with the Law (2001) which states that "Auditors must have a strategy to cope with the audit relating to the suppression time and behavior in auditing ". The pressure of time in some measure necessary to promote public accountants to work more efficiently, but excessive pressure and associated with performance evaluation will cause stress on public accountant that will trigger it to perform dysfunctional behavior and impact on audit quality (Cook and Kelly, 1991).

2) The Influence of Audit Time Budget Pressure partially to the Audit Quality

Hypothesis:

$H_0 : \gamma_{4.1} = 0$ Audit Time Budget Pressures hasn’t influenced partially to the Audit Quality in the “small” scale Public Accounting Firms in Java

$Ha : \gamma_{4.1} \neq 0$ Audit Time Budget Pressures has influenced partially to the Audit Quality in the “small” scale Public Accounting Firms in Java

Table 7

Test Results of The influence of audit time budget Pressure to the audit quality

Koef. Jalur	t_{hitung}	t_{kritis}	Ho	Ha
-0,1838	-2,0552	1,96	rejected	be accepted

Based on the test results, the value of the variable t_{count} audit time budget pressure (-2.0552) is smaller than negative $t_{criticism}$ negative (-1.96), because the value is t_{count} smaller than the negative $t_{criticism}$, then the 5% of error rate so it was decided to reject Ho and accepted Ha. Based on the test results with 95% of confidence level, we can conclude that audit time budget pressures partially influence the audit quality on the "small" scale public accounting firms in Java. It means commonly public accountant do the auditing at end of the year and more less at the time of interim audit, these conditions has caused the senior in charge has a doubtless in attempt to complete the audit within a very tight budget in recent years, although some are able to achieve it and then the impact of very tight budget at the audit time has caused the senior in charge "depressed", although of "the condition of depressed" senior in charge still always trying to understand the client's business & business process, capable to audit in the audit program, consideration the risk of audit, submitting timely audit reports, gather sufficient audit evidence and has competency, free from the interfere of other parties and kinship, work with the audit program, always evaluated by internal control client, although a reviewed by a third party, in this study is not optimal because sometimes the result of the review doesn't do continuously. Audit Time Budget pressure contributes to the audit quality is 3.38%.

The explanation is the same comment as (Coram et al., 2004) which states public accountant tends to audit quality make cuts because it is under audit time budget pressure. Low time Budget can lead to budget pressures experienced auditors in completing audits of time (Kelly and Margheim, 1990). Audit time budget pressures negatively impact the audit quality, that the high audit time budget pressure will reduce the audit quality on the "small" scale public accounting firms in Java or on the other way around.

3) The influence of Public Accountants Dysfunctional Behavior Partially to the Audit Quality

Hypothesis:

$H_0 : \beta_{2.1} = 0$ Public Accountant Dysfunctional Behavior hasn't influenced to the Audit Quality on the "small" scale Public Accounting Firm in Java

$Ha : \beta_{2.1} \neq 0$ Public Accountant Dysfunctional Behavior has influenced to the Audit Quality on the "small" scale Public Accounting Firm in Java

Table 8

Test Results of the influence of public accountants dysfunctional behavior to the audit quality

Koef. Jalur	T_{count}	$T_{criticism}$	Ho	Ha
-0,7264	-8,7434	1,96	Rejected	Accepted

Based on the test results, the value of the variable t_{count} public accountant dysfunctional behavior (-8.7434) is smaller than negative $t_{criticism}$ (-1.96). Because the value is t_{count} smaller than the negative $t_{criticism}$, then the 5% of error rate, so it was decided to reject Ho and accepted Ha. Based on test results with 95% of confidence level we can conclude that the public accountant's dysfunctional behavior effect partially on the audit quality on the "small" scale public accounting firms in Java. It means that many of them only just as a irregularities justification for their client (Anwar Nasution, 2006) and therefore contributes to the audit quality, a senior in charge has done the dysfunctional behavior that is prematurely sign - off , sometimes receive the auditees reasons which usually cannot be accepted easily at the tight budget of time audit. The Low time Budget can lead the auditors in to budget pressures experienced in attempt to complete the audit (Kelly and Margheim, 1990), further more premature sign-off has a direct impact on the audit quality that ultimately affect the reliability of audit reports which can form as the basis of opinion, all of the dysfunctional behavior influence on opinion, the accountant public opinion is influenced by the application of accounting GAAP and SPAP, which audit evidence depends on the control of the client, if the control is good then the auditors obtain less evidence, a senior in charge do the audits according to auditing procedures, senior in charge still always trying to understand the client's business & business process, capable to audit in the audit program, consideration the risk of audit, submitting timely audit reports, gather sufficient audit evidence and has competency, free from the interfere of other parties and kinship, work with the audit program, always evaluated by client internal control, although a reviewed by a third party, in this study is not optimal because sometimes the result of the review doesn't do continuously.

6. CONCLUSION

Based on the formulation of the problem, developing hypotheses on the basis of theories that relate, as well as the results of the analysis that has been discussed as has been presented in previous chapters, the conclusions of this study are as follows:

1. Audit Fee influence on Audit Time Budget Pressure on the "small" scale public accounting firms in Java. Fee offered is lower than the previous public accounting firms, the results of this study stated that the received audit fee for carrying out field work to the preparation of draft audit reports and audit fee rates are obtained as an auditor is in the category of "enough" so the impact for the senior in charge is having audit time budget pressure. It means the lower audit fees will cause the audit time budget pressure.

2. Audit Time Budget Pressure influence on the public accountant attitude on the "small" scale public accounting firms in Java. In generally that the company conducted an audit at the end of the year so the time to auditing is very strict, senior in charge though in distress, he must still have the self-confidence, capable to conduct an audit thus producing a positive attitude such as patient and happy to do the audit, budget pressures mean drop in audit time budget, it will generate a positive public accountant attitude.

3. Audit Time Budget Pressure and Public Accountant Attitudes influence Public Accountant Dysfunctional behavior either jointly or partially on the "small" scale public accounting firms in Java. Many accountants work just as irregularities justification that their client committed, the audit time budget pressures will lead to an attitude that will be performed by public accountants, the attitude taken by a public accountant doing an audit remains depressed despite the happy and patient, so dysfunctional behavior in this study in the low category. It means low budget audit time, low the public accountant dysfunctional, as well as with the public accountant attitude that is more positive the public accountant's attitude, so the lower the public accountant dysfunctional behavior.

4. Audit Time Budget Pressure and Public Accountants Dysfunctional Behavior influence on the "small" scale public accounting firms in Java. A lot of work just as justification public accounting firms deviation committed by client, it is done in order to exist in the conduct of business, although the audit time budget pressure but keep working on the audit so that the effect on audit quality, dysfunctional behavior in this study are premature sign sometimes off as a senior in charge accept the reasons which usually cannot be accepted easily, although a senior in charge depressed but always invoke the following audit procedures and perform an audit in accordance SPAP overtime when it finds a deeper step in conducting an audit. It describes the occurrence of public accountants dysfunctional behavior in conditions of low, public accountants dysfunctional behavior can influence the opinion of the Public Accountant, so it can be concluded the lower the public accountant dysfunctional, the higher the audit quality.

7. SUGGESTIONS

Referring to the results of this study, to improve the audit quality, raised some suggestions as follows:

1. The existence of competitive bidding for public accounting firms needs to be balanced by taking into account the audit risk for audits done in the field, time management is an important consideration because the client's from audit fee is often based on the amount of time to audit the cost charged to engagement.

2. Audit time budget pressures should be addressed in a positive way because of the audit time budget is simply to work harder and use time effectively, which will ultimately increase of audit quality

3. Public Accountant dysfunctional behavior should be addressed in positive, public accountants dysfunctional behavior is a negative behavior, but its existence can be kept to a minimum so as to produce an audit quality.

4. The necessity of doing quality review of the "small" scale public accounting firms in Java continue, so as to produce an audit quality and the merger between "small" scale public accounting in Java, so that the public accounting firms be strong and big.

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THE FACTORS THAT SUPPORT THE IMPLEMENTATION OF ACCOUNTING INFORMATION SYSTEM: A SURVEY IN BANDUNG AND JAKARTA'S TAXPAYER OFFICES

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ABSTRACT

Organizations of public sector in Indonesia generally yield accounting information which is not fully qualified, and oftentimes unreliable. Concerning the condition, it seems that improvement on the quality of accounting information system is needed. Quality Accounting Information Systems is an integration of hardware, software, brain ware, telecommunications network, and database procedure, which is based on input, process and output. In this case, input of data quality is a necessity and serves process in Accounting Information Systems. Generally, the organizations have been performing poor data input quality. This requires commitment from the top management in determining the quality of the data and the accounting information system implementation. This research examines the influence of the top management commitment on the data quality and the accounting information systems implementation and its implications on the quality of accounting information. The data were obtained through survey techniques by distributing questionnaires to 31 tax offices in Bandung and Jakarta. The results showed that there were significant effects of the top management commitment on the data quality and accounting information system implementation. Management commitment quality of data and the accounting information system also had significant effects on the quality of accounting information.

Field of Research: *Management commitment, Data Quality, Accounting Information System, Information quality, Small Taxpayer Offices.*

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1. INTRODUCTION

Public sector organizations in Indonesia in general yield bad quality of accounting information. It oftentimes is not reliable and only used as consideration for making decision after the reporting period (Indra Bastian, 2010:125). This is indicated by a disclaimer opinion on the BPK audit results for the Ministry of Finance's 2005-2009 financial year report (Agus Martowardojo, 2010), and in general, information of tax revenue presented by the application of MPN (Module Revenue) in the DGT (one of institutions in the ministry of finance) is less accurate, so that the Badan Pemeriksa Keuangan (the independent institutions of audit) wondered the real potential tax revenue (Anwar Nasution, 2009).

The criteria or quality information according to McLeod (2007:43) are information which is accurate, timely, relevant and complete. Quality information is the criteria of accounting information that is beneficial when making decision. Therefore, if the characteristics or criteria of quality accounting information are not fulfilled, the accounting information will be useless (Kieso et al., 2007: 41). No quality accounting information without quality accounting information system (Sacer et al., 2006:62).

Accountability and transparency of financial statements of public sector in Indonesia has not made a lot of progress yet because the state treasury system is not integrated (Anwar Nasution, 2009) and the improvement of national accounting information systems is still slow (Anwar Nasution, 2007). These conditions have certainly required improvement on the information systems at each institution within the government (Herry Purnomo, 2010).

Accounting information system is a tool used by management in organizations to give added value that results a competitive advantage (Stair and Reynolds, 2006:6), and is as a short-term management control tool that yields internal information (the final price, cost and cash flow), as well as dynamic and competitive external information (Mitchell et al., 2000). Accounting information system refers to an important system of reporting that provides quality accounting information for managers at every level of organization that is used in making useful decisions (Shipper and Vincent, 2003:98).

Quality accounting information system is an integration between hardware, software, brain-ware, telecommunication networks, databases, and procedures (Sacer et al., 2006:62; O'Brien, 2005:10) that works together in harmony to process the transaction data which is related to financial issues and further becomes financial information (Azhar Susanto, 2008:72). Integrated accounting information system plays a critical role in supporting the company to operate and achieve strategic competitive advantage (Huber, 1990). Integration is the key to successful implementation of information systems, integrated information systems will produce accurate, timely, and consistent information for the management (Rodin-Brown, 2008). In each component, respectively must integrate harmoniously too (Azhar Susanto, 2008:72-75) to achieve goals related to financial into financial information.

The use of information technology not only improves the quality and speed of information but also creates an accounting information system that is able to enhance the integration of information and operations among parties involved (Azhar Susanto, 2010:1). But there are some problems of componential information technology in the information system. The DGT faces, one of which is the online system between the DGT, Bank and Directorate general of Treasury applied to the MPN (Module Revenue) that has not been able to handle the information flow during the rush and busy times, as

commonly found near the deadline of tax payment. In addition to that, Agus Martowadojo (2010) also suspects that the hardware used by the DGT to have poor quality to comply with the users' needs.

Other problems worth mentioning are the fact of the data which is not already integrated, the occurrence of data migration failure, inefficiency in data processing, and data redundancy (Robert Pakpahan, 2009). In most organizations, databases tend to be not integrated and this is a problem in traditional database systems, in which every part of the organizations develops its own data system and files (Laudon and Laudon, 2007:262). The problems are also of data connection from STO to the Central Office which is oftentimes disconnected, and of the e-registration that is triggered by network transition from the provider. Due to the conditions previously mentioned, STO has to record the data manually, resulting in accumulation of taxpayers' data that cannot be recorded in the database of the central office of DGT (Taufik, 2010).

Quality of accounting information system depends on the input quality, process data quality, and output quality (Sacer et al., 2006:62). Input of Accounting Information Systems is the data that relate to monetary units and appropriately documented (Hubley, 2010). Data quality is a must since it is as conviction and fundamental in information systems (Hubley, 2010). If data are not qualified and contain a lot of errors and inconsistencies, the quality of the information declines (Thuma, 2010). Data is the heart of accounting information systems, the "term garbage in, garbage out" applies (Thuma, 2009). What is meant by "garbage" here is that the data is misleading, unfair, irrelevant and wrong that when inputted into the accounting information system it will generate output which is also misleading, unfair, irrelevant, and wrong (Scott, 2001: 190). Then the information becomes meaningless if the data entered into the information system is not qualified (Hubley, 2010).

Many of the accounting information systems have problems with data quality. Regard to public sector organizations in Indonesia, especially involving the data quality problems which occur in the DGT. Robert Pakpahan (2010) mentions that the data of tax return submitted manually by taxpayers often causes problems in the process of recording data, that is, error in data input which then makes the data invalid. This statement is supported by Scott (2001:190) that more than 90% error in the data processing occurs when inputting data. This is due, to a certain extent, to the process of inputting the data manually. This raises the clerical error that occurs because of misreading, or loss of transaction data. Therefore still according to Scott (2001:190), it is necessary to have control over inputting data through observation of the incoming data preparation and correction of data errors that occurred. Besides that, the quality of data is less accurate because self-assessment system gives taxpayers freedom to report their tax. If a taxpayer is not obedient, consequently the data reported in SPT becomes inaccurate as the input (Robert Pakpahan, 2010). All of these, among other things, cause inaccurate taxpayer's data in DGT.

Therefore, DGT have to have it cross-check with third parties such as the Central Bureau of Statistics (BPS) or any other party (Robert Pakpahan, 2010).

Obviously, the conditions need serious attention from the top management within organization. Management commitment is needed by the organization to get and determine the quality of data needed in the process of generating information (Kimball et al., 2008:298), because data quality is an asset that is truly unique and crucial in the company (Hubley: 2001). In addition, management commitment is necessary in determining the scope of clear data quality, because not all data need to be connected to Accounting Information Systems (Vodapaali: 2009). Without commitment from the management, no quality data can be generated successfully (Hubley: 2001).

According to Tee et al. (2007), commitment can be demonstrated by participation from the managers, because managers who participate in the organization could be seen as an indication of a commitment of achieving and maintaining high data quality. Management commitment is very necessary in the implementation of information systems. It is based on the statement from Cooper (2006) that management commitment is important in the implementation of information system so that management, other resources and accounting information system of implementation process can receive good feedback and achieve the expected goals of the organization.

Vodapaali (2009) explains that the most crucial key factor in the development of information systems is the support and on-going commitment from the top management, because system information is not a one-stop shopping activity. Management commitment is an important supporting factor in the process of sustainable development (Siakas and Georgiadou, 2002).

With regard to what has previously described, this study is intended to provide empirical evidence of the influence of increasing the quality of accounting information through accounting information systems quality, and the influence of data quality accounting information systems, as well as the effect of management commitment to improving the quality of data and systems accounting information.

2. OBJECTIVES

1. To investigate the moderating effect of accounting information system to data quality
2. To investigate the moderating effect of management commitment and data quality to accounting information systems partially and simultaneously

3. To investigate the moderating effect of management commitment, data quality and accounting information system to accounting information quality

3. MANAGEMENT COMMITMENT

Management commitment is defined as engaging in and maintaining behaviors that help others achieve a goal (Cooper, 2006:1). According to Siakas dan Georgiadou (2002) management commitment are the driving factors for motivating employees to strive for continuous process of improvement. The important point in top management commitment (Sheard, 2002) are single most important factor to make or break process improvement, determine decision to improve processes, to show willingness of organization to change, and persistence of change, to encourage the senior managers to be supportive for the change to happen.

4. DATA QUALITY

Data quality is a multidimensional concept as data itself is multidimensional (Klein dan Rossin, 1999:25) that involves data management, modeling and analysis, quality control and assurance, storage and presentation (Chapman, 2005:5). From a technical standpoint, data quality results from the process of going through the data and scrubbing it, standardizing it and de-duplicating records, as well as doing some of the data enrichment and that sort of postal validation (Hubley, 2001). Data quality measurement includes accuracy (Olson, 2003:24; Wang and Strong, 1997:104), validity (Wang and Strong, 1997:104), management expressing (Wang et al., 1995:624), and simple (Adelman, 2009:2).

5. ACCOUNTING INFORMATION SYSTEM

An accounting information system is a system that collects, records, stores and processes data to produce information for decision makers (Romney and Steinbart, 2012:6). According to Azhar Susanto (2008:72) Accounting Information system is defined as sub system/component integration both physical and nonphysical that interconnected and organization in harmony to process the financial transaction data into financial information. Basically the accounting information system is an integration of the various transaction processing systems in different organizational function at the operational level (Azhar Susanto, 2008; 63). All transaction processing system has a transaction processing cycles (Azhar Susanto, 2008; 71). Accounting information system has components consisting of hardware, software, brain-ware, procedure, database, telecom-networks (Azhar Susanto, 2008; Romney, 2012).

6. INFORMATION QUALITY

Information quality is measured by four dimensions i.e. relevance, accuracy, timeliness and completeness (McLeod, 2007:35). Relevant information is information that can make difference in decision made by capital providers (FASB, 2008:35), and is in accordance with the user's purpose (Obaidat et al., 2007:27). Accurate information is information that has sufficient level of precision and is close to reality (Eppler, 2003: 68). Timely accounting information regards the availability of information when needed (FASB, 2008:40) Complete accounting information is information that includes all the required information presented appropriately (Moehrle and Moehrle, 2008:8), i.e. no significant removal or unrevealed information that can be misleading (Moehrle and Moehrle, 2008:8).

7. THEORETICAL FRAMEWORK

Adelman (2009) mentions that the data quality maintenance is an important responsibility of senior management, and that data quality importance must be understood and expressed through communication within the organization by senior management. Data quality in information systems must be considered. If data input do not meet certain quality level, it is unrealistic to expect that information systems can produce quality information. The key success factor of the system contained in the function and success of information systems is the data quality (Bozidar Kralj, 2010). The results of many research show that information system projects improve with rich quality of data (Vasile and Mirela, 2008; Xu, 2000). Good data quality is the foundation or basis of the information system.

The data quality is a unique asset, top management must demonstrate a commitment to the implementation of data management system and identifying the purpose achievements in the organization, without management commitment no data quality generated successfully (Hubley, 2001). Vodapalli (2009), Sharma and Yetton (2003), Koronios et al. (2008) and Sabherwal et al. (2006) show the results of empirical research that the critical factor of the implementation of information system successfully is management commitment. Top management commitment is the most important criteria for the assessment of the successful implementation of information system projects due to information system development project not one stop shopping activity. This is due to the presence of management support will overcome the deficiencies in the implementation of the project (Kimbal et al., 2008). On this basis this study proposes first hypothesis:

H 1: *management commitment and the data quality affect the accounting information system implementation partially and simultaneously.*

Management commitment to data quality and the presence of high data quality, strongly effect to data quality in achieving organizational goals, and managers who participated in the organization have

commitment to the achievement and maintenance of high quality data (Tee et al., 2007). Xu (2009) concludes that management commitment affect to data quality in accounting information systems implementation.

I decided to include the theories as the basis as the model in the form of hypotheses 2:

H 2: *management commitment affects data quality*

Accounting information system enhances the truth of financial statements (Salehi et al., 2010), so it is concluded that there is a relationship between accounting information system to report on the basis of information quality characteristics (Sacer et al., 2006). Accounting information is considered as a basis to support the satisfaction of request for information during the decision making process by the user (Ponte and Pilar, 2000). System fit was a significant factor that explained variations in perceived accounting information system effectiveness, as measured by decision makers' perceived satisfaction with the accuracy and monitoring effectiveness of output information (Nicolau, 2000). In this context, hypotheses 3 in put forward:

H 3: *accounting information system affects the quality of information.*

The objectives of this study and the description above are to examine the influence of management commitment and data quality on accounting information system with its implication to information quality. The theoretical framework was developed in (figure 1).

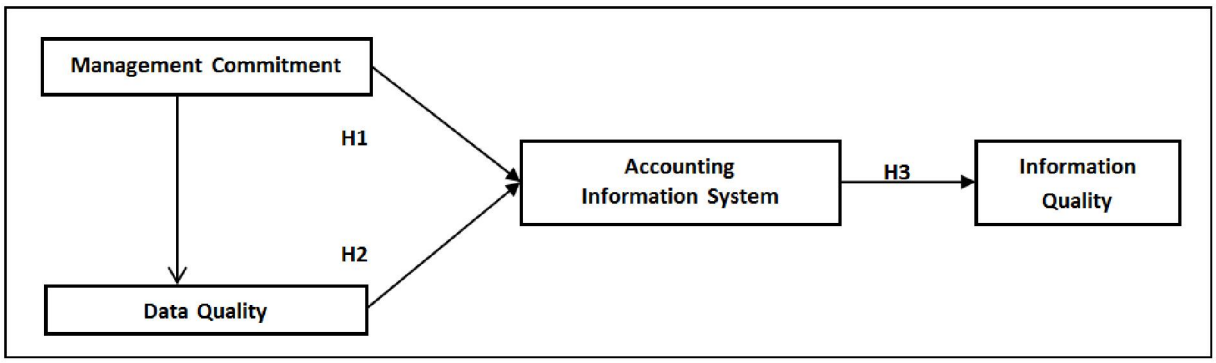


Figure 1: Theoretical framework of the study

8. WORKPLACE DISSONANCE

8.1 Sample and data collection method

The units of analysis of this study are small taxpayer offices in Bandung and Jakarta, and the number of offices samples as many as 31 offices were the focus of this study. The data used is the primary data obtained through questionnaires that were answered by face to face interview with the Head Section of Data Processing and Information in some offices. The questionnaires are based on indicators using a Likert's summated rating. The questionnaires used closed questions format with multiple choices that have been provided for variable that have clear indicators measurement. The answers were treated as data and processed by statistical measurement. The sincerity of the respondents' answers are crucial; therefore, the data were tested through a test of validity and reliability. Then, in order to analyze the data statistically, the ordinal data must be transformed into interval data using the successive interval method.

8.2 Instrumentation

The following table indicates the measures of the study variables used in the study.

Table 1. The Operational Variable

Study Variable	Sources	Dimensions	Indicators
Management Commitment (X1)	Dominic Cooper (2006) Siakas and Georgiadou (2002), DQ Protocol (2006)	- Formulation policies	- formulation - definition - communication to organization
		- Ensuring objectivity	- Ensuring objectivity at all level - Ensure objectivity at all function
		- Ensuring the availability of resources	- Approving funding - Resources for development - Resources for training
		- Oversee the implementation	- Controlling at all levels organization, - appointing a management representative to coordinate the activities, - conducting management review
		- Evaluating policies	- Developing plans for corrective actions - Ensuring that some corrective actions were closed, - discussed line management ongoing support, - reviewing progress with management
Data Quality (X2)	Klein (1999) Chapman (2005) Strong et al., (1997) Redman (2001) Hubley (2001)	- valid,	- existence - recording by type - integrity
		- legal	- ensuring correct procedures - consistency
		- Expressing management policies	- expectation of management - satisfaction
		- simple	- not posing much of perception - no redundancy

Accounting Information System (Y)	Romney and Steinbart (2012:6) Azhar Susanto (2008) Laudon dan Laudon (2008) Bodnar dan Hopwood (2004:3)	Transaction processing systems	- collecting, distributing, inputting - Data processing - Data storage - report
		Transaction processing cycles	- Revenue cycle - Expenditure cycle - Production cycle - Finance cycle
		components	- Hardware - Software - Brainware - Procedures - Database - Telecommunication network
Information Quality (Z)	Schiper (2003) Huang et al. (1999) Kahn et al (2002)	- accuracy	- according the facts - one information type - samples test - testcross
		- relevant	- as needed - means for user - appropriate level of details - no duplication
		- timelines	- entering data time - presentation report time - frequency of report
		- completeness	- completing needs - accordance with provisions - additional frequency

7.3 Data Analysis

Descriptive analysis is used to describe the respondents' answers with the formulation: $Skor\ Total = \sum_{i=1}^{5} f_i\ xX_i$

f_i = respondent frequency who chose a category to i,
X_i=weights response categories to i (X_i=1,2,3,4,5).

The transformed into a percentage score of the answers with formulation: $SkorTotal(\%) = \frac{SkorTotal}{(5\ xnxic)}$

The obtained categories for each variables:

Table 2

Criteria of total scores

No	Total Scores Interval	Categories
1	20 - 36	Bad
2	> 36 - 52	Low
3	> 52 - 68	Fair
4	> 68 - 84	Good
5	> 84 - 100	Excellent

Source: Sugiyono (2005)

Whereas for verify analysis using path analysis, i.e. to determine the magnitude of the influence of one variable against another variable, either directly or indirectly

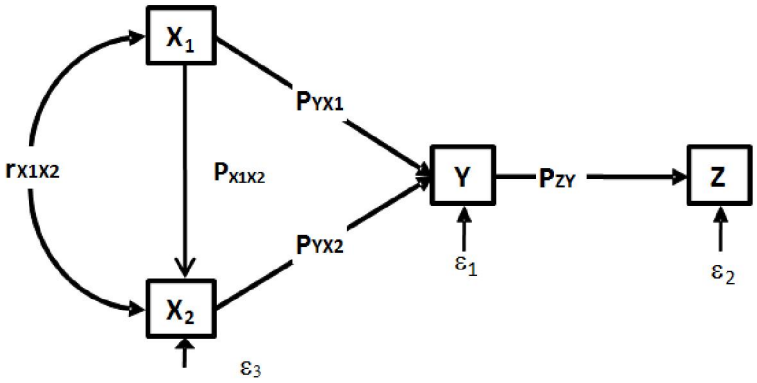


Figure 2: Research model path diagram

Testing the hypothesis:

Hypothesis 1: management commitment and the data quality affect the AIS implementation partially and simultaneously.

Tested by the schematic equation: $\mathbf{Y = P_{YX1} X_1 + P_{YX2} X_2 + \varepsilon_1}$

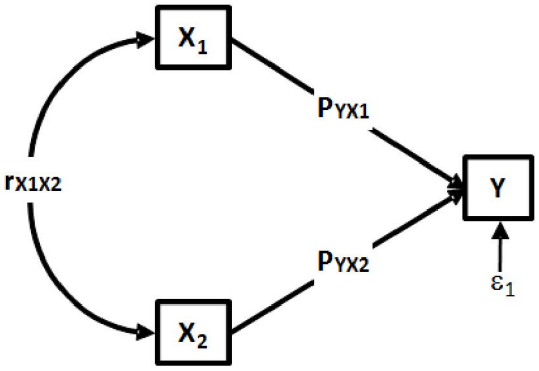


Figure 3: path diagram the effect of management commitment and data quality to AIS

The hypothesis formulation:

Sub First Hypothesis

Ho : $\rho_{Y.X1} = 0$ There's no influence of management commitment to AIS

Ha : $\rho_{Y.X1} \neq 0$ There's influence of management commitment to AIS

Sub second hypothesis

Ho : $\rho_{YX2} = 0$ There's no influence of data quality to AIS

Ha : $\rho_{YX2} \neq 0$ There's influence of data quality to AIS

The t test used testing hypothesis; reject H_o if $t_{count} > t_{table}$

Hypothesis 2: management commitment affects the data quality

The hypothesis formulation:

Ho : $\rho_{X1.X2} = 0$ There's no influence of management commitment to data quality

Ha : $\rho_{X1.X2} \neq 0$ There's influence of management commitment to data quality

Tested by the schematic equation: $\mathbf{Y = P_{YX1} X_1 + \varepsilon_1}$

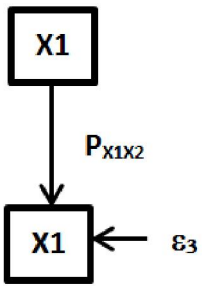


Figure 4: path diagram the effect of management commitment to data quality

Hypothesis 3: AIS affects the information quality.

Tested by the schematic equation: $\mathbf{Z = P_{ZY} Y + \varepsilon_2}$

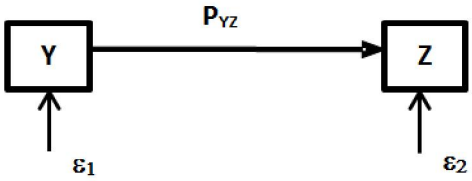


Figure 5: path diagram the effect of AIS to Information Quality

Ho : $\rho_{Y.Z} = 0$ There's no influence of AIS to Information Quality
Ha : $\rho_{Y.Z} \neq 0$ There's influence of AIS to information Quality

8. FINDING AND DISCUSSION

8.1 Validity and Reliability Analysis

The questionnaire items used has been through validity and reliability test with correlation coefficient value for validity is above 0, 3 (from 0,381 to 0,822 accordingly), and Cronbach's alpha coefficient value for reliability is above 0, 7 (from 0,840 to 0,953). There are 3 items that cannot be used as instrument for data collection; item 18, item 31, and item 66. The result of validity and reliability test for all variables in the study is shown in the table 3 below:

Table 3. The Result of Validity and Reliability Test

Variable		Item-Total Correlation	Cronbach's Alpha	Description
Management Commitment	Item 1 - 20	0.594 - 0. .822	0.949 - 0.953	Valid and Reliable
	Item 18	0.223	0.957	Invalid
Data Quality	Item 21 - 30	0.480 – 0.746	0.840 - 0.861	Valid and Reliable
Accounting Information System	Item 31	0.183	0.916	Invalid
	Item 32 - 50	0.402 - 0.667	0.906 - 0.914	Valid and Reliable
Information Quality	Item 51 - 67	0.415 - 0.687	0.859 - 0.908	Valid and Reliable
	Item 66	0.180	0.884	Invalid

8.2 Descriptive Analysis

This study uses 40 STO as samples. The samples are taken from population of 67 STO. To gain data from the samples, 40 questionnaires (the number is the same as the number of samples (Slovin formula)) are distributed, but only 31 of them are returned and processed. The rate of questionnaires returned is above 70% (=77, 5%), which according to Cooper and Schindler (2001:314) is included into good category.

Regarding profile of respondents, 100% of them are male and have worked for more than five years. They are of Diploma, Bachelor's and Master's degree holders, and aged around 31 to above 40. The Master's degree holders are the most respondents (48%), whereas the fewest (16%) are respondents with Diploma degree. There are 65% of respondents aged between 36-40, 16% of 31-35 years old, and 19% of them are above 40 years old.

1. Management Commitment Variable

Total actual score of 75% (Table 4) indicates that the commitment of management in determining the quality of data and information system implementation is moderately high at STO in Bandung and

Jakarta. Based on the data obtained, existing condition of management commitment is not ideal yet (<100%).

Table 4. Management Commitment Variable Percentage Score and Frequency Distribution of Respondents' Response to Questionnaires

Dimension	Indicators	% Actual Score	Criteria	No. Quest	Questionnaires	Score distribution of answer				
						1	2	3	4	5
Formulating policies	Formulating	79%	Moderately high	1	Top management has formulated policies on information that is expected as output	0%	0%	35%	32%	32%
				2	Top management has formulated the policies prior to implementing information system project	0%	3%	35%	32%	29%
	Defining	78%	Moderately high	3	Top management always defines the policies on the expected information	0%	0%	39%	35%	26%
				4	Top management always defines the policies prior to IS project implementation	0%	0%	35%	39%	26%
				5	Top management always sets the policies after formulating and defining it.	0%	0%	35%	42%	23%
	Communicating the policies to organization	75%	Moderately high	6	Top management always communicates the policies at each level organization	0%	13%	29%	35%	23%
				7	Top management always communicates the policies prior to IS project implementation.	0%	13%	19%	39%	29%
Ensuring objectivity	Ensuring objectivity at all level	76%	Moderately high	8	Top management has ensured objectivity of the implementation of policies at all level	0%	0%	48%	35%	16%
	Ensuring objectivity at all function	73%	Moderately high	9	Top management has ensured objectivity of the implementation of policies at all functions	0%	0%	48%	42%	10%
Ensuring the availability of resources	Funding approval	68%	Moderately high	10	Top management always approves funding for information system development and training	0%	10%	45%	39%	6%
	Resources for development	76%	Moderately high	11	Top management provides resources needed for implementing the information system optimally	0%	3%	29%	52%	16%
	Resources for training	75%	Moderately high	12	Top management provides optimally resources needed for conducting training of implementing the information system	0%	0%	42%	39%	19%
Supervising the Implementation	Controlling at all levels of organization	76%	Moderately high	13	Top management controls over the implementation of the policies	0%	0%	39%	42%	19%
	Appointing management representative as a coordinator	76%	Moderately high	14	Top management appoints representative management to coordinate the activities	0%	0%	29%	61%	10%
	Conducting management review	70%	Moderately high	15	Top management reviews progress of the policy implementation	0%	3%	42%	55%	0%
Evaluating Policies	Improving policies as betterment	73%	Moderately high	16	Top management ensures corrective actions in order to correct deficiencies of project implementation	0%	3%	39%	48%	10%
	ensuring that some corrective actions have been improved	75%	Moderately high	17	Top management discusses management support that has been done	0%	0%	39%	48%	13%

Dimension	Indicators	% Actual	Criteria	No. Quest	Questionnaires	Score distribution of answer				
	discussing the management support that have been conducted	74%	Moderately high	19	Top management approves remedial action for funding	0%	13%	42%	39%	6%
	reviewing progress with management	69%	Moderately high	20	Top management conducts management review	0%	0%	35%	52%	13%
Management Commitment Variable					**75%**	**Moderately high**				

The data show that items regarding policy formulation which are expected as output and prior to implementing the information system project, done by top management at STO in Bandung and Jakarta have not reached the ideal level yet. Top management also sometimes defines the policies on expected information. Top management has not well ensured the objectivity of implementation of project at all level and function of organization in STO in Bandung and Jakarta. Top management is considered to be sufficient, but has not done its maximum effort yet in the provision of funding approval for resource development and training. Top management has not responded well to approval of corrective action for funding. Using Likert's Scale, the tabulated data fall on scale 3.

2. Data Quality Variable

Table 5 shows that total score of data quality variable is in the range of 68 to 80, and in the amount of 78%. Data quality at STO in Bandung and Jakarta is included into moderately high category. Based on the data obtained, existing condition of data quality is not ideal yet (actual score <100%).

Table 5. Data Quality Variable and Frequency distribution of respondents' response to questionnaires

Dimensions	Indicators	% Score	Criteria	No. Quest	Questionnaires	Score distribution of answer				
						1	2	3	4	5
Validity	Data existence	88%	High	21	All inputted data really exist and are in accordance with the facts	0%	0%	6%	32%	61%
	Data record	88%	High	22	All data are tape recorded	0%	0%	10%	23%	68%
	Data integrity	83%	High	23	All data are securely inputted	0%	0%	13%	42%	45%
Legality	Correct procedure	86%	High	24	All data are inputted with correct procedures	0%	0%	6%	42%	52%
	Data consistency	79%	Moderately high	25	All data inputted into the AIS can consistently be integrated and used by several departments	0%	0%	19%	52%	29%
Expressing Management Policies	Fulfilling the management's expectation	70%	Moderately high	26	All data inputted into the SIA are in accordance with the management's expectation	0%	0%	16%	68%	16%
	Fulfilling users' satisfaction	72%	Moderately high	27	All data inputted into the AIS are in line with the needed information	0%	10%	45%	42%	3%

Dimensions	Indicators	% Score	Criteria	No. Quest	Questionnaires	Score distribution of answer				
						1	2	3	4	5
				28	All data inputted into the AIS can satisfy the information users	0%	19%	29%	26%	26%
Simplicity	No multi interpretations	72%	Moderately high	29	All data inputted into the AIS are not redundant	0%	23%	29%	26%	23%
	No redundancy	73%	Moderately high	30	All data inputted into the system create different perceptions on each information user	0%	0%	42%	35%	23%
Overall data quality Variable					**78%**	**Moderately high**				

Most respondents choose scale 3 for four last indicators. It means that data sometimes can be in line with the needed information and satisfy the users, and all data inputted into the AIS are sometimes redundant and create different perception on each information user. These results indicate that the phenomenon of data quality at DGT is proven.

3. Accounting Information System

The implementation of Accounting Information Systems at STO in Bandung and Jakarta is moderately high. Scores obtained by questionnaire results show percentage of 73%. This result indicates that the implementation of Accounting Information System at STO in Bandung and Jakarta have not been ideal yet (actual score <100%). Implementation of the transaction cycle revenue (tax payment Taxpayer) on information systems at STO in Bandung and Jakarta has not been running effectively and efficiently enough. AIS has been producing the same information which is accessible everywhere is answered by respondent with scale 3.

The results of data collection through questionnaires show that the phenomenon of accounting information systems occurs in STO. This is indicated by some questionnaire items which are answered with scale 3, i.e. hardware used in accordance with needs is moderate, AIS database administrators sometimes work in accordance with their function of ensuring the database that is used in accordance with the requirements, the procedures sometimes set forth in order to run the standard operating of AIS, there are some data redundant in order to produce only one kind of information to be accessed by the user, and there are some standardization data in database system components. Most of the respondents choose scale 2 (low category) for using network technology in STO. This indicates that communication network technology often out of order in DGT.

Table 6. Accounting Information System Variable and Frequency Distribution of Respondents' Response to Questionnaires

Dimension	Indicators	% Actual Score	Criteria	No. Quest	Questionnaires	Score distribution of answer				
						1	2	3	4	5
Transaction Processing Systems	Collecting, distributing, inputting	77%	Moderately high	32	AIS in the organization has produced information that can be easily accessed anywhere	0%	0%	45%	32%	23%
				34	Activity of transaction processing system has included collecting, delivering and entering data	0%	0%	29%	58%	13%
	Data processing	76%	Moderately high	33	Information system consists of transaction processing system which is in accordance with organizational goals	0%	6%	29%	48%	16%
				36	Procedures of taxpayer registration through the information system runs effectively and efficiently	0%	3%	32%	55%	10%
	Data storage, Reporting	75%	Moderately high	35	Activity of transaction processing system has included storing and reporting data	0%	3%	32%	58%	6%
Transaction Processing Cycles	Revenue cycle	73%	Moderately high	37	Implementation of tax report (periodical and annual SPT) by taxpayers which is done through the information system runs effectively and efficiently	0%	3%	39%	48%	10%
				38	Implementation of the transaction cycle revenue (tax payment Taxpayer) through the information system runs effectively and efficiently	0%	13%	42%	35%	10%
	Expenditure Cycle	74%	Moderately high	39	AIS has been producing the same information which is accessible everywhere	0%	26%	45%	23%	6%
	Finance Cycle	68%	Moderately high	40	Implementation of the cycle of financial transactions on information systems runs effectively and efficiently	0%	3%	23%	61%	13%
Components	Software	77%	Moderately high	41	Software used has been integrated, at the same time decision makers can access information anywhere within the capacity or position	0%	6%	10%	48%	35%
	Hardware	62%		42	Hardware used in accordance with needs	0%	13%	42%	39%	6%
	Brainware	75%	Moderately high	43	Information system is a system built by a developer who has the qualifications, and built by involving users	0%	6%	39%	48%	6%
				44	Information System Manager has competency and understands the organizations for information systems needs	0%	0%	23%	58%	19%
				45	AIS database administrators working in accordance with his function of ensuring the database that used in accordance with the requirements	0%	6%	45%	42%	6%
	Procedure	69%	Moderately high	46	The procedures set forth in order to run the AIS Standard Operating	0%	13%	42%	39%	6%
	Communication Network Technology	79%	Moderately high	47	Information systems in use today have been using the communication network technology that can integrate any terminal environment DJP	6%	35%	26%	29%	3%
	Database	70%	Moderately high	48	There is a consistency of data in the AIS database system components so that no change in user interpretation	0%	13%	26%	52%	10%

Dimension	Indicators	% Actual	Criteria	No. Quest	Questionnaires	Score distribution of answer				
				49	There is no data redundancy in order to produce only one kind of information to be accessed by the user	0%	13%	42%	39%	6%
				50	There is a standardization data in database system components so that can be used together in the same file and can be accessed simultaneously	0%	13%	32%	29%	26%
				51	On information systems for data security is assured in the component database systems	0%	10%	6%	58%	26%
Accounting Information System Variable					**73%**	**Moderately high**				

4. Accounting Information Quality

The results of the questionnaire show that the quality of information at STO in Bandung and Jakarta is in the category of moderately high (71%). The quality of information generated by accounting information systems at the STO has not achieved optimum results yet (the actual score of <100%).

Table 7. Accounting Information Quality Variable and Frequency Distribution of Respondents' Response to Questionnaires

Dimension	Indicators	% Actual Score	Criteria	No. Quest	Questionnaires	Score distribution of answer				
						1	2	3	4	5
Accuracy	In line with the facts	71%	Moderately high	52	All information yielded by the information system is in accordance with the real facts	0%	0%	48%	45%	6%
	One information type	72%	Moderately high	53	Only one type of information produced by the AIS, so that information used at all levels or functions of the organization is similar and has the same content	0%	6%	32%	45%	16%
	samples test	64%	Moderate	54	organization at any time can test data inputted into the information system to ensure accuracy	10%	3%	55%	23%	10%
	Cross check	65%	Moderate	55	Test of data similarity can be conducted at any time by various levels of management to ensure accuracy	0%	19%	42%	32%	6%
Relevance	In accordance with the needs	68%	Moderately high	56	All information has been generated in accordance with the needs	0%	0%	48%	45%	6%
	Useful for users	80%	High	57	All generated information can be easily understood	0%	6%	48%	45%	0%
	Appropriate level of details	76%	Moderately high	58	The detail level of information generated by the information system is in line with levels of the management	0%	0%	16%	68%	16%
	no duplication of data	75%	Moderately high	59	There are never any duplications of information resulted by the information system	0%	6%	19%	61%	13%
Timeliness	entering data time	62%	Moderate	60	Information is always available when required, never wait until a few hours to get it	0%	23%	45%	32%	0%
	presentation report time	70%	Moderately high	61	New data are always directly inputted into the information system	0%	10%	42%	39%	10%
	frequency of report	89%	High	62	The level of information demand is high	0%	0%	3%	48%	48%

Dimension	Indicators	% Actual	Criteria	No. Quest	Questionnaires	Score distribution of answer				
Completeness	completed needs	69%	Moderately high	63	All the necessary information has been presented completely in accordance with the provisions and requirements	0%	3%	52%	45%	0%
	In accordance with provisions	60%	Moderate	65	By using the information, any decision taken is always correspond to the problems faced	0%	0%	42%	55%	3%
Accounting Information Quality Variable					**71%**	**Moderately high**				

The information system in Bandung and Jakarta still has shortcomings in terms of yielding information which is in line with the real facts, and conducting tests to ensure accuracy. The relevance of information generated information system has still not reached the ideal level, most respondents choose scale 3, i.e. not all information has been generated in accordance with the needs, and not all of the generated information can be easily understood. Majority of the respondents answered the information sometimes available at any time required, and not all new data always directly inputted into the information system at STO in Bandung and Jakarta. Frequency of information request is high. Not all of necessary information has been presented with a complete accordance with the provisions and requirements. This is indicated by most of the respondent answer score of 3.

8.3 Verification Analysis and Discussion

The correlation between management commitment and data quality is at 0.543, management commitment to accounting information system is at 0.691, and the quality of data with accounting information system is at 0.637 (moderate category). The correlation is positive, which means that the higher the management commitment is, the better the quality of data will be. Positive relationship is also a part of the implementation of accounting information system and the management commitment.

8.3.1 Management Commitment, Data Quality and Accounting Information System

According to Hypothesis 1 that management commitment and the data quality affect the AIS implementation partially and simultaneously.

1. **Influence of Management Commitment, Data Quality and Accounting Information System Simultaneously**

As we can see from table 8, it is achieved that F_{count} (18.963) > F_{table} (3.340), at α = 0.05, Ho is rejected, Ha accepted. It can be concluded that management commitment and quality of data simultaneously has significant effect on the Accounting Information System with 95% confidence level at STO in Bandung and Jakarta.
It's interpreted that the accounting information system can be enhanced if the top management commitment to data quality and accounting information systems implementation as well as having good quality data.

Table 8. ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2562.896	2	1281.448	18.963	.000[a]
	Residual	1892.153	28	67.577		
	Total	4455.049	30			

a. Predictors: (Constant), Data quality, management Commitment
b. Dependent Variable: accounting information system

The Phenomenon occur in accounting information systems, such as hardware and telecommunications technologies have not been in accordance with user needs, it requires attention for improvement. There is also a problem on the database, which raised the problem of integrated data, failure data migration, data processing inefficiency and redundancy of data, thus allowing the information generated is not qualified. These are consistent with findings, that the accounting information system into the category of fairly (73%), which means that the quality has not been ideal. Furthermore, based on theory and research can be concluded that the problems occur in accounting information systems can be upgraded, through improvements in data quality and management commitment.

Management commitment and quality of data simultaneously contribute 57.5% of the accounting information system at STO in Bandung and Jakarta is in the category of moderate.

The influence level explained based on the description of the data respondents' analysis. The actual score of management commitment is quite well (75%) and data quality is well (78%), and accounting information system is quite well (73%). Not ideal results of management commitment and data quality can affect the implementation of accounting information systems to be less than ideal.

The remaining 42.5% are influenced by other factors that are not observed in this study, such as the organizational focus and user focus.

Table 9. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.758[a]	.575	.545	8.22052

a. Predictors: (Constant), Data quality, management Commitment

2. Influence of Management Commitment, Data Quality and Accounting Information System Partially

As the result, it is shown from table 10 that t_{count} (3.340) > t_{table} (2,048), at $\alpha = 0.05$, Ho is rejected, Ha is accepted. It can be concluded that management commitment has partially significant effect on

Accounting Information Systems with 95% of confidence level at STO in Bandung and Jakarta. This result is in line with Vodapalli (2009), Sharma & Yetton (2003), Sabherwal et al., (2006), Eppler & Wittig (2000) in Kerr (2004).

Table 10. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15.546	6.901		2.253	.032
	management Commitment	.457	.137	.490	3.340	.002
	Data quality	.740	.292	.371	2.532	.017

a. Dependent Variable: accounting information system

T_{count} (2.532) > t_{table} (2,048), at α = 0.05, Ho is rejected, Ha is accepted. It can be concluded that data quality has partially significant effect on Accounting Information System with 95% of confidence level at STO in Bandung and Jakarta. This result is in line with Xu (2000) and Vasile & Mirela (2008).

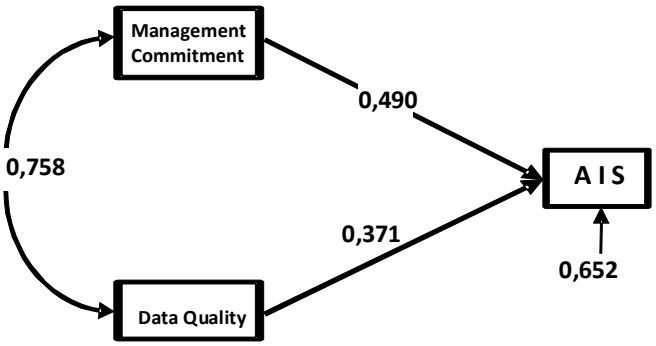


Figure 3: path diagram the effect of management commitment and data quality to AIS

Management commitment partially contributes 33.9% of the accounting information system at STO in Bandung and Jakarta, is in the category of moderate. The data quality partially contributes 23.7% of the accounting information system at STO in Bandung and Jakarta, is in the category of low. Contribution of management commitment to accounting information system greater than data quality, because the accounting information system is quite well (73%) influenced more by management commitment is quite well too (75%) than contribution the data quality (well category, 78%).

8.3.2 Management Commitment and Data Quality

As it is written above in Hypothesis 2 that management commitment affects the data quality. The result of calculation (table. 11) that t_{count} (3.481) > t_{table} (2,045), at α = 0.05, Ho is rejected, Ha is accepted. It can be concluded that management commitment has significant effect on data quality with 95% confidence level at STO in Bandung and Jakarta. This confirms the research by Tee et al., (2007), Xu (2009), and Xu (2003), with similar results.

Management commitment is needed in an organization, in getting and determining the data quality, which are required in the process of generating information (Kimbal et al., 2008:298). The phenomenon of data is invalid and data less accurate on the DGT and similarly the results that some indicators of poor data quality, can be enhanced if the organization improving management commitment on data quality. The data quality of the Information System implementation must be considered. If the data does not meet certain quality level, it is unrealistic to expect that the information system can generate quality information (Bozidar Kralj, 2008).

Table 11. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.251	3.497		4.075	.000
	management Commitment	.254	.073	.543	3.481	.002

a. Dependent Variable: Data quality

Management commitment contributes 29.5% to data quality at STO in Bandung and Jakarta. Low contribution management commitment to data quality, because the results show the management commitment is quite well (75%), while the data quality is well (78%) but not ideal as expected. The data quality has been well certainly more shared contribution by other factors beyond management commitment. The remaining 70.5% influenced by other factors that are not observed in this study.

Table 12. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.543[a]	.295	.270	5.22435

a. Predictors: (Constant), management Commitment

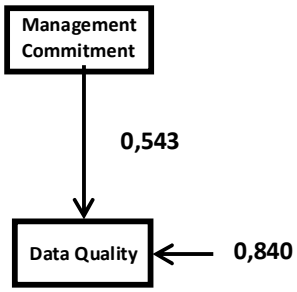


Figure 4: path diagram the effect of management commitment to data quality

8.3.3 Accounting Information System and Information Quality

As we can see on the Hypothesis 3 that AIS affects the information quality. And the result is t_{count} (3.979) > t_{table} (3,979), at α = 0.05, Ho is rejected, Ha is accepted. It is concluded then that accounting information system has significant effect on information quality with 95% confidence level at STO in Bandung and Jakarta. The result is in line with Salehi et al., (2010), Ponte & Pilar (2000), Nicolaou (2000), Delone et al., (1992), William et al (2005:6). Concerning phenomenon less accurate tax revenue information, lack of transparency tax information, the deviation of reporting in DGT and as well as research results shows some indicators of information quality has not been well, can improved if the accounting information systems is qualified. Improving it need to focus on the components of information system integration. Integration is the key to successful implementation of information systems (Rodin-Brown, 2008).

Table 13. Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	13.418	5.416		2.478	.019
	accounting information system	.377	.095	.594	3.979	.000

a. Dependent Variable: information quality

Table 14. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.594[a]	.353	.331	6.32866

a. Predictors: (Constant), accounting information system

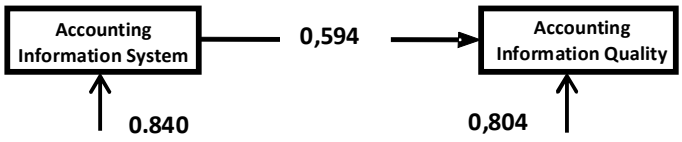


Figure 5: path diagram the effect of Accounting Information System to Accounting Information Quality

Accounting information system contributes 35,3% to information quality at STO in Bandung and Jakarta. Fairly contribution accounting information system to information quality, because the results show the accounting information system is quite well (73%), and the information quality is quite well too (71%) not ideal as expected. The data quality has been well certainly more shared contribution by other

factors beyond accounting information system. The remaining 64, 7 % are influenced by other factors that are not observed in this study.

The result of research model path diagram to determine the magnitude of the influence of one variable against another variable, either directly or indirectly shows below.

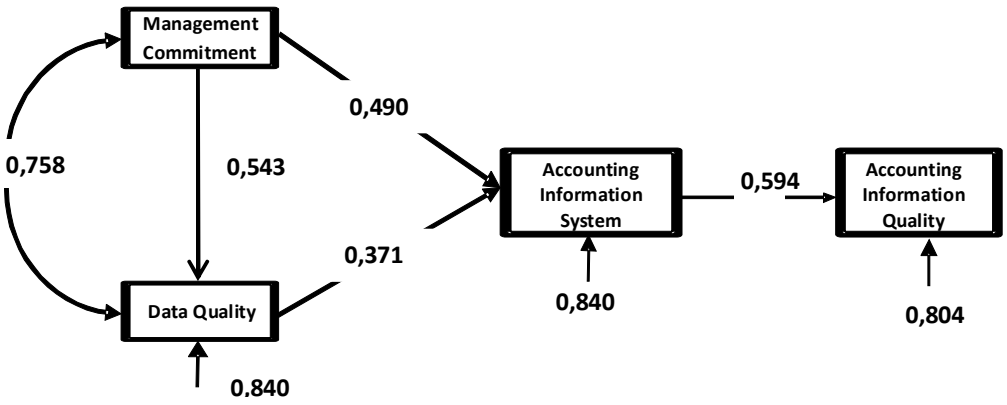


Figure 6: The Result of Research model path diagram

9. CONCLUSION AND FUTURE RECOMMENDATION

Management commitment and quality of data affect the accounting information system partially and simultaneously. Management commitment affects the data quality, and accounting information systems affect the quality of information. Scale of influences between variables caused by lack of management commitment is less than optimal determination of the inputted data quality and implementation of accounting information systems. Similarly, data quality factors have not reached the ideal level. Management commitment is a small contribution because of non-optimum management support in determining the quality data in the information systems. Accounting information system which has less contribution to the quality of accounting information seemed to be caused by the application of accounting information system that has not been good. Other factors beyond the studied variables affect the amount of influence too.

Management commitment should be further enhanced, especially for dimensions of ensuring the availability of resources, and ensuring objectivity that the quality of the data set used as input for the information systems to generate quality accounting information. There are needs to increase the dimensions of expressing management policies and simplicity on the quality of data, so that there will be no term of garbage in garbage out. Finally, accounting information system should be improved especially for dimensions of transaction cycle system and components in accounting information system to achieve ideal.

A small number of samples in this study doesn't affect to the testing on hypothesis. By the small number of samples might also be the cause of independent variables contributes small percentage to dependent variables. So that in my opinion, for the next study with the same topic should have more samples so that the result will be more significant. Other suggestion I might say that this study could also be done in private sector.

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THE INFLUENCE OF THE ACCOUNTING MANAGERS' KNOWLEDGE AND THE TOP MANAGEMENTS' SUPPORT ON THE ACCOUNTING INFORMATION SYSTEM AND ITS IMPACT ON THE QUALITY OF ACCOUNTING INFORMATION: A CASE OF ZAKAT INSTITUTIONS IN BANDUNG

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ABSTRACT

The purpose of this study is to determine the effect of accounting information system to the quality of accounting information by seeing the knowledge of accounting manager and support of top management. The unit of the analysis of this study consisted of 31 management institutions of zakat in Bandung. The results showed that knowledge of accounting managers and top management support significantly influence to accounting information systems. Besides that the quality of accounting information systems has an impact on the quality of accounting information as well.

Keywords: *Knowledge of accounting manager; top management support; accounting information systems; quality of accounting information; management institutions of zakat.*

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1. INTRODUCTION

Information is a strategic organizational resource (Gafarov, 2009:1; Siagian, 2009:1; Mitchell et al., 2000), which can be aligned with labor, raw materials, machinery and money, and described as the blood running through the human body (Laudon and Laudon, 2007: 7). Further, Laudon (2007) states that if the information in the organization has good quality, the organization will run well. Otherwise low quality information is a threat to the survival of the organization. Therefore information quality is crucial for the sustainability of an organization (Noor Azizi Ismail, 2009:1; Laudon and Laudon, 2007).

Qualified accounting information according to Al Hakim (2007) is the information that meets the accurate, appropriate, coherence, complete, consistent, containing no-error, easily understood, objective, precise in time, relevant, secure. In line with Al Hakim, Xu, et al (2003: 461) and McLeod & Schell (2007:35) state that the quality of accounting information is accurate, complete, consistent and precise in time.

Qualified accounting information is a source of information for managers in decision making (McMahon, 2001). Furthermore, it is stated that the relevant accounting information is required by investors, creditors and other users of financial statements in decision-making. Kieso (2007: 71) states that inaccurate accounting information will result in company's revenue loss. It is concluded that unqualified information cannot be used as a basis for decision making and as a tool of control, (Marriott and Marriott, 2000). Huang at al. (1999) and Kieso et al. (2007: 3) state that it will give an adverse effect on decision making as well as loss for the company.

Quality of information is generated by the quality of accounting information systems (Laudon and Laudon, 2005: 7) and the quality of accounting information is used by users to plan, control and operate the business (Salehi et al., 2010:187). In all its activities the company requires a reliable information system (Keiso, 2007: 7). With the implementation of the quality of accounting information system will produce the quality of accounting information which is also used by the user in making decisions (Laudon and Laudon, 2007:14)

The phenomenon of the quality of information occurring in management institutions of zakat have been well-established especially in the tradition of accountability (Chaidar and Irfan, 2011). Most of the management institutions of zakat have not performed zakat in a professional, transparent and accountable (Yusuf Wibisono, 2010). Difficulties are still found in accessing report from some of management institutions of zakat (Noor Aflah, 2009). Most of management institutions of zakat have not been effective in collecting and distributing zakat, Indonesia (Indonesia Zakat & Development Report, 2010). There are some management institutions of zakat whose funds parked in a long time reaching the amount of billions of rupiahs. This signifies that the institution is not working properly (Didin Hafidzuddin, 2008). Furthermore, it is stated that zakat funds accumulated for more than a year or two will result in people's distrust towards the management institutions itself. Hasani Ahmad Said, (2010) states that success of zakat depends on its utilization. It is considered as having effective utilization when it has consistency towards the objectives and distributed to those who deserve it as well as utilized appropriately.

"Amilin" position (zakat manager) are formalized in the form of Lembaga Amil Zakat (LAZ) and Badan Amil Zakat (BAZ) as public trust institution that are sensitive to the issue of public trust in the collection and distribution of zakat funds from the public, (Budi Setiawan Utomo , 2007). Therefore the state should be able to force the management institution of zakat funds to be responsible for the money they get from the community, (Azyumardi Azra, 2010). Ahmad Juwaini, (2011) said that management institutions of zakat have to make records that are really precise. Irfan Syauqi Beik, (2011) states that the world's zakat potential has reached the amount of six thousand trillion IDR. The potential of zakat in Indonesia reached 19.3 trillion IDR, but the amount collected in 2010 only 1.5 trillion IDR (Didin Hafidzudin, 2011). Moreover, it is stated that the potential of zakat in Indonesia is very big in amount, but that has been collected is still very small. The small amount of zakat funds collection is caused due to weak of managerial, and the sharpening program of management and accountability of the institution of zakat (Chaidar and Irfan, 2011). Ahmad Juwaini, (2011) states that the management of zakat can run optimally whenever there is synergy with all of the stakeholders (muzakki, the amilin and policy makers).

As a public trust institution, management institutions of zakat are expected to present relevant information about overall mustahiq and muzakki (Mustahik is a person or entity entitled to receive zakat, infak and alms. Muzakki is a person or entity, that is owned by a Muslim is obliged to give zakat) so that the result of collecting and distributing zakat, infak, alms can be monitored at any time. In relation to this, directorate of empowering zakat religious departement has conducted a program to build a national information system of zakat. In fact, they found some obstacles which are high cost in building information system of zakat, the difficulty of training the human resources, especially when performing zakat information system implementation, and the lack of awareness of the officials about the IT aplication, Adiwarman and Azhar (2009). The same thing was stated by Nana Minarti (2011) that based on the some facts in the field there are three major problems faced by the management institution of zakat. One of them is that most management institutions of zakat do not have or do not understand the importance of a system within the organization's performance. Management institutions of zakat are required to have a good administrative system in order to produce precise information, (Juwaini 2011).

High quality information system cannot be developed without adequate knowledge of managers, (McLeod and Schell, 2007: 16; Salehi and Abdipour, 2011: 83). Laudon and Laudon (2005:116) state that there is a significant relationship between knowledge of managers and the implementation of accounting information system. Noor Azizi (2009:5) states that managers have better understanding about the information needs for their company, and with this knowledge, they can determine the appropriate accounting information system for the company. Furthermore, it is stated that the knowledge of manager on the information system is very important because with the knowledge they have will endeavor to make the company be survive and prosper (Laudon and Laudon, 2005: 5). Knowledge of managers include knowledge of financial accounting, managerial, word processing, spreadsheet, database, accounting, e-mail, internet and computer application programs. These will enhance the effectiveness of accounting information system. More specifically it is said that knowledge of managers to more sophisticated software will contribute to the accounting information system (Noor Azizi, 2007:10).

Hussein et. al. (2005); Jarvenpaa and Ives, (1991) state that the quality of accounting information system is determined by the presence of top management support. Managements' support is critical in implementing accounting information system (Tong and Yap, 1995; Ingbaria et. Al, 1997; Lerwongsatien and Wongpinunwatana, 2003; Senyal and Abdul Rahman , 2003). Management support can be in the form of a commitment to align corporate goals and strategies, (Jarvenpaa and Ives, 1999). It is can also be in the form of participation supporting the users in building a positive attitude towards the effectiveness of information system. While, the management authority is to ensure the adequacy of resources in the implementation of accounting information system, (Guinea et al., 2005).

Based on this background, the central theme of research is explicitly formulated as follows: "The quality of accounting information is believed to be influenced by the accounting information system, while the accounting information system is influenced by the accounting managers' knowledge and top managements' support".

2. ACCOUNTING MANAGERS' KNOWLEDGE

Accounting managers' knowledge on accounting information system indicates the knowledge of word processing, spreadsheet, database, accounting, e-mail, internet and computer application programs (Noor Azizi, 2009:7). (Jarvepaa and Ives, 1991; Boynton et al, 1994;. Ang et al. 2001) state that accounting managers' knowledge include the experience and specialized knowledge on information system and information technology. Furthermore, they state that the knowledge of managers are viewed from the background, experience, their awareness of information system and information technology, their recognition on the potential of information system and the ability to plan strategies through information system. Jarvenpaa and Ives (1991) state that managers who have relevant skills and knowledge tend to be more productive, proactive and participative to information system and information technology, and they also have positive views on information system and information technology. Based on the some opinions, the dimension of this study consists of knowledge and experience (Jarvepaa and Ives, 1991; Boynton et al, 1994;. Ang et al. 2001).

3. TOP MANAGEMENTS' SUPPORT

Top management support is conceptualized as the involvement and participation of the executive or top-level management of the organization in Information Technology (IT) / Information System (IS) activities (Jarvenpaa and Ives, 1991; Igbaria et. al, 1996). Management support is the involvement of management in implementing information system and developing strategies for information system to be implemented. Sandesh Sheth, (2010) states that top management support is the factor that determines the tipping point between potential success and failure when developing and implementing business continuity of the management projects and system. Ann Mooney et al. (2008) said that the top management suppport is guidance about all the project includes the commitment of necessary resources and political support to the project. The dimension of management support includes the authority, participation, and commitment (Guinea et al., 2005; Jarvenpaa & Ives, 1999; Noor Azizi, 2009).

4. ACCOUNTING INFORMATION SYSTEM

Accounting information system is a subsystem that processes financial and non-financial transactions that directly affect the processing of financial transactions, James Hall (2008:8). In line with Hall, Wilkilson (2000) reveals that the accounting information system is not only processing the accounting data, but also process non accounting data into accounting information. Eventually, they are transformed into accounting information. Laudon and Laudon (2005:9) say that it is the basic unit of information system of interconnected components that collect, process, store and distribute information to support decision making and controlling within an organization.

Accounting information system can be defined as a collection (integration) of components of both physical and non-physical that are interconnected. It is cooperated with each other in harmony to process the transaction data associated with financial problems into financial information (Azhar Susanto, 2007: 82). Laudon and Laudon (2005: 8 & 50) say that business requires various types of information system to support decision making and work activities for various levels of organizational

functions. Most of them require a system that can integrate business processes and information from the different functional areas. It can be concluded that the accounting information system integration is necessary.

James Hall (2008:8) says that the sub-sub system of accounting information system covers financial reporting system, transaction reporting system and management reporting system. O'Brien, (2005); Romney and Steinbart, (2006); Azhar Susanto, (2007) state that the accounting information system has components consisting of hardware, software, brainware, procedures, databases, and network communication technology.

5. QUALITY OF ACCOUNTING INFORMATION

Information quality is multidimentional. This means that organization must use multiple measures to evaluate the quality of their information, (Al-Hakim, 2007). Schiper and Vincent (2003:99) explain that the quality of accounting information is a complex concept, containing the value relevance of accounting information, accounting conservatism, and earnings management. Information will be useful if it is interlocked with the decision of the targeted information. Information will be useful if it is understood and used by the user.

The dimension of the quality of information consisting of accuracy, completeness, consistency and timeliness (Xu, et al, 2003: 461). Al-Hakim (2007) states t the dimension of the quality of information based on the results of several studies such as accessibility, accuracy, amount of information, coherency, compatibility, completeness, consisteness of representation, easy of manipulation, easy of understanding, free of error, interpretability, objectivity, relevancy, reputation, security and timeliness. Qualified information is information that is relevant, current, complete and reliable, and stored in such a way that easily traced by the management if necessary (Sondang P. Siagian, 2009: 30). Mc. Leod and Schell, (2007: 43) say that qualified information is information that has the dimension of accurate, relevant, timely and complete. The dimensions of this research refers to the opinion (Xu, et al, 2003: 461; Al-Hakim (2007) ; Mc. Leod and Schell, (2007: 43) that is accurate, complete, relevant and timeline.

6. THEORETICAL FRAMEWORK

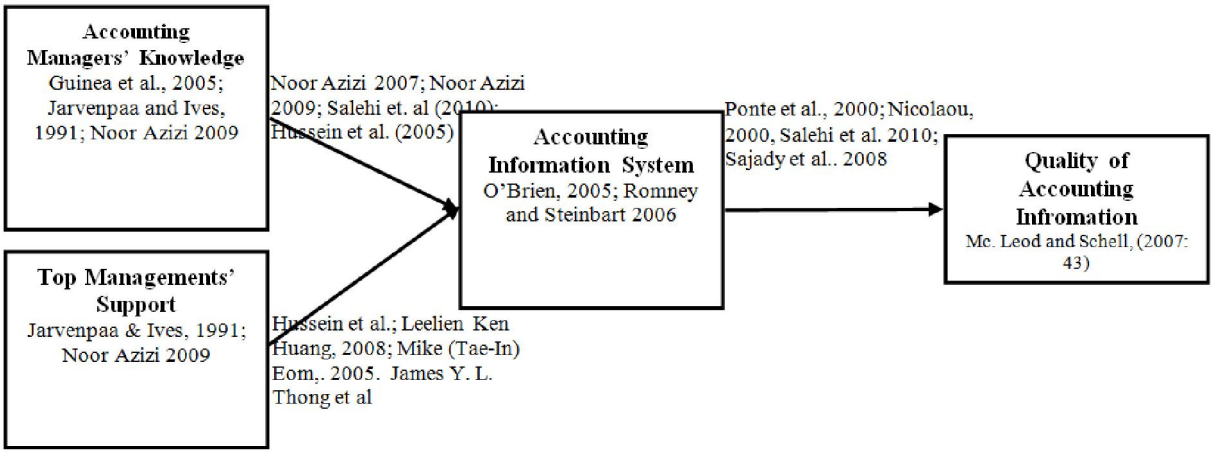


Figure 1: Theoretical framework of the study

Theoretical framework which is stated by the author is that the accounting information system is influenced by accounting manager knowledge. This supported by the results of research Noor Azizi (2007) and (2009); Salehi et al (2010); Hussein et al (2005). Following are result of their study that the knowledge of accounting manager significantly contributes to the effectiveness of accounting information system.

The accounting information system also is influenced by top management support, this supported by the result of research Hussein et al.(2005); Leelien Ken Huang,(2008); Mike Eom,. (2005). James Y. L. Thong et al.(1955), Huang, (2008) stated the top management support give influence to adoption of accounting information system . The one of obstacles in implementation of accounting information system is lack of support from managers, (Salehi et al, 2011). Participation and involvement of top management is an important factor in the development of information system. Mike Eom,. (2005). and James Y. L. Thong et al.(1995)

The quality of accounting information is influenced by the accounting information system; this is supported by the result of research Ponte and Pilar. (2000); Nicolaou (2000); Salehi et al.(2010); Sajady et al (2008). Following are result of their study, Sajady et al. (2008) stated the quality of information is affected by the implementation of accounting information system. Salehi et al. (2010) stated the accounting information system can improve the quality of information (financial statements). Nicolaou (2000) stated that the effectiveness of the accounting information system is measured by the satisfaction of the decision makers on the quality of information produced by the accounting information system. Furthermore, Ponte and Pilar, (2000) revealed that the accounting information system is a base of support in producing quality of information is used in decision-making process.

This study is aimed to determine the causal relationships between variables through hypothesis testing.

Hypothesis1: *The Accounting Information System is significantly influence by Accounting Managers' Knowledge and Top Managements' Support.*

Hypothesis 2: *The Quality of Accounting Information is significantly influence by Accounting Information System*

7. METHODOLOGY

Research methodology used in this study is survey method, with questionnaires as the tool for. Analysis units are management institutions of zakat in Bandung. The amount of management institutions of zakat used as the sample are 31 institutions. Number of questionnaires distributed to each institution is one copy. Respondents of this study are the leader of management institutions of zakat. Consisting of 94% of respondents were male and 6% were women. Education 58% were undergraduates, 16% were graduates and 26% were high school graduates. They mostly have worked 3-5 years.There are 81 close questions such as 21 questions for accounting managers' knowledge variable, 13 questions for top managements' support variable, 30 questions for accounting information system variable and 17 questions for quality of accounting information variable.

Data analysis used in this research is descriptive and verificative. A descriptive study is undertaken in order to ascertain and be able to describe the charactersitics of the variables of interest in a situation, (Sekaran and Bougie: 2010: 205). Descriptive analysis is used to describe the results of the study but not used to make broader conclusions, (Sugiyono, 2010:29). Verificative analysis is described to test a way with or without the improvements that have been implemented elsewhere with a similar problem, (Masyuri, 2009:45).

The unit of analysis is the organization i.e. institution of amil zakat (Lembaga Amil Zakat/LAZ), agency of amil zakat (Badan Amil Zakat/BAZ) located in Bandung, West Java . The unit analysis is the level of aggregation of the data collected that are analyzed in the study and refer to the focus of research (Sekaran and Bougie, 2010: 116). Horizontal time of the study was cross sectional because the study was conducted at a specific time period towards some subjects.

Table 1: Operationalization of Variables

Variable	Dimension	Indicator	Scale
Accounting Manager knowledge (Variable X_1) McLeod & Schell, 2007: 16 Laudon & Laudon (2005:116) Noor Azizi, 2009:7	Knowledge	Knowledge of Accounting Knowledge of Accounting Information System Knowledge of managerial	Ordinal
	Experience	Experience on accounting Experience on accounting information system Experience on managerial	Ordinal
Top Management Support (Variable X_2) Guinea et al. 2005; Jarvenpaa & Ives, 1999) dan Noor Azizi (2009: 12)	Authority	Definition of needs (information requirement)	Ordinal
	Participation	Choice of hardware & software Implementation of system System maintenance and problems solving	Ordinal
	Commitment	Planning of further developments	Ordinal
Accounting Infromation System (Y) Laudon dan Laudon (2005) O'Brien, 2005; Romney & Steinbart 2006 Azhar Susanto (2007)	Hardware	Availability & function of input facility Availability & function of primary processing facilities & memory Availability & function of output facility	Ordinal
	Software	Availability & function of operating system Availability & function of software	Ordinal
	Brainware	Information system manager Database Administrator Network Administrator Operator	Ordinal
	Procedure	System documentation Activity documentation Function documentation	Ordinal
	Database	Having the function of data recovery Integrated Having a data security system Characteristically multi-access Have a system of authorization data	Ordinal
	Technology of communication network	Availability of communication technology network The function of communication technology network	Ordinal
Quality of Accounting Information (Z) Mc. Leod & Schell (2007:35). Xu, et al, 2003: 461). Latif Al-Hakim (2007)	Accurate	Have the benefits of feedback Have the benefits of predictive It's understood	Ordinal
	Relevance	Presentation of honest Can be verified Netrality	Ordinal
	Timelines	Available when needed Information presented the latest	Ordinal
	Complete	Complete In accordance with the provisions and requirements	Ordinal

Operationalization of each variables, i.e. X1, X2, Y, and Z variable will be measured in the form of close questionnaires. The amount of close questionnaires was 81 questions. The variables were measured using Likert's Summated Rating.

8. FINDING AND DISCUSSION

8.1 Result of Validity Test and Reliability Test

Based on the results of validity test using correlation product moment, it is found out that all items on the statement of the four variables, including variables accounting managers' knowledge (X1), top managements' support (X2), accounting information system (X3) and quality of accounting information (X4), the validity coefficient value exceeds the critical point (0.300) and thus all the items that made the statement is considered to be valid. Similarly, the reliability test using the method of alpha cronbach on four variables provide reliability coefficient value exceeds the critical point (0.700), with a coefficient value of 0.965 for the accounting manager knowledge; 0.961 for the top management support; 0.972 for accounting information system and 0.952 for the quality of accounting information. Therefore, all those four variables are considered to be reliable.

8.2 Result of Descriptive Analysis

Descriptive analysis of variables are studied including accounting managers' knowledge, top managements' support, accounting information systems and quality of accounting information. To clarify variable is used the actual percentage score of each dimension of the ideal score, then interpreted into five categories, very good, good, good enough, not good, and worst. The variables were measured using Likert's Summated Rating. Score are given in the answer then summed (Harun Al Rasyid:1994). The following summary table is presented the percentage value and category of each variable.

Table 2: Descriptive Analysis of Dimensions and Variables

Variable	Dimension	Percentage	Category
Accounting manager knowlegde	Knowledge	62.8%	Good enough
	Experiance	62.9%	Good enough
	Average Variable	62.9%	Good enough
Top management support	Authority	65.2%	Good enough
	Participation	60.1%	Good enough
	Commitment	60.2%	Good enough
	Average Variable	61.3%	Good enough
Accounting information system	Hardware	60.3%	Good enough
	Software	57.3%	Good enough
	Brainware	53.2%	Good enough
	Prosedure	59.1%	Good enough
	Database	50.8%	Not good
	Technology of communication network	50.3%	Not good
	Average Variable	56.1%	Good enough

Quality of accounting information	Accurate	55.3%	Good enough
	Relevance	62.4%	Good enough
	Timeline	57.1%	Good enough
	Complete	58.3%	Good enough
	Average Variable	58.5%	Good enough

The value in the table are the percentage values of each dimension and the variable between the actual scores (average score) compared to the ideal score (5), so the percentage values obtained is 20% minimum and maximum percentage is 100%. Percentage values were comparing during the following criteria:

20% - 35.9% : Worst
36% - 51.9% : Not good
52% - 67.9% : Good Enough
68% - 83.9% : Good
84% - 100% : Very good

Interval of 16% in the above categories is derived from:

$$c = \frac{Max - Min}{5} = \frac{100\% - 20\%}{5} = \frac{80\%}{5} = 16\%$$

Based **on Table 2**, it can be seen that the responses of respondents in management institution of zakat in Bandung are generally stated that the accounting manager knowledge variables are considered as having category good enough with score of 62.9%. This means that knowledge of the accounting manager in management institutions of zakat has the category of enough, as well as the top management support; the value of this variable is 61.3%. Accounting information system variable also has the category of 'good enough' with value of 56.1%, but there are two dimensions having the category not good. They are the database and technology of communication network. Their percentage value is 50.8% and 50.3%. This suggests that accounting information system in management institutions zakat in general quite good. However, for the dimensions of the database and technology of communication network should get more attention because the entry in category is not good. This also means that improvement is needed for these dimensions. Whilst, the quality of accounting information variable has the category of good enough with value of 58.5%.

8.3 Result of Verificative Analysis

8.3.1. The Influence of the Accounting Manager Knowledge and The Top Management Support on Accounting Information System and Their Impact on Quality of Accounting Information

To find out the effect of the accounting managers' knowledge and top managements' support to the accounting information system and their impact on the quality of accounting information, the writer used path analysis. Data from the questionnaires are transformed from the ordinal into the interval scale by using the Method of Successive Intervals (MSI), then tested for normality of data to score the dependent variable (Y and Z), including score intervals and calculation of MSI.

Measurement level of Likert's is ordinal scale that will be used as an interval scale (Harun Al Rasyid, 1994:131). One of the Method of Successive Intervals purpose is to raise the level of measurements ordinal scale to interval scale (Harun Al Rasyid, 1994:131; J. Suprapto, 2001). Here are the normality results for the dependent variable Y and Z (Accounting Information Systems and Quality of Accounting Information).

Table 3: One-Sample Kolmogorov-Smirnov Test

		Y	Z
N		31	31
Normal Parameters [a,b]	Mean	88.412573	50.919406
	Std. Deviation	20.67891	11.64686
Most Extreme Differences	Absolute	.171	.225
	Positive	.131	.152
	Negative	-.171	-.225
Kolmogorov-Smirnov Z		.953	1.251
Asymp. Sig. (2-tailed)		.324	.088

a. Test distribution is Normal
b. Calculated from data

Based on the output, it shows that the value of significance to test the normality of the variable Y is 0.324 and 0.088 for the variable Z. These values are > 0.05, so that the data expressed in Y and Z are normally distributed.

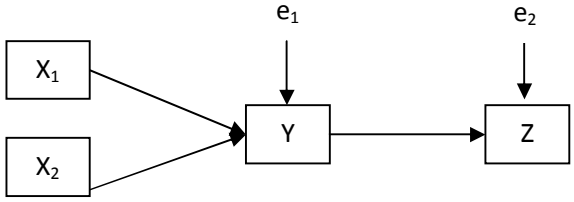


Figure 2: Research model

The model will be described in two sub-structures as follows:
Sub structure 1: $Y = P_{YX1}X_1 + P_{YX2}X_2 + e_1$

Sub structure 2: $Z = P_{ZY}Y + e_2$

Description:
X_1 : Accounting Managers' Knowledge
X_2 : Top Managements' Support
Y : Accounting Information System
Z : Quality of Accounting Information

8.3.2 The Influence of Accounting Manager Knowledge and Top Management Support on Accounting Information System

Model: Sub structure 1: $Y = P_{YX1}X_1 + P_{YX2}X_2 + e_1$

By using SPSS, it was obtained the path coefficients to find the value P_{YX1} is 0.514 and P_{YX2} is 0.351. The following is the value of R^2 which is the amount of simultaneous influence of variables X_1 and X_2 on Y.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	.794[a]	.630	.604	13.0177272

Predictors: (Constant), X_2, X_1

From the table, it was obtained R^2 value of 0.630 or 63.0%. Thus, it can be concluded that the Accounting Manager Knowledge and Top Management Support have simultaneous influence to Accounting Information System as much as 63%. And the remaining 37% or more 0.370 is the influence of other variables that are not investigated.

Thus, the equation of the first line sub structure is obtained as follows:

$Y = 0.514\ X_1 + 0.351\ X_2 + 0.630$

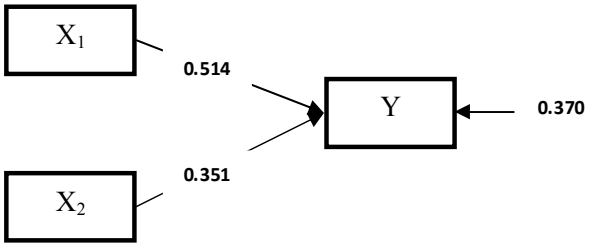


Figure 3: Sub structure 1

Table 5: Test of Simultaneous Hypothesis

F Test			
F count	F table	p-value	Conclusion
23.851	3.340	0.000	F count > F table : Significant

Based on the above table, it is known that the test of simultaneous hypothesis yields significant results. This suggests that the Accounting Manager Knowledge and Top Management Support gives simultaneous significant influence to Accounting Information System.

Table 6: Test of Partial Hypothesis

Variable	T Test			
	t count	t table	p-value	Conclusion
$X_1 \rightarrow Y$	3.305	2.048	0.003	t count > t table : Significant
$X_2 \rightarrow Y$	2.259	2.048	0.032	t count > t table : Significant

Based on the table, it is known that the test of partial hypothesis X_1 and X_2 yields significant results. This suggests that partially accounting manager knowledge gives significant influence on Accounting Information System as well as Top Management Support provides a significant partial effect on Accounting Information System.

8.3.3 The Influence of Quality of Accounting Information on Accounting Information System

Model: Sub structure 2: $Z = P_{ZY}Y + e_2$

By using SPSS, it was found out that the path coefficients obtained for P_{ZY} values are as follows:

Table 7: Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	6.962	4.458		1.562	.129
Y	.497	.049	.883	10.118	.000

a. Dependent Variable: Z

Based on the obtained output, the value of P_{ZY} is 0.883.
The following is the value of R^2 which is the amount of influence the variable Y to Z.

Table 8: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,883[a]	,779	,772	5,5657539

a. Predictor: (Constant), Y

From the table above, it was obtained that the R^2 value is 0.779 or 77.9%. Thus it can be concluded that the accounting information system gives impact to the Quality of Accounting Information as much as 77.9%. And the remaining 22.1% or 0.221 is the influence of other variables that are not investigated.

Thus, the equation of the second structure of the sub path is obtained as follows:
Z = 0.883Y+0.221.

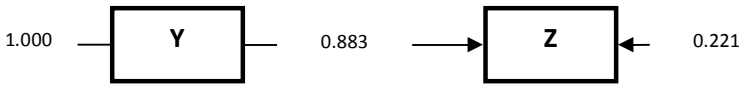


Figure 4: Sub structure 2

Table 9: Test of Hypothesis

Variable	T Test			
	t count	t table	p-value	Conclusion
Y → Z	10.118	2.045	0.000	t count > t table : Significant

Based on the above table, hypothesis test yields significant results. This suggests that the accounting information system significantly gives influence to the Quality of Accounting Information.

8.3.4 The Influence of Accounting Managers' Knowledge and Top Managements' Support on Accounting Information System and Its Impact on Quality of Accounting Information in Management Institutions of Zakat in Bandung

From the calculation of the two sub-structures above, the overall path model is obtained as follows:

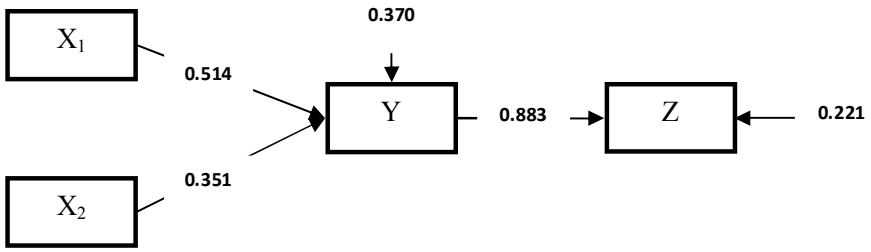


Figure 5: Path Analysis Model

Based on the above model, it can be concluded that:

1. Accounting Manager Knowledge significantly affects the Accounting Information Systems with the influence of 38.5%.

2. Top Management Support significantly affects the Accounting Information System with the influence of 24.5%.

3. Accounting Manager Knowledge and Top Management Support simultaneously significant gives effect to Accounting Information System with the influence of 63.0%.

4. Accounting Information System has a significant effect to the Quality of Accounting Information with the influence of 77.9%.

5. Accounting Manger Knowledge gives influence to the Accounting Information System and provides significant impact to the quality of accounting information with the amount of influence of 0.514 x 0.883 x 100% = 45.3%.

6. Top Management Support gives influence to Accounting Information System and provides significant impact to the Quality of accounting information on the amount of influence of 0.351 x 0.883 x 100% = 31.0%.

The result of above shows that the first hypothesis is accepted. It means that Accounting Managers' Knowledge and Top Managements' Support give influence to Accounting Information System. Hence null hypothesis rejected. To institutions of management zakat, for success implementation of accounting information system should be support by accounting managers' knowledge and top managements' support. Second hypothesis: Accounting Information System give influence to The

Quality of Accounting Information. This Hypothesis also accepted and null hyphotesis rejected. In other word that in institutions management of zakat, to achieve quality of accounting information must be supported by quality of accounting information system..

9. CONCLUSION

The result showed that low quality of accounting information in management institutions of zakat affected low quality of accounting information system. This can be seen from description analysis stating the dimension of the four variables in the category of "good enough". This means that management institutions of zakat needed to pay more attention to the importance of accounting information system. Especially since the database and technology communication of networking di mentions are still "not good". Therefore, they need the availability and proper functioning of the database and technology communication of networking dimensions in management institutions of zakat in Bandung.

Accounting managers' knowledge and top managements' support affect quality of accounting information system. The existence and role of accounting manager who is knowledgeable in the art is one of the factors that affect the quality of accounting information systems, as well as the support of top management.

This is one solution that can be done to improve public trust in the management institutions of zakat. The hope would have an impact on the empowerment of mustahik, especially in Bandung.

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SURVEY ON CORPORATE SOCIAL RESPONSIBILITY IN KAZAKHSTAN

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ABSTRACT

This survey is conducted to understand the current state of CSR development and to assess the degree of CSR practices in Kazakhstan. In-depth questionnaires are disseminated among business companies of different size and ownership. Respondents are top and middle managers and rank-and-file employees. The study is descriptive and covers the following issues: CSR perceptions and expectations, driving forces and objectives in CSR activities, the major barriers hindering the development of CSR, CSR management strategies and processes within the company, relationships with and attitudes towards the major stakeholders in CSR activities, the role of the government in CSR development in Kazakhstan. The findings of this empirical research may be useful to researchers who work in the CSR field. For managers, the study can provide some guidance in their CSR strategic planning. For policy-makers, it helps to understand better the current state of CSR in the country and work out more effective public policies and instruments in fostering sustainable development.

Field of Research: *Corporate social responsibility, survey, public policy, management.*

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1. INTRODUCTION

Corporate social responsibility issues are widely debated around the world in the literature. It is recognized that there are no universal models applicable to all of the countries and the study of CSR developments should be linked to the relevant time and place (Carriga and Mele 2004, Carrol 1979, 1991, 1999, Crane and Matten 2007, Palazzo and Scherer 2008, Sriramesh, Ng, Ting and Wanyin 2007). However, there is a lack of research on CSR in Asian countries (Tan and Komaran 2006) and, in particular, in Kazakhstan, although CSR practices and principles are incorporated in operations of local and foreign companies.

The overall objective of this study is to describe the survey findings on the CSR activities in Kazakhstan. The study addresses such questions as CSR perceptions and expectations, driving forces and objectives in CSR activities, the major barriers hindering the development of CSR, CSR management strategies and

processes within the company, relationships with and attitudes towards the major stakeholders in CSR activities, the role of the government in CSR development in Kazakhstan. It is believed that understanding of the perceptions and expectations on the part of business will facilitate effective planning and strategizing for the CSR development in the country and the findings of the study may serve as a general guide for different stakeholders, such as CSR managers and decision makers in private and public sector companies as well as civil society groups.

2. METHODOLOGY

To ensure representativeness of a sample allowing for limited time and resources the mixed purposive sampling method is used (Teddlie & Yu 2007, Godambe 1982, Tongco 2007). Several specific purposive sampling techniques are used in this research: maximum variation sampling implying a wide range of selected cases, opportunistic sampling when cases are selected as the opportunity arises and mixed purposeful sampling when the sampling strategies are mixed in order to meet the needs of the study. Purposive sampling is combined with a number of techniques in data gathering, such as random and snowball sampling.

A survey was conducted from October till the mid-December in 2011. Respondents were approached with extended self-administered questionnaire and when necessary an instructed assistant helped them to fill it out. Respondents are business companies' top and middle managers and rank-and-file employees, constituting 21.3%, 42.6% and 36.1%, correspondingly. Out of 140 questionnaires distributed among respondents who agreed to participate in the survey, altogether 122 usable questionnaires are collected. The assumption is that the survey responses are completed by persons who are knowledgeable about company policies and procedures. The firms included in the sample are of different a) size: large with 250 and more employees (32%), medium – from 50 to 249 employees (19.7%), small – from 10 to 49 employees (28.7%) and micro – from 1 to 9 employees (19.7%); b) ownership: private (domestic) - 50%, public - 13.5%, public-private (domestic) - 4.9%, private (foreign) - 23.8% and joint venture - 7.4%; c) sectors of economy: Agriculture, hunting and timber industry (1%), Industry (20%), Production and distribution of power, gas and water (3%), Construction (6%), Trade; repair of cars and home facilities (16%), Transport& communication (8%), Tourism (6%), Financial activities (16%), Real estate business, rent and service provision to enterprises (2%), Education (7%), Public health & social services (5%), Municipal, social & individual services (2%) and Other (7%).

The questionnaire covers seven themes: CSR perceptions and expectations, driving forces and objectives in CSR activities, the major barriers hindering the development of CSR, CSR management strategies and processes within the company, relationships with and attitudes towards the major stakeholders in CSR activities, the role of the government in CSR development in Kazakhstan. Two types of questions are used: close-ended questions inviting respondents a) to select all or up to three items that apply to them, and b) to rate five most important issues on a 5-point scale with 1 [most important] to 5 [less important,

but more important than the rest]. To measure respondents' assessment of Kazakhstani companies' CSR performance level today the 7-point Likert scale is used. Data analysis is conducted at an aggregate level and uses descriptive methods such as frequency tables, cross-tabulation, percentages and mean.

3. THEORETICAL FRAMEWORK

Carroll (1979) considers the four categories of CSR: economic, legal, ethical and discretionary responsibilities. An evolution of definitions of CSR were further explored in research on CSR and led to emergence of themes such as corporate social responsiveness, corporate social performance, public policy, business ethics, and stakeholder theory/management (Carroll 1991, 1999). Understanding the methodology and the theoretical frame work used in this paper requires familiarity with the meaning of corporate social responsibility as defined by law in Kazakhstan. The law "On Private Entrepreneurship" states that: "Corporate social responsibility is a voluntary contribution of private entrepreneurship entities into development of society in social, economic and ecological fields" (Law 2010). In compliance with this definition and CSR practices in the country six categories of business responsibilities and one category related to business perceptions and expectations of public policies and instruments in the CSR context are considered in this study. The latter dimension reflects the leading role of the strong state in fostering CSR in the country. Thus, the respondents' answers are classified according to the adapted Carroll's pyramid of CSR (Carrol 1991) and dimensions suggested by other authors (Rego, Leal, Cunha, Faria and Pinho 2010) alongside with additional categories of social responsibility important for attaining objectives of this paper. The categories are as follows: A - legal/ethical responsibilities, B - responsibilities towards employees, C - philanthropic responsibilities/responsibilities towards society and community, D - economic responsibilities, E - environmental responsibilities, F - stakeholder responsibilities and G - perceptions/expectations of public policies and instruments in the CSR context.

4. RESULTS AND DISCUSSION

The results of the survey of business companies are presented in Tables 1 – 14. Two types of questions are used: close-ended questions inviting respondents a) to select all or up to three items that apply to them, and b) to rate five most important issues on a 5-point scale with 1 [most important] to 5 [less important, but more important than the rest]. For the first type of questions (Tables 1, 2, 8, 9 and 11) percentages of respondents who selected the *i*-th answer are arranged in descending order and the highest percentage is assigned rank "1", the second highest – rank "2", and so on. For the second type of questions (Tables 3 – 7, 10 and 12 – 14) in addition to percentage ranks the mean rates for each of selected answers are calculated as follows:

$$J = \frac{\sum_{i=1}^{i=5} i * Ki}{\sum_{i=1}^{i=5} Ki},$$

where J is the mean rate of the selected answer, i is the rate given to the answer by a respondent, K_i is the proportion of respondents who rated the answer with i. In other words, the mean rate of the selected answer is found by dividing the sum of the products of each rate and corresponding proportion of respondents who assigned this rate to the answer by the sum of proportions of respondents who selected this answer to rate. Then the answers to the question are ordered based on the mean rates in ascending order and ranked with "1" for the lowest, "2" – for the second lowest, and so on.

An overall rank for the second type of questions is the sum of the ranks based on percentage and the mean rate. The overall rank increases with decrease in the percentage of respondents who selected a particular answer and with increase in the mean rate assigned to this particular answer. For example, the overall rank "1" of the answer demonstrates that the majority of respondents selected this answer and put the highest importance to this issue; the same value of the overall rank for a number of answers to the question shows that they have the same values of the sum of the ranks based on percentage and the mean rate.

4.1 CSR Perceptions and Expectations

Table 1 shows proportion of respondents who selected a given answer, rank and category of answers to the question "How do you define CSR?"

Table 1: Defining CSR

Answer	Proportion of respondents	Rank	Category
Improving labor conditions, health and safety	0.549	1	B
Taking proper account of the broader interests of society when making business decisions	0.41	2	C
Implementation of social programs/provision of social packages to employees	0.393	3	B
Development of employees' human capital	0.377	4	B
Providing welfare through employment and corporate tax payments	0.311	5	D
Maximizing profits and serving the interests of shareholders	0.27	6	D
Supporting/promoting law and legislation	0.189	7	A
Voluntary contribution of business to the development of society in social, economic and ecologic fields directly related with the main activities of the company	0.098	8	A

From Table 1 it can be seen that most of respondents prioritize responsibilities towards employees, followed by responsibilities towards society and legal responsibilities. Answering the question "Which of the following statements do you agree with?' respondents emphasize the voluntary nature of CSR, express economic concerns and demonstrate their understanding of responsibilities towards society (Table 2).

Table 2: CSR perception

Statement	Proportion of respondents	Rank	Category
Business involvement in social programs is voluntary, not mandatory	0.484	1	A
Business should provide adequate wages to employees, pay taxes and create new jobs, while the state should solve social problems	0.475	2	D
Social obligations have only big companies with rather high revenues while small companies with low revenues need help themselves	0.393	3	F
Business should not only pay wages and taxes but also be involved in social programs of the country and regions (health, education, poverty, etc.)	0.385	4	C
Entrepreneurs should broadly inform society about their involvement in social programs and create their positive image	0.32	5	D
State can involve business to solve important problems of society or regions	0.295	6	C
All private companies and entrepreneurs should be socially responsible independently of their profit levels	0.295	7	A
CSR is a necessary cost of doing business	0.18	8	D
It is not necessary to inform broad society about business involvement in social programs	0.172	9	A
CSR gives a company a distinctive position in the market	0.164	10	D
CSR is meaningless if it includes things that companies would do anyway	0.098	11	D

Business considers their role in environment protection alongside with provision of additional social security to and training of own employees closely followed by philanthropic responsibilities as the most important (Table 3).

Table 3: The role of business in alleviating social problems

Answer	Overall Rank	Category
Environment protection	1	E
Provision of additional social security to own employees (medical treatment, kindergartens, free meal, etc.)	2	B
Fighting against «social ills» (drug addiction, alcoholism, etc.)	3	B
Education, (re)training of employees	3	C
Creating new jobs	4	C
Provision of financial and material support to socially vulnerable groups such as the poor, refugees, orphans, invalids, needy old people	4	C
Provision of grants and scholarships to talented students, scientists, sportsmen and sportswomen, etc.	5	C
Improving infrastructure for health, education, science, culture and sports	6	C
Business support to social initiatives of community and civil society	7	C
Addressing regional social problems (roads, water and electricity supply, etc.)	8	C
Compliance with international human rights standards	9	A
Closing the gender pay gap, promoting women empowerment	10	A
Eradication of forced and child labor and discrimination in the labor market	10	A
Facilitating the growth of economic activity of community (credits, insurance, banking service, etc.)	11	C
Restoration of culture and religion monuments and memorials	12	C

Around half of respondents rate Kazakhstani companies' CSR performance as "quite poor" or "poor" and the other half rate it as "satisfactory" and at higher levels. Overall weighted mean of respondents' assessment of business social performance is close to "satisfactory": 2.9 in the 7-point Likert scale.

4.2 Driving Forces in CSR Activities

Applying CSR (Table 4) by business firms is driven first of all by the shortage of professional and qualified employees in the labor market today: an overall rank is "1" for "Attract and retain potential and existing professional and qualified employees". Economic and environmental motives are also strong. Stakeholders' pressure is rated as not low explaining respondents' emphasis on voluntary, not obligatory character of CSR activities (Table 2).

Table 4: Driving forces in applying CSR

Answer	Overall Rank	Category
Attract and retain potential and existing professional and qualified employees	1	B
Competitive pressure	2	D
Beneficial in the long term	3	D
Improving business performance	4	D
Company ethos, intrinsic motives	5	A
A better brand and reputation	6	D
Draw attention of mass media	7	D
Revenue is higher than it would otherwise be	8	D
Employee pressure	9	B
Attraction of new investors or customers	10	D
Central government pressure	11	F
Environmental concerns relating to products or service	12	E
Legal or regulatory obligations	13	A
Local government pressure	13	F
Better relationships with regulators and lawmakers	14	A
Philanthropy and sponsorship	15	C
Trade union pressure	15	B
Information demand by stakeholders	16	F
Community pressure	17	F
Consumer pressure	18	D

In companies, which have CSR strategy, its development is driven by economic considerations as well as stakeholders' demand predominantly based on decisions made by General Director and top management (Table 5).

Table 5: Driving forces for CSR strategy development

Answer	Overall Rank	Category
Decision made by General director and top management	1	A
Enhancing reputation and brand	1	D
Setting of unified companywide standards	2	F
Strategy is necessary for successful competition	2	F
Mass media	3	F
Demand of state bodies	3	D
Shareholders' pressure	4	F
Demand of customers	5	A
Condition required by financial institutions and banks	6	F
Demand of trade unions	7	D

4.3 Objectives in CSR Activities

Addressing socio-economic issues respondents selected eradication of corruption as the most important issue for the future success of business. Internal responsibilities towards employees and legal responsibilities (e.g., anti-corruption, human rights) are also prioritized as significant factors for the future success of business (Table 6). It should be noted that among respondents there are companies who are members of UN Global Compact.

Table 6: Socio-economic issues important for the future success of business

Answer	Overall Rank	Category
Corruption	1	A
Workplace conditions, labor safety	2	B
Job losses	3	B
Human-rights standards	4	A
Wages and retirement benefits	4	B
Demand for healthier or safer products	5	A
Public health issues (e.g., HIV/AIDS, tuberculosis)	5	C
Educational systems, talent constraints	6	C
Environment issues	7	E
Gender equality in the labor market	7	A
Access to clean water	8	C
Energy efficiency	9	E

The environmental responsibilities were rated as the most important objectives in CSR activities, followed by responsibilities towards employees and society (Table 7). This can be considered as a response to recent public policies being intensively implemented in these fields.

Table 7: The most important objectives of business companies in CSR activities

Answer	Overall Rank	Category
Improving energy balance	1	E
Paying adequate high wages	2	B
Improving labor productivity	3	D
Philanthropy and sponsorship	3	C
Education, re/training of own employees	4	B
Minimizing waste and pollution	5	E
Increasing Kazakhstani content in production of goods and services	6	A
Enhancing social package for employees and their families	7	B
Elimination of discrimination of Kazakhstani employees (decreasing the share of foreign employees and gap in pay to Kazakhstani and foreign employees)	8	B

More efficient use of resources	8	E
Decreasing the number of consumer complaints	9	F
Improving women's well-being in the workplace (pay gap, empowerment)	10	A
Reducing number of accidents	10	B
Decreasing an unjustified gap in wages of top management and rank-and-file employees	11	B
Enhancing cooperation with stakeholders in CSR planning and implementing	11	F

In respondents' opinion the social focus of business CSR activities is and shall be dominated by social responsibilities towards employee satisfaction and motivation, management of training and qualification efforts, management of workplace safety; management of charity and stakeholder relationships. The economic focus of CSR activity shall be on "Assessment of effectiveness of implemented social programs", "Formulation of corporate mission and values", "Improvement of business process performance" and "Improvement of customer relations". "Improvement of supplier relations", "Issues and risk management" and "Enhancement of corporate governance" are the last choice in the list of ten items. The environmental focus shall be on "Communication & reporting of environmental performance", "Energy management", "Management of environmental impact", and "Development of new products and technologies to manage environmental issues".

4.4 The Major Barriers Hindering the Development of CSR

Respondents indicate that the lack of a) financial resources (50.8 percent), b) incentives from the government (49.2 percent) and c) relevant knowledge and skills (45.9 percent) are the most important barriers hindering the development of CSR in business companies. Lack of funds and lack of incentives from the government can be considered as interrelated: business wants tax incentives for CSR activities. Other factors are related to the lack of attention from mass media (37.7 percent) and difficulties in assessment of effectiveness of implemented social programs (29.5 percent).

4.5 CSR Management Strategies, Tactics and Processes within the Company

About forty two percent of respondents believe that to implement CSR activities business companies should "Fully embed CSR issues in strategy and operations". To manage socio-political issues in future they ranked the answers in the following order: analysis and assessment of effectiveness of company's implemented social programs; developing and implementing more policies on CSR issues; engaging civil society groups (e.g., NGOs) and philanthropy. These are followed by media, public relations; engaging local, national and global political authorities; CSR reports; improving compliance with laws and regulations; increasing transparency; lobbying regulators and governments; using industry coalitions to develop joint responses to these issues; advertising, marketing; and changing product-lines and –processes.

Table 8: CSR activities and behaviors

Answer	Proportion of respondents	Rank	Category
Production of goods and services according to standards in ecology and social responsibility	0.410	1	A
Going beyond statutory requirements in treatment of employees (e.g., paying more than the minimum wage)	0.385	2	B
Evaluation of effectiveness of implemented social programs	0.361	3	D
Requiring suppliers to meet certain standards of behavior	0.344	4	A
Rewarding employees for their social impact as well as their financial performance	0.328	5	B
Contributing actively to public policy discussions even if there is no a direct financial interest	0.230	6	G
Decision-making process explicitly considers the views of and impact on external stakeholders	0.205	7	F

The distribution of answers to the question "Which of the following activities and behaviors apply to your company?" shows that respondents prioritize legal/ethical responsibilities (41 percent), responsibilities towards employees and economic responsibilities (Table 8). Only 12.3 percent of respondents indicated that the company has a department managing CSR activities. About 30% of companies organize and implement them through cross-functional collaboration. Most of the companies have no CSR organizational structure. Fifty two and a half percent of companies do not prepare reports on social responsibility while 27.9 percent include them in general annual reports and 13.1 percent have them as separate documents. Reporting system encompasses environmental and/or sustainability reporting (20.5 percent) and 30.3 percent of companies responded that they adopted philanthropy/charity management policy

In spite of the fact that the CSR concept in its modified internationalized form came back to our country not long ago, the companies are not novices in the field. About one third of surveyed companies provide internal and external reporting of CSR performance (28.7) percent) and already defined stakeholders (27.9 percent). About one fifths of the companies conduct an assessment of the effectiveness of implemented social programs and CSR performance, have an appropriate CSR relevant indicator set and use stakeholder driven definition of CSR targets (Table 9). Gender equality at the workplace does not seem to be an important problem.

Table 9: CSR activities in practice

Answer	Proportion of respondents	Rank	Category
Internal and external reporting of CSR performance	0.287	1	F
Stakeholders are defined	0.279	2	F
Assessment of the effectiveness of implemented social programs	0.230	3	D
Definition of an appropriate CSR relevant indicator set	0.221	4	F
Stakeholder driven definition of CSR targets	0.213	5	F
Assessment of the company's CSR performance	0.197	6	F
Assessment of the gender equality at the workplace	0.090	7	B

4.6 Relationships with and Attitudes towards the Major Stakeholders in CSR Activities

Companies want to address through their CSR initiatives customers, competitors, trade unions and employees in the first place, while boards, central government, mass media and NGOs are the last in this ranking list of stakeholders (Table 10).

Table 10: CSR stakeholders

Answer	Overall Rank
Customers	1
Competitors	2
Trade unions	2
Employees	3
Shareholders	4
Suppliers	5
Local government	6
Regulatory bodies	7
Local communities	8
Industry associations	8
Boards	9
Central government	10
Mass media	11
Non-Governmental Organizations (NGOs)	12

At the same time international organizations, local and central governments, followed by NGOs are considered to be the most helpful partners in the development of social programs (Table 11). One third of the surveyed companies have Collective Agreements (28.7 percent). To inform stakeholders about the company's CSR activities websites (37.7 percent), internal documents only (32 percent), printed

materials such as brochures, magazines, leaflets, etc. (27.9 percent), mass media (27 percent) and companies' social reports (18.9 percent) are used.

Table 11: Partners in the development of social programs

Answer	Proportion of respondents	Rank
International organizations	0.238	1
Local government	0.180	2
Central government	0.172	3
NGOs	0.107	4
Local community	0.082	5
Industrial associations	0.082	6
Trade unions	0.049	7

4.7 The role of the government in CSR development in Kazakhstan

In Kazakhstan there is a strong political will to promote and practice CSR. Kazakhstan has seen an increase in attention to CSR especially after the RK President attended a forum on social responsibility of business in 2008, where he appealed to business to "give back to society". The respondents' overall ranking of public policies in promoting CSR in Kazakhstan are shown in Table 12. The most important policies are expected to be directed at raising awareness and building capacities for CSR among companies and stakeholders, enhancing disclosure and transparency on economic, social and environmental issues of business activities; fostering philanthropy and charity and fostering Socially Responsible Investment (SRI), that is investment practices taking social, environmental and/or other ethical criteria (such as the exclusion of companies producing tobacco, alcohol or weaponry) into account. Business also wants the government to lead by example or "walk the talk".

Table 12: Expectations about CSR public policies

Answer	Overall Rank
Raise awareness and build capacities for CSR among companies and stakeholders	1
Foster disclosure and transparency on economic, social and environmental issues of business activities	2
Foster philanthropy and charity	3
Foster Socially Responsible Investment (SRI), that is investment practices taking social, environmental and/or other ethical criteria (such as the exclusion of companies producing tobacco, alcohol or weaponry) into account	3

Lead by example (or "walk the talk"), in particular by Adopting CSR management systems (like EMAS) and audits in government institutions	4
Lead by example (or "walk the talk"), in particular by Making public procurement more sustainable	5
Lead by example (or "walk the talk"), in particular by Applying SRI principles to government funds	6
Lead by example (or "walk the talk"), in particular by Reporting on the SD performance of government bodies	6

Financial or economic instruments (e.g., public procurement criteria, tax abatements, subsidies, loans and awards), soft legal instruments and mandating instruments are perceived as the most effective policy instruments in the CSR context (Table 13). Business companies emphasize the need in tax incentives for companies that implement CSR (Baisakalova 2012).

Table 13: Perception of stimuli for CSR

Answer	Overall Rank
Financial or economic instruments (e.g., public procurement criteria , tax abatements, subsidies, loans and awards)	1
Soft legal instruments (e.g., regulations, directives)	2
Mandating instruments (e.g., laws, decrees)	2
Informational or endorsing instruments: educational activities (trainings, conferences, seminars),	3
Informational or endorsing instruments: information resources (websites, brochures, studies)	4
Partnering instruments voluntary agreements	5
Informational or endorsing instruments: awareness raising campaigns	5
Partnering instruments networks with other government bodies	6
Informational or endorsing instruments social reporting practice among local companies	7
Hybrid instruments, i.e. strategies or action plans, platforms or centers for CSR	8
Partnering instruments public-private-partnerships (PPP)	9
Informational or endorsing instruments government-sponsored guidelines	9
Partnering instruments dialogues and stakeholder fora	10

In respondents' views "Developing legislation for business, provision of its unconditional, fair and just application" and "Maintaining favorable competitive environment" are the most important public policies for the further economy development of the country (Table 14). Business also expects the use of public funds for building infrastructure: transport, information, energy, etc. The responses emphasize the decisive role of the government in financial support of some prioritized enterprises and sectors of economy, regulation of access to Kazakhstani markets for foreign producers, direct regulation of the most important segments of economy (export/import, prices for key products, etc.) and establishing state corporations in different sectors of economy.

Table 14: Public policies for the further Kazakhstani economy development

Answer	Overall Rank
Developing legislation for business, provision of its unconditional, fair and just application	1
Maintaining favorable competitive environment	1
Using public funds for building infrastructure for business (transport, information, energy, etc.)	2
Financial support of some prioritized enterprises and sectors of economy	2
Regulation of access to Kazakhstani markets for foreign producers	3
Direct regulation of the most important segments of economy (export/import, prices for key products, etc.)	4
Establishing state corporations in different sectors of economy	5

5. CONCLUSION

The concept of CSR is not a universal idea and it differs in different contexts which are determined by the economic, social and political environment in which business operates (Williams and Zinkin 2005). This empirical study demonstrates that the adapted Carroll's pyramid of CSR (Carrol 1991) and dimensions suggested by other authors (Rego, Leal, Cunha, Faria and Pinho 2010) alongside with additional categories of social responsibility reflecting the socio-political context of the country can be applied to understand the current state of CSR development and to assess the degree of CSR practices in Kazakhstan.

The obtained results show that CSR perceptions and expectations of respondents are dominated by social responsibilities towards employees and environmental responsibility, followed by responsibilities towards stakeholders and philanthropic responsibilities/responsibilities towards community and society. Economic and legal/ethical responsibilities conclude the ranking list. The overall assessment of the social responsibility performance of business companies is rated as "satisfactory". Driving forces of CSR activities are again social responsibilities towards employees in the first place, then economic and legal/ethical ones. Environmental and stakeholder responsibilities and philanthropy and sponsorship conclude the ranking list. The main motives for the CSR strategy development are put in the following order: legal/ethical and stakeholder responsibilities followed by economic responsibility. Respondents believe that the future success of business is also determined by social responsibilities towards employees in the first place, followed by addressing legal/ethical, philanthropic and environmental responsibilities. The social focus of business CSR activities is on philanthropic responsibilities/responsibilities towards society and community and social responsibilities towards employees, followed by stakeholder responsibilities and legal/ethical responsibilities. The main impediments hindering the development of CSR in business companies result from the lack of a)

financial resources (50.8 percent), b) incentives from the government (49.2 percent) and c) relevant knowledge and skills (45.9 percent).

Although in most of surveyed companies there is no proper organizational structure for managing CSR activities and only about 30 percent of them provide internal and external reporting of CSR performance, 42 percent of business companies expose their willingness to fully embed CSR issues in strategy and operations. In business activities and behaviors respondents indicate prioritizing legal/ethical responsibilities (41 percent), responsibilities towards employees and economic responsibilities.

The obtained results also indicate that the role of civil society groups (e.g., NGOs) in promoting CSR activities in the country is not as significant as it otherwise could be. Answering the question about preferences in relationships with and attitudes towards the major stakeholders in CSR initiatives respondents select customers, competitors and trade unions in the first place, while NGOs are their last choice. At the same time NGOs are ranked the fourth most helpful partners in the development of social programs after international organizations, local and central governments. Respondents mentioned websites (37.7 percent), internal documents only (32 percent), printed materials such as brochures, magazines, leaflets, etc. (27.9 percent), mass media (27 percent) and companies' social reports (18.9 percent) as communication means to inform stakeholders about firms' social performance.

The leading role of the state in fostering CSR in the country cannot be underestimated. Respondents see fostering of the enabling and facilitating role of government in developing legislation for business, provision of its unconditional, fair and just application and maintaining favorable competitive environment as the most important. Business expects that public policies will be directed at raising awareness and building capacities for CSR among companies and stakeholders, enhancing disclosure and transparency on economic, social and environmental issues of business activities; and fostering philanthropy and charity as well as socially responsible investment. Business also wants the government to lead by example or "walk the talk". Financial or economic instruments, soft legal policy instruments and mandating instruments are perceived as the most effective ones in the CSR context. Business companies emphasize the need in tax incentives for socially responsible companies: the lack of financial resources is mentioned as the major barrier for CSR development. The responses also emphasize the decisive role of the government in using public funds for building infrastructure for business, financial support of some prioritized enterprises and sectors of economy, regulation of access to Kazakhstani markets for foreign producers, direct regulation of the most important segments of economy (export/import, prices for key products, etc.) and establishing state corporations in different sectors of economy for the further economic development of the country.

In conclusion, it should be noted that the results discussed above are based on aggregated data. There is no doubt that future data analysis by type of ownership, size of company and respondent position will give a deeper insight into the CSR phenomenon in the country.

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COMPLEXITIES OF MULTIPLE PARADIGMS IN HIGHER EDUCATION LEADERSHIP TODAY

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ABSTRACT

This study explores the complexities of multiple paradigms and overlapping influences in university leadership today. The perceptions of the key issues and challenges facing higher education leaders in their work are discussed. The study found that much challenges centred around the need for strategic leadership, flexibility, autonomy, managing and motivating staff, responding to competing tensions and maintaining institutional quality. The study also came up with some proposals for university leaders to deal with the challenges they face.

Keywords: *university leadership, academic freedom, motivation, quality assurance.*

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1. INTRODUCTION

This paper explores the complexities of multiple paradigms and overlapping influences in higher education leadership today. It commences with a review of literature relating to issues and challenges in higher education leadership. The second section outlines the findings from participants about their perceptions of the university leadership. The final section of the paper provides some implications of this study for the higher education sector.

Much research have been done on competing challenges impacting academic staff and administrators. The goal of the university is to offer quality higher education experience to students and to fulfil the needs of society (Longden, 2006). University leaders may, however, focus on competing paradigms such as "student as scholars" versus "students as consumers". Snyder et al.(2007) and Giroux (2005) noted the interactive forces of mass education and of sound pedagogical principles in university education.

University leaders have different views on delivering education based on sound principles of pedagogy and the need to create efficiencies of mass education (Coaldrake & Stedman, 1999; Meek & Wood, 1997; Pratt & Poole, 1999; Ramsden, 1998; Szekeres, 2006). In the United Kingdom, higher education providers have opted for either larger classes or reduced contact time, or a combination of both due to resource reduction (Longden, 2006, p.179).

Stiles (2004) and Whitchurch (2006) pointed to the challenges for academics to partner with industries and government to compete for industry-based funding and undertake research and development. The academic has to interact with the various parties to synthesize academic and business agendas (Whitchurch, 2006, p.167).

In today's competitive environment, leaders need to have the courage to take action when the future remains unclear (Barnett 2004) and Hanna (2003). The capacity to support and develop leaders capable of handling complex issues and engaging people effectively and leading through changes is a strategic necessity for today's higher education institutions (Fulmer, Gibbs & Goldsmith, 2005, p.59).

2. METHODOLOGY

This qualitative study investigates the perceptions of mid to senior level executives of a private Vietnamese university on what were they see as the main issues and challenges facing them today. A total of fifteen executives, ranging from Deans, departmental heads and faculty administration managers, participated in the interviews. Open-ended questions were posed as they provided the opportunity for the participants to express their views. This methodology, where interviews were normally held in informal settings where participants felt comfortable to provide their views is the most effective method in qualitative research (Silverman 2000).

Each participant was asked the same set of questions with flexibility to explore issues that may surface during the interview (Merriam, 1998). The advantage of this type of interview is that they reduce interviewer bias during the interview and facilitation of organization and analysis of data (Fraenkel & Wallen, 2003). The interview protocols consisted of ten semi-structured, open-ended questions in the endeavour to gain insights into the participants' perceptions on leadership practices:

a) How do you assess the university climate?

b) How much academic freedom exists in the university?

c) What do you think should be done to maintain academic quality?

d) Are staff generally satisfied with their jobs and remuneration?

e) How concerned is the leadership team about staff welfare?

f) How effective is the leadership team?

g) What do you think are the main causes of stress in your work?

h) How responsive is the leadership to change?

i) Does the leadership team makes an effort to treat others with trust and respect?

j) How serious is the leadership team in their beliefs to encourage others to improve their skills and abilities?

3. FINDINGS AND DISCUSSION

The study found four key issues and challenges facing university leaders today. These are:

1. Ensuring academic freedom
2. Maintaining staff motivation
3. Maintaining institutional quality
4. Providing effective leadership

4. ENSURING ACADEMIC FREEDOM

Academic freedom is defined as right to speak freely without fear of reprisal, the right to determine specific teaching methodologies, the right to transmit knowledge openly, and the right to research in one's field.

Barnett (1990) argued that academic freedom should be expanded from its narrow definition of staff immunity from censorship towards a universal mandate to present and to criticize ideas. Fessel (2006) urged universities to issue clear statements affirming their commitment to academic freedom and controversial debate.

Developing trust in all relationships is essential for universities leadership to be successful. Trust provides the environment to motivate people to act and collaborate. Trust and power are closely interrelated. Power without trust destroys its own basis, while trust without power is not sustainable because there always will be the potential for conflict in a group. A good university leader must be endowed with appropriate means of power and be able to earn trust from his subordinates.

The study found that many participants remained timid and reserve expressing their opinions to the university leaders as they felt that their views were not be appreciated. Repression of ideas and opinions by top management came in the form of threat of dismissal or questioning the competency of the staff to handle a particular task. The fear of discrimination by university leaders have discouraged many participants to discuss openly important subject matters which could promote critical thinking about controversial ideas. University leaders should treat everyone with respect and encourage an open, honest and constructive environment for discussion to take place.

The United Nations Educational, Scientific and Cultural Organization and the International Labour Organization issued the statement: "The principle of academic freedom should be scrupulously observed. Higher education teaching personnel are entitled to the maintaining of academic freedom, that is to say, the right, without constriction by prescribed doctrine, to freedom of teaching and discussion, freedom in carrying out research and disseminating and publishing the results thereof, freedom to express freely their opinion about the institution or system in which they work, freedom

from institutional censorship and freedom to participate in professional or representative academic bodies. All higher-education teaching personnel should have the right to fulfil their functions without discrimination of any kind and without fear of repression by the state or any other source".

Universities should adopt clear policies supporting academic freedom and steps to deal with challenges to academic freedom in order to support higher order thinking across the campus. Academics should be encouraged to promote critical thinking without fear of reprisals from university leaders.

5. MAINTAINING STAFF MOTIVATION

Maslow's (1954) needs theory raised the question as to whether people's needs would be met by choosing careers which related to job satisfaction. The absence of three higher-order needs (self-esteem, autonomy, and self-actualization) were shown to be a major contributor to low teacher satisfaction (Carver & Sergiovanni, 1971; Frances & Lebras, 1982; Sweeney, 1981; Trusty & Sergiovanni, 1966; Wright, 1985).

Bandura's (1997) self-efficacy theory relates to whether people believe they can be successful in their chosen careers and the number of career alternatives that they may consider. He suggested that self-efficacy influences performance, behavioral choices, and persistence and is related to career choice in a number of ways. Self-efficacy complements skill sets in individuals seeking careers and may facilitate career attainment for those seeking careers in areas that they are competent in.

Research has shown that a positive school culture was associated with increased student motivation and achievement, improved teacher collaboration, and improved attitudes among teachers toward their jobs (Sashkin & Sashkin, 1990; Sashkin & Wahlberg,1993; Ogawa & Bossert, 1995). Teachers are transformational leaders and they may also influence students performance if they are motivated themselves. Other research indicated that the higher the expected importance or value of present activities is in relation to future personal goals, the higher is the motivation of individuals and the better is the their performance and learning (Raynor, 1974).

The study revealed that participants considered three main drivers of motivation. The first is the ability to make a difference in other people's lives. This include imparting their knowledge to students. The self-efficacy theory of Bandura is centrally relevant to their beliefs in their capacity to successfully carried out their given tasks and the consequent impact this belief has on their motivation.

The second area is their working environment whereby they felt that their contribution will be appreciated. This include opportunities for career advancement as well as personal growth. Rowe & Rowe (1999) found that teacher professional development has the potential for enhancing the educational outcomes of students and assisting teachers to operate more effectively in the classroom.

The remaining area relates to salary and benefits. While they are altruistic in nature, a low compensation package would lower their motivation and even prompt them to seek alternative employment elsewhere. All participants regard salary level and welfare conditions as a factors affecting their job satisfaction. However, it is also intertwined with other factors such as university leadership, professional development and a sense of achievement through teaching.

6. MAINTAINING INSTITUTIONAL QUALITY

The quality management system in a higher education institution focuses on quality assurance and self-assessment at all levels according to the standards set up by the respective educational authorities. The implementation of the quality management system involves both an internal institutional development as well as an external one in which certain mechanism of control can assure the quality of the educational process.

The development of a culture of organizational excellence could be categorized into eight major themes, according to the European Foundation for Quality Management (EFQM) framework. These are:

a) Leadership

b) Policy and Strategy

c) Staff management

d) Resources

e) Key Process Management

f) Financial result

g) Customer satisfaction

h) Staff satisfaction

i) Impact on society

Leadership reflects the attitudes and resolutions in which university leaders choose to sustain excellence. They have to set clearly defined policies and strategies to reflect the set of objectives and the means to achieve those strategies. The implementation of a quality assurance system poses much challenge since it requires a change in the work culture at all levels.

While the approach to quality assurance is in the right direction, the study revealed that participants felt that there were many underlying issues which require attention. These include:

a) University leaders not actively listening to staff ideas and feedbacks. Rewarding staff for their good works and providing feedbacks to them will contribute to the positive working environment. The delegation of prerogatives within faculties and departments is essential when it comes to teaching and research. If academic freedom is not protected or being suppressed, the notion of university would disappear.

b) Implementing a professional development plan for staff is an important working condition. The professional development plan should be a conscious and serious initiative.To be meaningful, staff participation is encouraged to determine the content of the plan.

c) Many participants felt that there is a need to balance competing demands such as increasing student enrolment and maintaining academic quality. Raising the entry requirements of students will result in lower enrolment numbers initially. University leaders need to avoid two different direction-setting practices which influence stress levels of subordinates. The lack of transparency and the absence of useful information concerning academic activities contributed to low performance. Determining, then implementing the appropriate strategy, putting in place the organisational structure and developing conducive organizational culture present major challenges for university leaders. Barnett (1992) advised that senior staff can employ and encourage the more subtle "two i" approach of inform and involve rather than the army-style "two c" approach of command and control.

d) Participants revealed the competing tensions around research and teaching, enrolment numbers and quality, and administration and academic work. Gayle et al. (2003) suggested that there are implicit tensions of managing universities in a business-like way. The challenge for universities leaders is to identify a sustainable collaborative model which balances the needs of administrative demands and academic quality.

7. PROVIDING EFFECTIVE LEADERSHIP

The assessment and evaluation of the effectiveness of a university leader is more than just his knowledge in finance, strategic planning or curriculum development. In the corporate environment, an effective leader is measured by his performance in bringing the company to profitability and maximizing the return on investment (ROI). In an educational setting, the emphasis on the development of dispositions to motivate the application of knowledge and skills, and technical expertise is of equal importance. Dispositions are defined by Perkins (1995) as proclivities that motivate and determine the direction of behavior.

The work of Goleman (1998) in the area of emotional intelligence focused on assessment and evaluation of leader behaviors not related to technical skills in the areas of finance, curriculum development, or strategic planning. Emotional intelligence is defined as the awareness of emotions and using emotions to make good decisions. Emotional intelligence involves empathy, managing emotions in relations, and persuading others (O'Neil, 1996). Coleman (1998) and Salopek (1998) stated that competencies

associated with emotional intelligence are more important in effective job performance than are ability and expertise. To be a successful leader, the individual needs to possess a high level of emotional competencies.

From the study, the participants did not question the technical competencies and cognitive abilities of the university leaders. However, they remained unconvinced about the leaders emotional competencies. The lack of trust in subordinates, the inability to keep emotions under control, the lack of empathy, the failure to proactively understand and meet other's needs and the difficulty to inspire others were some issues highlighted during the interviews. University leaders should find strategies to work through these situations if they are to earn the respect and trust of their colleagues.

8. IMPLICATIONS AND CONCLUSION

The study revealed the need for university leaders to acknowledge the human dimension in the process of achieving their corporate goals. They need to be able to engage staff to embrace strategic change rather than focusing on the structure itself. The study reflects the importance of getting individuals involved in accomplishing specific tasks. Leaders need to be able to enter into an honest dialogue with the team members and be willing to hear different opinions on all issues. The findings revealed that it is essential for university leaders to work to develop the positive people skills and necessary communication skills to maintain the respect and treatment that members of the organization deserve.

Participants indicated that continuous improvement could only be achieved in an environment where leaders are open to hearing their opinions. Organisational learning experience will be restricted unless there is a way of sharing the insights gained. Universities need to pay close attention to the tenets of leadership and selecting candidates based on their beliefs, skills and knowledge regarding the process of improving the educational institution.

9. LIMITATIONS

The main limitation of this study is the small sample size. The second limitation is whether the sample size may have been unduly unfavourable given that four participants have left the university and join other educational institutions. Their opinion may be negatively biased against the university top leadership team.

Literatures on the topic of emotional competencies are quite limited. More research needs be conducted on this important topic with regards to improving the leadership of educational institutions today. The limitations of the existing research on emotional competencies could be due to the difficulty of establishing research settings which will enable us to further our comprehension of this topic.

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