

How Quality of Financial Accounting Information System Influenced by Effective Leadership

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Abstract: Researchers previously conducted research on leadership and information systems. This study aims to examine the influence of effective leadership on the quality of financial accounting information system. Surveys are conducted on 270 respondents in 86 ministries and institutions of the Republic of Indonesia. The respondents are the users of financial accounting information systems. Data is collected by using questionnaires. For data analysis we applied the Partial Least Square (PLS) method. The results indicate that effective leadership have significant influence on quality of financial accounting information system.

Key words: Effective leadership, quality of financial accounting information system, ministries, accounting, influence, financial

INTRODUCTION

Financial accounting information systems is crucial to the operation of all organization (Gray and Bebbington, 2001). The quality of financial accounting information systems will determine the quality of information generated (DeLone and McLean, 1992). Financial accounting information system has quality characteristics such as: reliability, integration and accessibility (Bocij *et al.*, 2015; Heidmann, 2008). The reliability is the ability of financial accounting information systems function properly and produce accurate information (Bocij *et al.*, 2015; Baltzan, 2014). Further integration is the integration of subsystems, information systems with other systems and data from various sources (Valacich and Schneider, 2016; Baltzan, 2014). While the accessibility is information system can be accessed from anywhere and anytime by various users (Bocij *et al.*, 2015; Avison and Fitzgerald, 2003).

In fact, accounting information system until now can not fully applied to various types of organizations in Indonesia (Susanto, 2017a, b) such as universities (Susanto, 2016, 2017a, b), higher educations (Puspitawati, 2016; Susanto, 2017a, b), colleges (Susanto and Meriyani, 2018), hospital (Fitrios, 2017), financial institutions (Mulyani *et al.*, 2016a, b; Darma, 2017), government owned company (Mulyani and Endraria, 2017; Ladewi *et al.*, 2017), National Zakat Management Institutions (Nurhayati and Susanto, 2017).

The existing phenomenon that financial accounting information systems in ministries and institutions has not been reliable. The tax system has not had good financial accounting information, it is still manual, so, much, so that, fictitious invoices to the taxpayer's tax record so it may not be optimal. The problems in the administration area of computer application system are not optimal in supporting the preparation of financial statements. In addition, financial accounting information systems has not been integrated. Budget user in ministry and institution and the Ministry of Finance could not perform their duties independently and own themselves but must research together to ensure an orderly budget execution and accountability. Besides, financial accounting information system is easily accessible. Towards the deadline of SPT reporting on 31 March the server of Directorate General of Taxes is disturbed because many people reporting.

Leadership is key factors in realizing the country's financial accounting information system of quality for it takes the role of a leader who can give an example. Leadership is an important aspect to success of financial accounting information system (Ward and Peppard, 2003). Leadership style is one of the features that affect the financial accounting information system of an organization (Laudon and Jane, 2016). This study aims to examine effect of the effective leadership on the quality of financial accounting information systems in ministries and institutions of the Republic of Indonesia.

Literature review

Effective leadership: Leadership is the process of influencing others and the process of facilitating individual and collective efforts to accomplish shared objectives (Schermerhorn and Richard, 2011). Leadership is the process whereby one individual influences the other toward the attainment of a defined group or organizational goal (Greenberg and Baron, 2011). Leadership is about influencing, motivating and enabling others to contribute to the effectiveness and success of the organizations of which they are members (McShane and Glinow, 2015). Based on those definitions, we define leadership as the ability of leaders in influencing subordinates to achieve common goals.

Effective leadership is the successful influence of the leader which results in goal attainment by the influenced followers (Wagner, 2011). Leadership effectiveness is a measure of how far leaders contribute to the quality of the group perceived by their subordinates (Yukl, 2013). Based on those definition, we define effective leadership is how far the success of leaders influence subordinates, group and organization to achieve common goals.

The theories of leadership explain effective leadership through the approach of influence of leader power (Yukl, 2013). Leadership as a meaningful process of influence not only the nature and ability of leaders but the interaction between leaders with followers. Influence is central to the leadership process because leaders influence their followers (Northouse, 2010).

Leadership is defined as the process of influencing the actions of individuals, groups and organizations in order to obtain desired results. The effectiveness of leadership is determined by the amount of influence a leader can exert on the members of his group or organization (Olmstead, 2000). The influence of leaders can be seen to subordinates individually, groups and organizations (Kaiser *et al.*, 2008). Based on those statement, so, the leadership effectiveness dimensions in this study are: the influence of leaders on individual subordinates, influence of leader on a group, and influence leader to organization.

The influence of leader on individual subordinate, i.e., leader improves the quality of subordinate life, leader build subordinate confidence, leader improve subordinate skills and leader contribute to the development of subordinates (Yukl, 2013). The influence of leader on group, i.e., leader enhance teamwork, leader increase group commitment, leader increase members group confidence in achieving goals, leader improve problem solving by group and leader improve decision making by group (Yukl, 2013). The influence of leader to organization, i.e., leader help to resolve disputes

constructively, leader contribute to the efficiency of organizational activities, leader contribute to resource accumulation and leader contribute to organizational readiness in the face of change (Yulk, 2013).

Quality of financial accounting information system: An Accounting Information System (AIS) is a collection of resources to transform data into information (Bodnar and Hopwood, 2014). Accounting information system as a set of inter-related system components (integrated) that collect, process, store and distribute information to support decision making and control in an organization (Susanto, 2015). Accounting information system is a system processes data into information for decision makers (Romney and Steinbart, 2015). Based on the above statement, we define the Accounting Information System (AIS) is a collection of resources that interact harmoniously in processing the data into financial information required user.

Financial accounting information systems record the financial activities of an organization (Bocij *et al.*, 2015). Financial accounting information system aims to record and report transactions in the form of financial statements in accordance with generally accepted principles (Boockholdt, 1999). Financial accounting information system is a type of accounting information system that provides information to external parties. Based on the definition of AIS and the above statement, we define the financial accounting information system as a collection of resources that interact in harmony to process the data into financial accounting information based on generally accepted accounting principles and useful for decision makers.

The quality of the financial accounting information system is a desirable characteristic of information systems in generating financial accounting information (DeLone and McLean, 1992). The quality of the financial accounting information system describes the extent to which the system is able to provide services and produce information that meets certain requirements (Mandl, 2008). Information system quality which is related to the quality of IS products (Thi and Helfert, 2009). Based on the above statement, we define the quality of the financial accounting information system as a characteristic that describes the ability of the system in generating financial accounting information that meets user expectations.

The quality of financial accounting information systems such as reliability, integration, accessibility (Ong *et al.*, 2009; Mulyani *et al.*, 2016a, b; Darma, 2017). Indicators used to measure the reliability of financial accounting information system, i.e., functioning of financial accounting information system correctly and

ability of financial accounting information system to produce accurate information (Ong *et al.*, 2009; Baltzan, 2014). System integration includes: integrating subsystems, systems and data (Valacich and Schneider, 2016). Indicators used to measure the integration of financial accounting information systems i.e., integration subsystem in the financial accounting information system, integration financial of accounting information system with other systems and integration of data from various sources (Valacich and Schneider, 2016). System accessibility is a user accessible information system (Bocij *et al.*, 2015). Indicators used to measure accessibility of financial accounting information system, i.e., access of financial accounting information system at any time by user and access of financial accounting information system from various place by user (Avison and Fitzgerald, 2003).

Theoretical framework: Leadership effectiveness affects the quality of financial accounting information systems. Leadership is an important aspect in achieving the success of financial accounting information systems (Ward and Peppard, 2003). Leadership is one of the features that affect the financial accounting information system (Laudon and Jane, 2016). Leadership is one of the main factors of the organization that must be considered in the planning of new financial accounting information systems (Laudon and Jane, 2016). A strong effective leadership is needed in overcoming the rejection of behavior to change in order to achieve the successful implementation of financial accounting information systems (Stair and Reynold, 2010).

One approach in leadership effectiveness theory is the approach of influence of leader power (Yukl, 2013). Influence is central to the leadership process because leaders influence their subordinates. Leadership as a process of influence that is not only the nature and ability of leaders, but the interaction between leaders with their subordinates (Northouse, 2015). The influence of leaders can be seen to subordinates individually, groups and organizations (Kaiser *et al.*, 2008). The leadership as a process affects the actions of individuals, groups and organizations to obtain the desired results (Olmstead, 2000). The most researchers assess leadership effectiveness based on the leader's influence on individual subordinates, teams or groups and organizations (Yukl, 2013).

Previous research shows the influence of leadership on information system. Stone proves that leadership style is a significant factor in influencing the successful application of information systems. Thite (2000) found evidence that transactional leadership

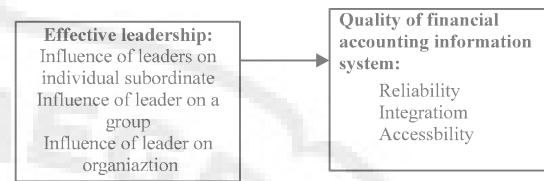


Fig. 1: The research model

effectiveness leads to a successful level of information systems projects. Shi (2007) proves that the leadership of information systems have a positive impact on the performance of information systems. Cho *et al.* (2011) proves that transformational leadership is positively associated with the success of information system users. Fitriani (2017) found evidence that leadership influences the success of accounting information systems. Carolina found evidence that transformational leadership has a significant effect on accounting information systems. Rapina also found evidence that transformational leadership influences the successful implementation of accounting information systems. Mulyani and Endraria (2017) found evidence that leadership style have significant effect on the implemetantion enterprise resource planning system. Fitrios (2017) found evidence that leadership behavior significantly influences accounting information systems. Nurhayati and Susanto (2017) found evidence that transformational leadership has significant influence on success of accounting information systems. Based on the above statement and the results of previous research, the hypothesis in this study is effective leadership significantly influence on the quality of financial accounting information system. Further research model can be seen in Fig. 1.

MATERIALS AND METHODS

This study uses explanatory survey method. The population in this study are all users of financial accounting information system consisting of head of finance bureau, head of finance department, accounting department head and data entry staff in 86 units Reporting and accounting in Ministry and Institution of republic of Indonesia. The sampling technique used is simple random sampling to obtained 270 respondents. The instrument that is used for the collection data is questionnaire. The questionnaires using Likert scale on five choices of responses ranging from strongly disagree (1) and strongly agree (5).

The questionnaire includes two variables namely: Leadership Effectiveness (LE) and Quality of Financial Accounting Information System (QoFAIS). LE consists of three dimensions namely influence of Leader on

Individual subordinate (LE1), influence of Leader on group (LE2) and influence of Leader on organization (LE3). LE1 consists four indicator, i.e., leader improves the quality of subordinate life (LE11), Leader build subordinate confidence (LE12), Leader improve subordinate skills (LE13) and Leader contribute to the development of subordinates (LE14). LE2 consists five indicators, i.e., Leader enhance teamwork (LE21), Leader increase group commitment (LE22), Leader increase members group confidence in achieving goals (LE23), Leader improve problem solving by group (LE24) and Leader improve decision making by group (LE25). LE3 consists four indicators, i.e., Leader help to resolve disputes constructively (LE31), leader contribute to the efficiency of organizational activities (LE32), Leader contribute to resource accumulation (LE33) and Leader contribute to organizational readiness in the face of change (LE34).

QoFAIS consists of three dimensions namely reliability of Financial Accounting Information System (QoFAIS1), integration of Financial Accounting Information System (QoFAIS2) and accessibility of Financial Accounting Information System (QoFAIS3). QoFAIS1 consists two indicators, i.e., ability of Financial Accounting Information System function properly (QoFAIS11) and ability of Financial Accounting Information System to produce accurate information (QoFAIS12). QoFAIS2 consists three indicators, i.e., the integration subsystem in the Financial Accounting Information System (QoFAIS21), integration Financial of Accounting Information System with other information systems (QoFAIS22) and integration of data from various sources (QoFAIS23). QoFAIS3 consists two indicators, i.e., the ability ability of Financial Accounting Information System accessed anytime by user (QoFAIS31) and the ability of Financial Accounting Information System accessed from various place by user (QoFAIS32).

All causal relationships between indicators and constructs in this study used a reflective measurement model. The data analysis we applied the Partial Least Square (PLS) method.

RESULTS AND DISCUSSION

Demography of respondent: Based on the answers of the respondents on questions relating to gender, age, education level and educational background. The gender of male dominated respondents as much as 154 respondents or 57.04%, based on age of respondents dominated age between 30-39 years that is as much as 118 respondents or 43.70%, based on education level most respondents are bachelor that is as much as 155

respondents or 57.41% and based on the educational background of most respondents background accounting that is as much as 158 respondents or 58.52%.

Assessment of measurement model: The reflective measurement model is considered to meet validity if the extracted Average Variance (AVE) is higher than 0.5 and the outer load indicator on the construct must be higher than all the cross loads with the other constructs. The reflective measurement model is considered reliable if the composite reliability and outer load indicator is higher than 0.708 (Hair *et al.*, 2014). The first stage of evaluation of first order on outer model, the outer loading of indicator LE11 and QFAIS23 is below 0.7, so, it must be eliminated from the model. The second stage of evaluation first order on outer model, we found that the outer loading of all items used to measure each dimension of leadership effectiveness and quality of financial accounting information systems is above 0.7 (Fig. 2).

Average variance extracted above 0.5 and outer loadings of indicators on a construct higher than all its cross loadings with other constructs, it's concluded that the reflective measurement model is valid (Table 1 and 2). Likewise, composite reliability and all indicator outer loading higher than 0.708, it's concluded that the reflective measurement model is reliable (Table 1 and Fig. 2).

Descriptive statistics: Two hundred seventy questionnaires from user of financial accounting information systems at 76 ministries and institutions of Republic of Indonesia (78.49%) were returned and completed. Inter-Quartile Range (IQR) was used to categorize the respondent's responses (Cooper and Schindler, 2014). The category of respondent's responses are : an mean score : 1, 00-1, 99 (poor), 2, 00-2, 99 (less), 3, 00-3, 99 (sufficient) and 4.00-5.00 (good). Descriptive statistics show that all dimensions and indicators have mean scores between 3.04-3.79 or 4, so that, the categories are "sufficient" (Table 3).

Testing of the hypothesis: The hypothesis to be tested in this study are:

- C H₀: effective leadership have not significant influence on the quality of financial accounting information systems
- C H_a: effective leadership have significant influence on the quality of financial accounting information systems

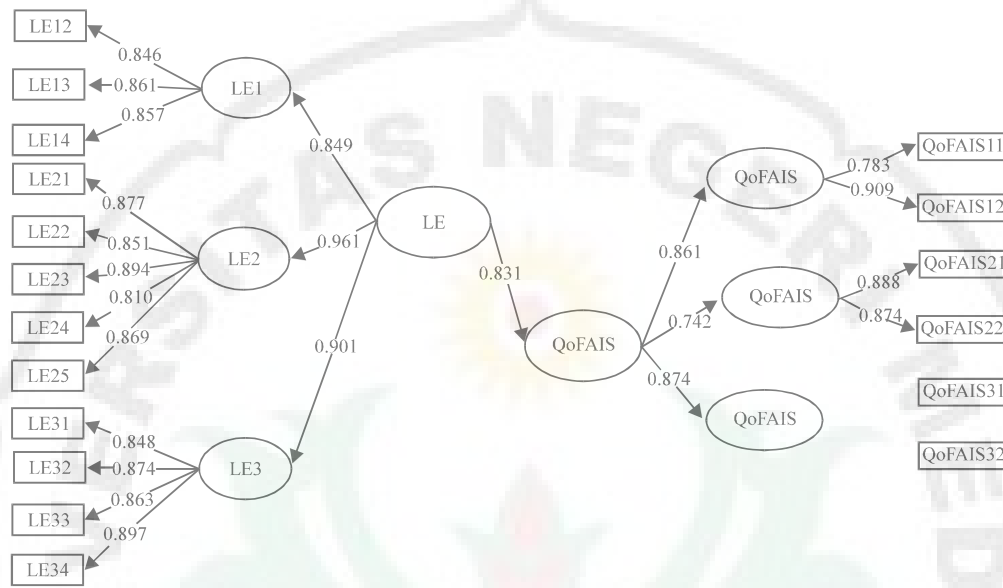


Fig. 2: Results of the path diagram

Table 1: Composite reliability and average variance extracted

| Dimensions/Items | CR | AVE | Validity | Reliability |
|------------------|-------|-------|----------|-------------|
| LE1 | | | | |
| LE12 | 0.891 | 0.731 | Valid | Reliable |
| LE13 | | | | |
| LE14 | | | | |
| LE2 | | | | |
| LE21 | 0.934 | 0.741 | Valid | Reliable |
| LE22 | | | | |
| LE23 | | | | |
| LE24 | | | | |
| LE25 | | | | |
| LE3 | | | | |
| LE31 | 0.926 | 0.758 | Valid | Reliable |
| LE32 | | | | |
| LE33 | | | | |
| LE34 | | | | |
| QoFAIS1 | | | | |
| QoFAIS11 | 0.836 | 0.720 | Valid | Reliable |
| QoFAIS12 | | | | |
| QoFAIS2 | | | | |
| QoFAIS21 | 0.874 | 0.776 | Valid | Reliable |
| QoFAIS22 | | | | |
| QoFAIS3 | | | | |
| QoFAIS31 | 0.844 | 0.730 | Valid | Reliable |
| QoFAIS32 | | | | |

H_0 is accepted if $t_{\text{Statistic}}$ is smaller than t_{Table} in significance level 5% (1.96). Based on result of the analysis we found that $t_{\text{Statistic}}$ is greater than t_{Table} (14.288 > 1.96). This means that H_0 is rejected or in other words effective leadership have significant influence on quality of financial accounting information system (Table 4). Path coefficient between effective leadership and quality of financial accounting information systems is 0.831, coefficient determination (R^2) is 0.690 (Fig. 2). this means that effective leadership able to explain the quality of financial

accounting information system equal to 69% while the remaining 31% explained other factors not included in this research model.

Based on the result of hypothesis testing, we found the empirical evidence in the context of ministries and institutions of Republic of Indonesian that effective leadership have significant influence on the quality of financial accounting information systems. This empirical evidence confirms the theoretical framework that to maximize quality of information systems

Table 2: Outer loading and cross loading

| Variable | QoFAIS1 | QoFAIS2 | QoFAIS3 | QoFAIS | LE1 | LE2 | LE3 | LE |
|----------|--------------|--------------|--------------|--------|--------------|--------------|--------------|-------|
| QoFAIS11 | 0.783 | | | 0.569 | | | | |
| QoFAIS12 | 0.909 | | | 0.852 | | | | |
| QoFAIS21 | | 0.888 | | 0.671 | | | | |
| QoFAIS22 | | 0.874 | | 0.632 | | | | |
| QoFAIS31 | | | 0.887 | 0.819 | | | | |
| QoFAIS32 | | | 0.821 | 0.662 | | | | |
| LE12 | | | | | 0.846 | | | 0.774 |
| LE13 | | | | | 0.861 | | | 0.712 |
| LE14 | | | | | 0.847 | | | 0.685 |
| LE21 | | | | | | 0.877 | | 0.856 |
| LE22 | | | | | | 0.851 | | 0.855 |
| LE23 | | | | | | 0.894 | | 0.857 |
| LE24 | | | | | | 0.810 | | 0.755 |
| LE25 | | | | | | 0.869 | | 0.804 |
| LE31 | | | | | | | 0.804 | 0.789 |
| LE32 | | | | | | | 0.874 | 0.782 |
| LE33 | | | | | | | 0.863 | 0.792 |
| LE34 | | | | | | | 0.897 | 0.774 |

Table 3: Descriptive statistics

| Variable/Dimension/Indicator | Mean score | Category | Variable/Dimension/Indicator | Mean score | Category |
|------------------------------|------------|------------|------------------------------|------------|------------|
| LE | 3.04 | Sufficient | QoFAIS | 3.52 | Sufficient |
| LE1 | 3.31 | Sufficient | QoFAIS1 | 3.66 | Sufficient |
| LE12 | 3.55 | Sufficient | QoFAIS11 | 3.74 | Sufficient |
| LE13 | 3.70 | Sufficient | QoFAIS12 | 3.59 | Sufficient |
| LE14 | 3.21 | Sufficient | QoFAIS2 | 3.41 | Sufficient |
| LE2 | 3.58 | Sufficient | QoFAIS21 | 3.70 | Sufficient |
| LE21 | 3.77 | Sufficient | QoFAIS22 | 3.13 | Sufficient |
| LE22 | 3.79 | Sufficient | QoFAIS3 | 3.53 | Sufficient |
| LE23 | 3.60 | Sufficient | QoFAIS31 | 3.69 | Sufficient |
| LE24 | 3.59 | Sufficient | QoFAIS32 | 3.38 | Sufficient |
| LE25 | 3.51 | Sufficient | | | |
| LE3 | 3.71 | Sufficient | | | |
| LE31 | 3.73 | Sufficient | | | |
| LE32 | 3.68 | Sufficient | | | |
| LE33 | 3.71 | Sufficient | | | |
| LE34 | 3.72 | Sufficient | | | |

Table 4. Result of the Analysis

| Variables | Original sample | Sample mean | SD | t-statistic | p-value |
|----------------|-----------------|-------------|-------|-------------|---------|
| LE P LE1 | 0.849 | 0.849 | 0.032 | 26.493 | 0.000 |
| LE P LE2 | 0.961 | 0.961 | 0.011 | 89.516 | 0.000 |
| LE P LE3 | 0.901 | 0.899 | 0.031 | 28.729 | 0.000 |
| LE P QFAIS | 0.831 | 0.822 | 0.058 | 14.288 | 0.000 |
| QFAIS P QFAIS1 | 0.861 | 0.869 | 0.026 | 33.130 | 0.000 |
| QFAIS P QFAIS2 | 0.742 | 0.741 | 0.068 | 10.848 | 0.000 |
| QFAIS P QFAIS3 | 0.874 | 0.873 | 0.033 | 26.591 | 0.000 |

required effective leadership such as Thite (2000), Shi (2007), Cho *et al.* (2011), Mulyani and Endraria (2017), Fitrios (2017) and Nurhayati and Susanto (2017). This evidence indicates that the lack of quality of financial accounting information system is caused by the ineffectiveness of leadership. The result of this study can be explained.

The effect of effective leadership on the quality of financial information systems in ministries and institutions of the Republic of Indonesia is shown by the coefficient value of 0.831 or “very strong” category. The Table 3 shows mean score responses of respondents about effective leadership in relation to the quality of

accounting information system finance of 3.04 or “sufficient” category. When compared with the ideal score (5), there is a gap of 1.96. This indicates that there is still a problem in the effective leadership in ministry and institutions.

In the dimension of the leader’s influence on the individual subordinates obtained mean score of 3.31 or “sufficient” category. When compared with the ideal score there is a gap of 1.69 indicating there is a problem in the influence of leaders against subordinate individuals. Then the search continues on the responses of respondents for each indicator. The indicator of leader contributes to the subordinate’s own development have

mean score of 3.21 or “sufficient” category. When compared with the ideal score there is a gap of 1.79 indicates that the role of leaders still need to be improved in self-development of subordinates. The indicator of leader building of subordinate confidences has mean score of 3.55 or “sufficient” category. When compared with the ideal score there is a gap of 1.45 indicates that the contribution of leaders is still needed in building subordinate confidence. Indicator of leader improves subordinate skills have mean score of 3.70 or “sufficient” category. When compared with the ideal score there is a gap of 1.30 indicating that the role of leaders still need to be increase in improve the skill of subordinates.

In the dimension of the leader’s influence on the group obtained mean score of 3.58 or “sufficient” category. When compared with the ideal score there is a gap of 1.42 indicating there is a problem in the leader’s influence on the group. Then the search continues on the responses of respondents for each indicator. Indicator of leader increase decision making by group have mean score of 3, 51 or “sufficient” category. When compared to the ideal score there is a gap of 1.49 indicating that leaders need to give greater confidence to the group in decision-making. Indicator of leader increase problem solving by group have mean score of 3.59 or “sufficient” category. When compared with the ideal score there is a gap of 1.41 indicates that the leader needs to give the group a chance to solve the problem. Indicator of leader increase the confidence of group members have mean score of 3.60 or “sufficient” category. When compared with the ideal score there is a gap of 1.40 indicating that the role of leaders still needs to be improved in an effort to increase the confidence of group members. Indicator leader improves group member co-operation have mean score of 3.77 or “sufficient” category. When compared with the ideal score there is a gap of 1.23 indicating that the leader still needs to be improved, so that, the cooperation of the group members increases. Finally, indicator of leader increases the commitment of group members to have mean score of 3.79 or “sufficient” category. When compared with the ideal score, there is a gap of 1.21 indicating that the leader’s commitment still needs to be improved in order to increase group commitment.

In the dimensions of influence of leaders on the organization obtained mean score of 3.71 or “sufficient” category. When compared with the ideal score there is a gap of 1.29 indicating there is a problem in the leader’s influence on the organization. Then the search continues on the responses of respondents for each indicator. The indicator of leader contribute to organizational activity has the lowest average score of 3.68 or “sufficient”

category. When compared with the ideal score there is a gap of 1.32 indicating that the contribution of leaders to organizational activity still needs to be improved. The indicator of leader contributes to providing resources have mean score of 3.71 or “sufficient” category. Compared to the ideal score, a gap of 1.29 indicates that the contribution of leaders in providing resources still needs to be improved. The indicator of leader contribute to organizational readiness in the face of change have mean score of 3.72 falling in the “adequate” category. When compared with the ideal score, there is a gap of 1.28 indicating that the contribution of the leader still needs to be improved so that the organization is better prepared to face the change. Finally, the indicator of leader help resolve disputes in a constructive way have mean score of 3.73 or “sufficient” category. When compared with the ideal score there is a gap of 1.27 indicating that the role of leader still needs to be improved.

Problems (gaps) that occur in effective leadership has implications on the quality of financial accounting information systems. Table 3 shows the respondent’s responses to the quality of financial accounting information system. The mean score of the respondent’s responses to the quality of financial accounting information systems is 3.52 or sufficient category. When compared with the ideal score (5.00), there is a gap of 1.48 indicates there is still a problem in the quality of financial accounting information systems in ministry and institutions.

In the dimensions of reliability of financial accounting information system obtained mean score of 3.66 or “sufficient” category. When compared with the ideal score there is a gap of 1.34 indicating there is a problem in the reliability. Then the search continues on the responses of respondents for each indicator. The indicator of ability of financial accounting information system produce accurate information have mean score of 3.59 or “sufficient” category. When compared with the ideal score there is a gap of 1.41 indicating that ability financial accounting information system to produce accurate information needs to improved. The indicator of ability of financial accounting information system function properly have mean score of 3.74 or “sufficient” category. When compared with the ideal score there is a gap of 1.26 indicating that ability financial accounting information system to function properly needs to improved.

In the dimensions of integration of financial accounting information system obtained mean score of 3.41 or “sufficient” category. When compared with the ideal score there is a gap of 1.59 indicating there is a problem in the integration. Then the search continues on the responses of respondents for each

indicator. The indicator of integration of financial accounting information system with other information systems have mean score of 3.13 or “sufficient” category. When compared with the ideal score there is a gap of 1.87 indicating that integration of financial accounting information system with other information system needs to improved. The indicator of integration of subsystems in financial accounting information system have mean score of 3.70 or “sufficient” category. When compared with the ideal score there is a gap of 1.30 indicating that integration of subsystems in financial accounting information system needs to improved.

In the dimensions of accessibility of financial accounting information system obtained mean score of 3.53 or “sufficient” category. When compared with the ideal score there is a gap of 1.47 indicating there is a problem in the accessibility. Then the search continues on the responses of respondents for each indicator. The indicator of ability of financial accounting information system accessed from various place by user have mean score of 3.38 or “sufficient” category. When compared with the ideal score there is a gap of 1.62 indicating that ability of financial accounting information system to be accessed from various place by user needs to improved. The indicator of ability financial accounting information system accessed anytime by user have mean score of 3.69 or “sufficient” category. When compared with the ideal score there is a gap of 1.31 indicating that ability of financial accounting information system to be accessed needs to improved.

Problems related to leadership are influence of leader to individual subordinate, group and organization have been not effective. This problem can be solved by:

- C Leaders are more improve the welfare of subordinates
- C Leaders are more instrumental in self-development of subordinates
- C Leaders are more play a role in improving subordinate skills
- C Leaders are more build more subordinate confidence
- C Leaders are more enhance group member work
- C Leaders are more increase the commitment of group members
- C Leaders give a larger role to the group in solving problems and making decisions
- C Leaders are more instrumental in resolving disputes
- C Leaders are more involved in organizational activities

Further, problems related to the quality of financial accounting information systems are have been not reliable, integration and accessible. This problem can be solved by improve the reliability of financial accounting

information systems through enhancing the operational capabilities of financial accounting information systems. Improve the integration of accounting information systems by bringing together SAIBA modules into one integrated application. Improve accessibility of the system by making a web-based financial accounting information system to be accessed at any time and from various places by the user of course with regard to system security level

CONCLUSSION

This study aims to examine the influence of effective leadership on the quality of financial accounting information system. Results of this study shown the effective leadership have significant influence on the quality of financial accounting information system.

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