



## THE INFLUENCE OF FLEXIBLE WORKING SPACE ON ACCOUNTING INFORMATION SYSTEMS EFFECTIVITY

**Mazli Wardhani Masnul<sup>1</sup>, Azhar Maksum<sup>2</sup>, Rina Bukit<sup>3</sup>, Afrah Junita<sup>4</sup>**

<sup>1,2,3</sup>Faculty of Economics and Business, Universitas Sumatera Utara, Medan, Indonesia

<sup>4</sup>Faculty of Economics, Universitas Samudra, Indonesia

Email: [mazliwardhani@kemenkeu.go.id](mailto:mazliwardhani@kemenkeu.go.id)<sup>1</sup>, [azharmaksum16@gmail.com](mailto:azharmaksum16@gmail.com)<sup>2</sup>,

[rina.bukit@usu.ac.id](mailto:rina.bukit@usu.ac.id)<sup>3</sup>, [afrah@unsam.ac.id](mailto:afrah@unsam.ac.id)<sup>4</sup>

### Abstract:

Accounting information system (AIS) is an organizational component that is responsible for preparing financial information to assist management in making decisions. Utilization of AIS will improve quality, reduce costs, increase the accuracy of decision making and share knowledge. A reliable accounting information system as a means of information in implementing state expenditure should be implemented and does not experience obstacles in its implementation even through implementation of flexible working space. It is hoped that changes to the work system through flexible working spaces will continue to support the achievement of the effectiveness of the accounting information system run by the organization. This research analyzes the effect of implementing flexible working space on the effectiveness of accounting information systems, with the research population being the State Treasury Office and its counterparts in the North Sumatra region. Research data was obtained through a questionnaire on Google Form and processed using Structural Equation Modeling (SEM) using smartPLS application. The results of this study indicate that FWS has a positive and significant effect on AIS effectiveness.

**Keywords:** *Flexible Working Space, Effectiveness of Accounting Information Systems.*

### INTRODUCTION

The process of disbursing funds at the State Treasury Office becomes the data source information in the accounting information system that forms the financial reports of a work unit. This process has been running with an application system used nationwide in Indonesia, but in its implementation, it often faces obstacles that hinder the funds disbursing process. The obstacles faced include aspects of the information technology used, human resources as users, employee performance, and the impact of the COVID-19 pandemic which requires the implementation of Flexible Working Space (FWS) in the form of Work from Home (WFH), resulting in an ineffective accounting information system.

One of such obstacles is an error in the letter for payment order (Surat Perintah Membayar/SPM) submitted by the work unit. This error means that letter for fund disbursing order (Surat Perintah Pencairan Dana/SP2D) cannot

be issued, resulting in deviations on the fund withdrawal plan that was previously prepared. The accuracy of fund disbursement in accordance with the fund withdrawal plan is an indicator of AIS effectivity in state spending.

The modern organization served by an AIS is a very complex organization that allows the development of a variety of products for management. Accounting information systems are very important in an efficient economic unit, so that the accounting information produced is very helpful in decision making (Cushing, 1988). Management in an organization requires a variety of different information according to the responsibilities and authority it has. To produce good quality information, an organization must also have a good information system. According to (Bodnar & Hopwood, 1995) it is a collection of resources such as people and equipment designed to convert financial data and other data into information, communicated to various parties for decision making, manually or with computer assistance.

An accounting information system is a system that collects, records, stores and processes data to produce information for decision makers, including elements in the form of people, procedures and instructions, data, software, information technology infrastructure, internal controls and steps security (Romney et al., 2021).

One of the objectives of developing an AIS is to add company value by producing information accurately and on time (Handojo et al., 2004). A reliable accounting information system will improve quality, reduce costs, improve accurate decision making and increase knowledge sharing. The accounting information system process requires experience and training as factors that determine the success of implementing an accounting information system. The information needed in the organization is produced from an effective accounting information system.

The effectiveness of an accounting information system is a benchmark that describes the target achievement of the resources needed in processing electronic data which is then converted into useful information and provides formal reports with both quality and time (Suriana, 2019).

The effectiveness of an accounting information system is a measure that provides input for the decision-making process through a series of managed resources, converted into useful information (Dewi et al., 2020).

In accordance with the Decree of the Minister of Finance (KMK) of the Republic of Indonesia number 223/KMK.01/2020 concerning Implementation of Working Place Flexibility (Flexible Working Space) within the Ministry of Finance, it is stated that officials and employees are required to be able to work from anywhere (shared work space, home and other locations) that have infrastructure and facilities to support flexible working space implementation by fulfilling the specified requirements, among others employees work performance score (Nilai Prestasi Kerja Pegawai/NPKP) are at least good, not in the process of being disciplined, able to work independently, responsible, able to communicate effectively to superiors, co-workers or other parties, and responsive to assignment instructions .

An effective accounting information system is an information system with technology that can be understood, used and applied by users to become usable information in decision making so that company goals can be met and company performance can be achieved. It is hoped that work process through the implementation of flexible working space will run well according to the performance standards that have been set. The existence of valid, reliable and

well-structured information sources will support the decision-making process in accordance with organizational goals. The accounting information system is one source of data in determining organizational strategy so it must remain available under any circumstances.

## **LITERATURE REVIEW**

### **Goal Setting Theory**

Goal setting theory states that there is a relationship between the goals set and the achievement of work performance (Locke, 1968). It is a form of motivation theory, with the concept that a person's work behavior will be influenced by his understanding of the goals to be achieved. This behavior will continue until the expected goals are achieved. A person will carry out their duties well if the tasks are related to their work. Individual behavior is regulated by a person's ideas (thoughts) and intentions.

According to (Locke & Latham, 2013), based on the high-performance cycle, goal setting theory predicts, explains and influences employee performance and satisfaction which then triggers employee commitment to the organization. Goal setting is a process of developing and forming targets that will be achieved through various kinds of aspiration that will be written down or implanted in the heart and then responsibly completed or fulfilled by each individual. (Ramadhani et al., 2021).

There are 5 benefits of applying goal setting theory, namely:

1. Increased motivation

The main idea of goal setting theory is setting goals that are useful for providing intrinsic encouragement to individuals. Having clear targets to achieve will encourage employees to work harder.

2. More directed focus

Goals setting will help individuals to focus on tasks that support the achievement of these goals. Individuals who focus on carrying out tasks will have an impact on reducing waste of time and resources.

3. Improved performance

Individuals who focus on their goals can achieve better results in their work or business.

4. Improve planning and organizing

Individuals must plan the necessary actions and organize their resources to achieve the stated goals. Planning and organizing abilities can be achieved through the application of goal setting theory.

5. Measuring Progress

To identify needed improvements, it is necessary to measure the progress achieved by employees. Goals setting for employees will allow individuals to measure their progress. (<https://contenthub.markplusinstitute.com/goal-setting-theory/> accessed on February 24, 2024)

### **Contingency Theory**

Contingency theory states that organizational effectiveness is a function of the suitability between the system and the environment in which an organization operates (Duncan and Moores, 1989). Contingency theory states that design and use of system control depends on organization arrangement context where this control is implemented (Fisher, 1998). Effective organization structure depends on overall organization situation contingencies (Patrinah,

2005). System and environment suitability will influence organization effectiveness. Contingent factor consists of arrangement in organization and information related to its function in organization. Coordination and organization control require information integration created indirectly by the contingent factors.

Contingency theory states that organizational structure is based on contextual factors such as environmental conditions, business strategy, organizational structure, production technology and managerial style (Ismail & King, 2007). Contingencies should be considered as a more dynamic context, thus requiring greater utilization of process-based models that measure change mechanisms and the application of modified forms of management and control (Otley, 2014). According to this theory, an effective group depends on the match between the leader's interaction style with his subordinates, so that the situation becomes a controlling factor and influences the leader (Zulaihah, 2017). Contingency theory focuses on factors related to conditions that may determine the most appropriate leadership style for a particular situation (Sethuraman & Suresh, 2014).

Contingency or situational leadership theory is a theory that assesses that ideal leadership practices can realize shared goals in an organization through the existence of good relationships between leaders and subordinates. This refers to the creation of professionalism in leaders to manage their subordinates and be followed by subordinates who are able to achieve the best performance according to their capacity.

The concept of leadership emphasizes that leaders will not be effective in all situations, especially those related to the capabilities of their subordinates in carrying out their assigned tasks. When assigning tasks, leaders need to pay attention to the abilities of their subordinates (Suntara & Hijran, 2023).

The effectiveness of a system will depend on the suitability between the integration of the accounting information system and the contingent factors of organizational formalization, information dependency within the organization's functional areas and dependency with other organizations (Nicolaou, 2000). Organizational effectiveness comes from the match between organizational characteristics and contingent factors that reflect organizational conditions. Overall, effectiveness refers to performance, it can be stated that better performance is the result of the right combination of contingent factors (Donaldson, 2001).

Contingency theory argues that organizational structure has two roles, namely financial control and performance. The role of performance is also related to the role of strategic control, where organizational structure mechanisms are stated to have an important role in strategic planning and implementation (Schmidt & Brauer, 2006).

Organizational structure, environment and information technology are three important factors that are interconnected in improving organizational performance and effectiveness. Contingency theory identifies specific aspects of accounting systems that relate to certain predetermined circumstances and demonstrate suitability. Contingency theory explains that setting the organizational structure through the implementation of flexible working space will support the realization of an effective AIS. As an indicator of organizational performance, the effectiveness of accounting information systems is a contingent factor on organizational effectiveness.

## **Accounting Information System Effectivity**

AIS is a compilation of resources to prepare information, financial and non-financial (Antasari & Yaniartha, 2015). While Soudani (2012) stated that AIS is a tool which if integrated with information technology will help management and control related matters with organization economics and finance aspects, and according to (Mujilan, 2012) AIS is a set of resources regulated to process data into information.

Effectiveness of AIS is a measure that describe how far the target will be achieved from a set of regulated resources to collect, process, and store electronic data, then transform it into useful information and provide required good formal reports both in quality or time. On AIS effectivity enhancement, management role and participation are required in support of system implementation and development (Ratnaningsih & Suaryana, 2016). According to (DeLone & McLean, 1992) there are 6 measures to evaluate AIS effectivity namely system quality, information quality, utilization, user satisfaction, individual impact and organizational impact.

AIS application effectivity has positive influence to employee performance. AIS is improved through updates accompanied by organizing training programs for employee in giving appropriate incentives, so employee is motivated to increase performance (Pratama et al., 2023).

Research from (Bintang & Dharmadiaksa, 2018) shows that effectiveness of AIS has positive and significant influence to performance. Results from (Afandi et al., 2021) research show that AIS effectivity significantly influential to performance. According to (Gunawan & Tenaya, 2017) and (Suryawan & Suaryana, 2018) there are positive influence from AIS effectivity to employee performance. While (Novitasari et al., 2023) research states that easiness in use of AIS has positive and significant influence to employee performance.

Meanwhile (Nababan, 2020) research obtained results that AIS usage effectivity does not have significant impact to performance. Research from Paramitha (2020) shows that AIS effectivity has negative insignificant influence to performance.

## **Flexible Working Space**

Flexible Working Space (FWS) is one of flexible approach and working methods such as time and workplace, FWS does not only covers WFH but in a general way can reach place or another area outside from office (Ananda, 2022).

FWS as part of new thinking of work aim to realize digital-based adaptive work culture and with integrity to increase productivity and performance. Each individual must have integrity, discipline and commitment to realize FWS as a new culture. FWS weighs in mapping types of work possibly done remotely and work that must be carried out in the office, preparation of business processes and workload analysis calibration.

Study from (Eldridge & Nisar, 2011) conclude that there is positive relationship between FWA and demanding work conditions. Research result from (Widiyati et al., 2022) show that FWS has influence on work productivity.

Contrary to results study from (Dipoyono, 2023) which state that FWS does not own positive and significant influence to work productivity.

## **RESEARCH METHODS**

Research method used is Associative Causal (Erlina, 2011). Variable of this study consists of dependent variable, that is Accounting Information

System Effectivity and independent variable in the form of Flexible Working Space, with research location at State Treasury Office and its counterparts in the North Sumatra region.

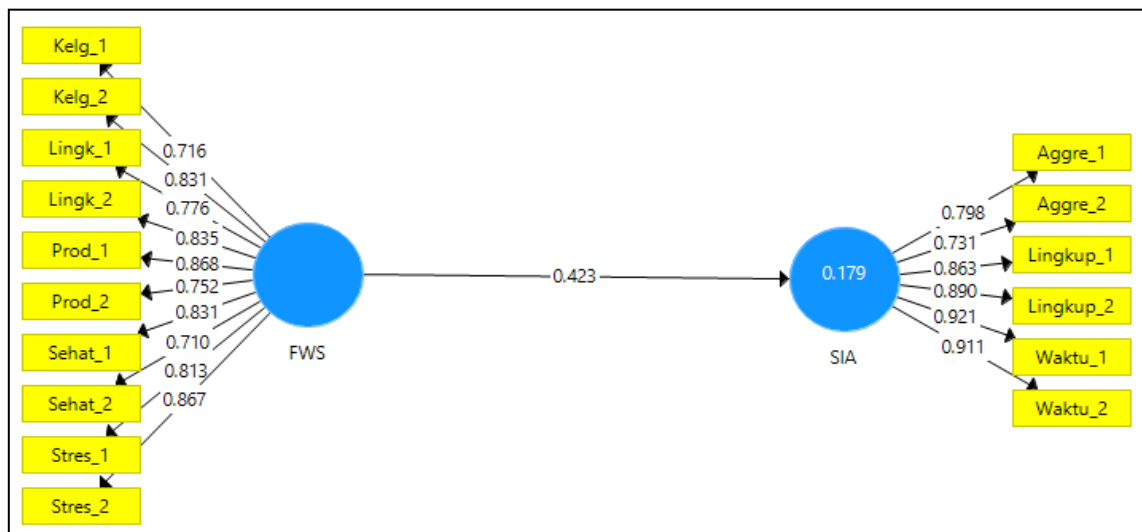
Sample for this study comes from State Treasury Office and 119 counterparts in the Medan city area. Sampling technique in this study are through Krejcie and Morgan sampling table.

Analysis on this study is using Structural Equation Modeling (SEM) with the Partial Least Square (PLS) method processed through smartPLS application.

## RESULTS AND DISCUSSION

### Outer Model Testing with Convergent Validity

The outer model test was carried out with estimate or parameter estimation through convergent validity testing. Required loading factor value for all indicator must exceed 0.7 to be regarded as a valid measurement for indicators to measure construct. Based on data calculation via PLS algorithm, loading factors value from every variable indicator can be seen in the following picture.



**Figure 1. Loading Factor**

Besides loading factor value, convergent validity is considered through Average Variance Extracted (AVE) value, Cronbach's alpha and composite reliability. Required AVE value for all construct must be  $>0.50$  with Cronbach's alpha and composite reliability  $>0.70$ . The results of data processing through smartPLS produce mark as following table:

**Table 1. Construct Validity and Reliability**

	Cronbach's Alpha	rho_A	Reliability Composite	Mean of Variance Extracted (AVE)
<b>FWS</b>	0.938	0.954	0.947	0.643
<b>AIS</b>	0.927	0.956	0.942	0.731

From the table above, it is known that Cronbach's alpha and reliability composite score exceeding 0.7 and the AVE value is more than 0.5. Therefore, the constructs in this study fulfil convergent reliability and validity condition.

Next, in determining proposed hypothesis results the data are processed through bootstrapping method, with a requirement of t-statistic value bigger than 1.960 and significance smaller than 0.05. Hypothesis analysis results carried out through bootstrapping method obtain results as following table:

**Table 2. Bootstrapping Path Coefficient Value**

	Sample (O)	Standard Deviation (STDEV)	T Statistics (  O/STDEV  )	P Values
<b>FWS -&gt; AIS</b>	0.423	0.105	4.031	<b>0,000</b>

From the data above, it is known that t- statistic value is bigger than 1.96 with a significance level less than 0.05 so the proposed hypothesis can be accepted.

### **Discussion**

This research result support contingency theory that postulates that design and use of system control depend on organization arrangement context where this control operates (Fisher, 1998). Application of the theory in connection between FWS and AIS effectivity concludes that implementation of FWS facilitated by the organization will increase AIS effectivity. Data processing via smartPLS support the hypothesis proposed by researchers that FWS has an influence in a positive and significant way to AIS effectivity.

In their research, Gajendran & Harrison (2007) produce conclusion that there is decline in conflict between work and home on employees who have a chance to work remotely with the existence of FWS. Study from (Amador, 2016) also gain conclusion that worker who enjoy their working location (work location enjoyment), in this particular matter is at home, have positive relationship to productivity compared to working at office. It shows that FWS work system will increase AIS effectivity through decline in conflict and increase in productivity.

### **CONCLUSION**

This study produce conclusion that FWS as a work system can be applied through organization arrangement to achieve organization goals better. It is proven with the existence of positive and significant influence by FWS on AIS effectivity. An effective AIS will be very helpful for organization on taking decision, formulate policy direction and achieve targets that have been set.

This study can work as input in preparation of FWS policy. However, there are other variables which can be researched to measure its influence to AIS effectivity in order to produce more comprehensive policies.

### **REFERENCES**

Amador, J. M. (2016). Remote and On-Site Knowledge Worker Productivity and Engagement: A Comparative Study of The Effect of Virtual Intensity and

- Work Location Preference.  
[http://rave.ohiolink.edu/etdc/view?acc\\_num=case1459176938](http://rave.ohiolink.edu/etdc/view?acc_num=case1459176938)
- Ananda, M. A. S. (2022). Determinasi Produktivitas Kerja: Flexible Working Space, Transformational Leadership, dan Organizational Culture (Literature Review Manajemen Sumber Daya Manusia). *JMPIS Jurnal Manajemen Pendidikan Dan Ilmu Sosial*, 3(1), 337–349. <https://doi.org/10.38035/jmpis.v3i1>
- Bodnar, G. H., & Hopwood, W. S. (1995). Accounting Information System.
- Cooke, Dr. J. G. (2012). The Benefits of Flexible Working Arrangements: A Future of Work Report. Future of Work Institute, August, 21. [www.hotspotsmovement.com](http://www.hotspotsmovement.com)
- Dewi, N. P. M. C., Dewi, A. A., & Kresnandra, A. A. N. A. (2020). Efektivitas Sistem Informasi Akuntansi dan Kemampuan Teknis Pengguna pada Kinerja Individual Lembaga Perkreditan Desa. *E-Jurnal Akuntansi*, 30(7), 1633. <https://doi.org/10.24843/eja.2020.v30.i07.p02>
- Dipoyono, S. (2023). Pengaruh Flexible Working Space (FWS), Budaya Organisasi, dan Sistem Informasi SDM terhadap Produktivitas Kerja Pegawai Bagian Umum Kantor Pusat DJBC. <https://www.researchgate.net/publication/368789181>
- Eldridge, D., & Nisar, T. M. (2011). Employee and Organizational Impacts of Flexitime Work Arrangements. *Relations Industrielles*, 66(2), 213–234. <https://doi.org/10.7202/1006144ar>
- Erlina. (2011). Metode Penelitian. USU Press.
- Fisher, J. (1998). Contingency Theory, Management Control Systems and Firm Outcomes: Past Results and Future Directions. *Behavioral Research in Accounting*, 10(Anthony 1965), 47. <https://www.proquest.com/openview/8cddd7b9115edfaa1c2defbb85fb8fa9>
- Gajendran, R. S., & Harrison, D. A. (2007). The Good, the Bad, and the Unknown About Telecommuting: Meta-Analysis of Psychological Mediators and Individual Consequences. *Journal of Applied Psychology*, 92(6), 1524–1541. <https://doi.org/10.1037/0021-9010.92.6.1524>
- Handojo, A., Maharsi, S., & Aquaria, G. O. (2004). Pembuatan Sistem Informasi Akuntansi Terkomputerisasi Atas Siklus Pembelian dan Penjualan Pada CV. X. *Jurnal Informatika*, 5(2), 86–94. <http://puslit.petra.ac.id/journals/informatics/86>
- Hill, E. J., Grzywacz, J. G., Allen, S. M., Blanchard, V. L., Matz-Costa, C., Shulkin, S., & Pitt-Catsouphes, M. (2008). Defining and Conceptualizing Workplace Flexibility. *Community, Work and Family*, 11(2), 149–163. <https://doi.org/10.1080/13668800802024678>
- Locke, E. A. (1968). Toward a Theory of Task Motivation and Incentives. *Organizational Behavior and Human Performance*, 3(2), 157–189. [https://doi.org/https://doi.org/10.1016/0030-5073\(68\)90004-4](https://doi.org/https://doi.org/10.1016/0030-5073(68)90004-4)
- Locke, E. A., & Latham, G. P. (2013). New Developments in Goal Setting and Task Performance. In *New Developments in Goal Setting and Task Performance*. <https://doi.org/10.4324/9780203082744>
- Ramadhani, I. W., Fahmawati, Z. N., & Affandi, G. R. (2021). Pelatihan Goal setting Untuk Meningkatkan Motivasi Belajar Pada Siswa Di SMP Muhammadiyah 1 Sidoarjo. *Altruis: Journal of Community Services*, 2(3). <https://doi.org/10.22219/altruis.v2i3.18044>
- Romney, M. B., Steinbart, P. J., Summers, S. L., & Wood, D. A. (2021). Accounting Information Systems. In *Information Technology and Innovation Trends in Organizations - ItAIS: The Italian Association for Information Systems (Limited)*. Pearson.



- Suriana. (2019). Pengaruh Pemanfaatan Teknologi Informasi Dan Kompetensi Sumber Daya Manusia Terhadap Efektivitas Sistem Informasi Akuntansi Pada Balai Pengembangan Kompetensi Kementerian Pekerjaan Umum Dan Perumahan Rakyat (PUPR) RI Wilayah 1 Medan. *Jurnal Implementasi Ekonomi Dan Bisnis FE UNIVA Medan*, 2115–2127. <https://pu.go.id/home>
- Wickramasinghe, V., & Jayabandu, S. (2007). Towards workplace flexibility: flexitime arrangements in Sri Lanka. *Employee Relations*, 29(6), 554–575. <https://doi.org/10.1108/01425450710826087>
- Widiyati, S., Widyawati, A. F. D., & Mariana, D. (2022). Determinasi Produktivitas Kerja: Flexible Working Space, Transformational Leadership dan Organizational Culture. *Jurnal Pendidikan Dan Kewirausahaan*, 10(2), 589–597. <https://doi.org/10.47668/pkwu.v10i1.440>