

# Constraints of the Development of Accounting Information Systems in Financial Companies Listed on the Amman Stock Exchange

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## Abstract

This study aimed to identify the obstacles that limit the development of accounting information systems in financial companies Jordanian listed on the Amman Financial Market, as well as identify the most important of these constraints, has been designed questionnaire contained 30 questions covering the problem of the study the main, been using the SPSS to analysis data and hypothesis testing, the questionnaire was distributed to accountants who work In financial companies of Jordan, has been distributed 90 questionnaire was recovered 75 questionnaire for the purposes of statistical analysis, and the study concluded that there are obstacles to the development of accounting information systems in financial companies was the most important obstacles to Material resources, has been the most important recommendations of the study are to discuss ways of reducing impediments to the development of accounting information systems in all financial sectors.

## Introduction

some of the aspects that have been paid wide attention in the modern accounting science are the subjects talking about accounting information systems and their possibility to develop in order to serve users and Beneficiaries, and the importance of the subject was to examine the constraints affecting the development of accounting information systems in Jordanian Financial companies and the concluding the recommendations that contribute in reducing these constraints and thus its development and progress.

**Problem of the study:** The problem of the study is to answer the following question:

1. What are the main obstacles impeding the development of accounting information systems in Jordanian Financial companies ?

**Objectives of the study:** The study aims to:

1. Identify constraints on the accounting information systems in Financial companies in Jordan.
2. Identify the constraints that limit the development of accounting information systems.

**Significance of the study:** the importance of the study is from the importance of the subject of accounting information systems; Studying accounting information systems in Financial companies in Jordan and their Obstacles of development helps the administrative departments in these companies to identify the most important obstacles that limit the development of the accounting information systems.

Thus the study is trying to find appropriate solutions to reduce these constraints In order to help in solving the problems regarding the nature of accounting systems and thus improving the work in the accounting departments and their outputs.

## Methodology:

Descriptive analytical approach will be used in order to achieve the objectives of the study and the researcher will focus on two aspects that make up the method of the study:

### Methods of data collection:

**Secondary sources:** The sources relied on written information sources, such as books, periodicals, journals, Arab and foreign articles, previous Arabic and foreign studies relating to the subject matter, and issues relating to the subject and published on the Internet.

**Primary sources:** a questionnaire is designed containing a number of questions covering the variables of the study and it will be distributed to a sample consists of accountants in shareholding Financial companies in Jordan in order to test the hypotheses. Likert scale has been applied to identify available alternatives to answer.

In order to determine the relative importance of the constraints of development of accounting information systems in public Financial companies in Jordan it must be relied on the average 3 (60%), which it is the base to compare the averages per each part of the hypotheses test questions with the hypothetical average.

### Validity and reliability of questionnaire:

In order to ensure the validity of the questionnaire, it was presented to a number of arbitrators from specialists in Jordanian universities. The internal consistency coefficient (Kronbach Alpha) will be counted to measure the stability . the amount of internal consistency coefficient was (0.83).

### **Community study and the sample:**

The study population consists of Jordanian shareholding Financial companies and its number is (90).the study sample is accountants who work in Financial companies because they are the most capable to answer the questions of the study, the researcher will distribute (90) questionnaires to the sample and he will retrieve (75) questionnaires to represent the population of the study accurately.

### **Statistical methods used in the analysis of data:**

Statistical program (spss) is used to reach the steady-questionnaire through Kronbach Alpha Test.

Scales of central tendency are used more than averages and repetitive distributions of questions-questionnaire.

Standard deviation: to identify the extent of convergence or divergence over the answers from each other.

### **Previous studies:**

1 - Study Bani Hani, Ahmad, and Al-Najjar (2009) entitled:

The impact of management information systems on organizations performance: field study at Jordanians universities.

(MIS effect on the performance of the organization: a field study in Jordanian universities), which aimed at studying the impact of management information systems on the performance of organizations and academic point of view in Jordanian universities that contain the Faculty of Business. The study included all business schools' deans and department heads in Jordanian universities public and private, have been withdrawn a simple random sample consisted of (15) University, as was the distribution of 120 questionnaire by (8 questionnaires each university), has been used statistical tools the following for the purposes of analysis : correlation coefficient and simple regression. The results showed indicated the presence of a significant positive correlation between management information systems and performance in organizations, the results also showed that the management of information systems have had a significant impact on the performance of organizations.

2 - Study Najjar and Hourri (2008) entitled the quality of information and its impact on the achievement of strategic flexibility: a field study in (the pharmaceutical industry of Jordan, which dealt with the quality of the information through the dimensions of the three: (time dimension, the dimension of formality, and after the content), also dealt with the flexibility strategy, which represents one of the characteristics of strategic planning through a number of factors that enable the organization to move from one strategy to another when environmental conditions change. has targeted to identify the impact of the quality of the information its three dimensions to achieve strategic flexibility in the organization.

The population of the study of managers in the pharmaceutical industry Jordanian registered in Amman Stock Exchange in the market first and second, but the study sample was a stratified random sample equal, as were selected (48) manager of the market I and II of the study, have been distributed (48) questionnaire on the study sample was retrieved (42) questionnaire of them, which underwent analysis (40) questionnaire.

3 - Study Nagar (2007), entitled impediments to the development of management information systems in the Jordanian financial companies: which aimed to identify the most important obstacles that stand in front of the development of management information systems in the Jordanian financial companies listed on the Amman Stock Exchange.

Have formed the study sample (44) financial companies represented (50%) of the study almost amounting to (89) financial company listed on the Amman Stock Exchange / stock market in the first and second market. The study reached the following conclusions:

It turns out that the human resources of the most important obstacles that stand in front of the development of management information systems and the degree of approval medium amounted to (3.06), and came Status cultural and social degree approval medium amounted to (3.05), and data resources degree approval medium amounted to (3.01), and then came the physical resources approval of medium degree of (2.98), and networking and communications resources consent of medium degree of (2.80), and finally came resources software consent of medium degree of (2.67). In conclusion, the study made a number of recommendations to decision-makers in the Jordanian financial companies.

4 - study (Ajlouni the 1998), entitled "Evaluation of management information systems applications in selected companies from the public and private sectors in Jordan - A Case Study."

This study aims to assess the reality of management information systems and efficiency by helping decision makers in the access to the information required within the parameters of speed, temporary, appropriate enough, accuracy, feasibility, and that at two pioneers from the public and private sectors in Jordan, namely Royal Jordanian and Arab Bank Limited. Has been taken into account in the selection of these two institutions that Tkona Mtnasagtin in the size of their work and spread and the need the need for an effective management information system serves the objectives regardless of the difference in the nature of work each.

The study was based on the case study method through field research, where personal interviews were conducted to characterize the reality of the system in the two institutions, in addition to the distribution of the questionnaire to measure the direction of decision-makers about the reality of the application of management information systems in each of the Royal Jordanian and Arab Bank. The researcher has identified a number of

criteria that measure the efficiency and level of use of these systems by decision-makers, in addition to the standards of flexibility and accuracy in the output of the information system.

This researcher has recommended the re-design of the management information system in RJ as it will take into account its relevance to the needs of all levels of management, and be within the sufficient flexibility to deal in different decision situations. The researcher also recommends the development of management information system at the Arab Bank in the form that increases the efficiency to justify the cost with increased attention Tailor hardware and software to the needs of the database.

Managerial information systems consist of five resources, and the organization must be able to maximize the resources of five to maximize the benefit of managerial information systems.

Managerial information systems resources:

**1. Human Recourse:** You need every organization that uses information systems to personnel to run the and Test bank these systems and their components, so the training and development of very important things to keep pace with modernization in management information systems. What are the efforts of established individuals in order to develop their employees.

And human resources usually include:

- The end user: the individual who benefit from the outputs of the information system and this requires the provision addresses the easy way with him, such as: managers, accountants, salesmen and employees, clerks and consumers, engineers and others.

- Information systems professionals: people who spend full-time in the development and operation of information systems. They are a group of individuals who specialize in the development, analysis and design and operation of the information system.

Includes specialists in information systems:

a. Systems analysts: members specialize studying the problems and requirements of business and information systems, and working with the use in the development and improvement of information systems

b. Programmers: Information Professionals use the documents provided by the systems analysts encoded on computer programs and make them in the form of programs and technical solutions.

c. Operators: individuals who enter the data and information to the computer and work on your system.

And is recognized as the availability of human resources in the enterprise by identifying the attention span established to provide training courses to external or internal factors in information systems, and the availability of information systems designers who put their programs and various technical squint.

## **2. Material resources:**

Including hardware and physical components used in data processing, as not only include devices such as: computer, printer, keyboard, etc., but also includes the possibility of modernizing these devices a regular basis to keep up with the constant changes and needs of renewable at the facility; because the availability of such devices and equipment means provides an important resource of information systems resources.

## **3. Software resources:**

Are the systems and programs that are running devices of data, information and knowledge and set of operations to be performed by hardware.

Software include the following:

- Software: is a software operating systems make the system capable of running data such as: software that monitors the operating system and supports extensions and works to control in Test bank machine.

- Application software: programs are written for special applications are running and directly address data of the organization they are different jobs by the end user, such as sales analysis software.

- Text / procedures: A set of steps and guidelines that must be followed by individuals who use the information, they are operating directives and instructions that describe: What should be done by a user of the system?

## **4. Data resources:**

Data is an essential part of the assets of the business, so you must consider the data as a resource should be organized and managed efficiently so that it includes all the components of information technology required the facility to be able to service data end-user in the facility, and that the management of data resources should be a penalty integrated with the strategy established and needs.

The organization of data resources in information systems may be in the form of: databases, knowledge bases, models rules, or data banks that provide information to give experience in different topics.

## **5. Networking and communications resources:**

And communications networks are essential resources of the penalty in all types of information systems consisting of managerial information systems. Where the spread of many storage systems and pass information such as the Internet, Intranet, and Extranet, and through which the transfer of data and information, whether inside or outside the facility, with increased reliance on local and global networks and widespread.

And networking and communications include the following:

- Central Communications: is the means by which the data traffic from one place to another.

- Networking Support: includes support for networks of individuals, hardware, software and data that directly support operations, as is noted that the networks provide internal institutional and working groups reduce the cost of information in the enterprise, and thus make the solutions to the problems that can be faced by established structures more efficiently.

And facilitate the flow of information and the flow of goods between the different managerial levels with ease Husbandry link its various branches, as well as a link among branches network of contacts, and Husbandry link with the outside world via the World Wide Web and can bring the facility effectiveness and efficiency.

Integration of resources and activities in the managerial information systems:

The availability of resources, information systems managerial alone in the facility is not enough and must be integration between these combined resources even occur expected impact, where the harmony between the physical resources of the supported modes of communication networks, and between individuals who are able to deal with those resources and activate the other hand; so that the organization can perform various activities to those systems and produce the appropriate information.

Researcher added another determinant of Management Information Systems, a cultural situation of the community: The community's ability to deal with management information systems and explain the cultural level of society and acceptance of evolution and development or deliberately acceptance.

#### **The discussion of the question of the study:**

What are the obstacles that prevent the development of accounting information systems in Jordanian public shareholding Financial companies?

From the results of application of the study has emerged that Financial companies listed in Amman stock exchange face some obstacles in the development of accounting information systems.

Has adopted a researcher standard relative importance to comment on the degree of acceptance where he was giving a degree of approval medium for the average arithmetic between (3.00) to (3.49), and high between (3.50) to (4.00) and very high for the average arithmetic for more than 4 degrees. This is based on previous studie

which in some way affect the competitiveness of these companies.

Table (1) shows the most important obstacles that prevent the development of accounting information systems in Jordanian companies Insurance.

the results of Table (1) indicates that the study sample had approved and with a very high degree of agreement was (4.32), standard deviation was (0.47) and the material resources of the most important material resources are the main obstacles of the development of accounting information systems in Financial companies in Jordan, it was found that the high cost creates a system of computers and utilities reached to a very high degree of agreement was (4.40) and standard deviation was (0.53). the inadequate training workers in accounting information systems is an obstacle with intermediate approval was (4.43) and standard deviation was (0.63) especially, external training ,and the absence of adequate support from senior management for the construction of accounting information systems with a high degree of agreement was (4.47) and standard deviation was (0.71). and it is found that the lack of concrete data and media are obstacles with a very high degree of agreement was (4.33) and standard deviation was (0.62) Finally,

the high cost software and their increase as a result of technological development has made the high degree of agreement was (3.39) and a standard deviation was (0.71).

in the second rank the most important constraints are also constraints of resources of data were in general with a very high degree of agreement was (4.18) and standard deviation was (0.36) .it is found that the extent of the independence of managing data resources is an obstacle with a very high degree of approval was (4.22) and standard deviation was (0.55) .the availability of the different knowledge bases in the organization with a very high degree of agreement was (4.36) and standard deviation was (0.66) as well as the availability of various databases in the organization were among the obstacles and the degree of approval was very high (4.12) and standard deviation was (0.70), secure of data relating to the surrounding environment was obstacle with a very high degree of approval was (4.00) and standard deviation was (0.64), and finally the availability of data banks are available for use in different subjects formed an obstacle with a very high degree of approval was (4.03) and standard deviation was (0.94).

in terms of importance for the development of accounting information systems in Financial companies in Jordan network and connections resources came in the third rank with a high degree of approval was (4.00) and standard deviation was (0.63) it is found that the flow of information between the departments of accounting readily and easily constitutes an obstacle with a very high degree of approval was (4.28) and standard deviation was (0.52) and the extent to which management and branches with network of contacts came very high degree of agreement was (4.35) and standard deviation was (0.84) .the extent to which the organization with the outside world to the Internet with a very high degree of approval was (4.01 ) and standard deviation was (0.55 ).in addition to the extent of the availability of network support and communications with a high degree of approval

was (3.77) and standard deviation was (0.95), finally the ability of various information systems came to work together in an integrated manner through networks with a medium degree of approval was (3.21) and standard deviation was (0.95).

Table (1) the obstacles of the development of the accounting information systems in the Jordanian Financial companies. (N=75)

Question	Paragraph	Average	Standard deviation
<i>a.</i>	<b>Material resources</b>	<b>4.32</b>	<b>0.47</b>
1.	High cost of establishing the system of computers and utilities	4.43	0.42
2.	Degree of difficulty of updated achines periodically and systematically	4.40	0.53
3.	The lack of concrete data and media	4.33	0.62
4.	The absence of sufficient liquidity to finance the cost system	4.47	0.71
5.	The high cost software and their increase as a result of technological development	4.39	0.71
<i>b.</i>	<b>Human resources</b>	<b>3.88</b>	<b>0.51</b>
6.	The small number of specialists in computer information systems	3.99	0.88
7.	Not appropriate for the content of scientific specialization accounting information systems in universities	3.54	0.44
8.	Inadequate training of workers in accounting information systems	3.81	0.62
9.	The lack of systems designers who develop programs and solutions	4.33	0.53
10.	Lack of adequate support from senior management	4.21	0.57
<i>c.</i>	<b>Software resources</b>	<b>3.95</b>	<b>0.78</b>
11.	The availability of texts and clear guidance for the operation and access to data	4.39	0.95
12.	Lack of integration of the operational programs that serve different functions	4.34	0.86
13.	Lack of application software written for specific applications are running, and dealing with the organization data in the different functions	3.45	0.99
14.	Weak update software at the facility whenever necessary	3.92	0.92
15.	Lack of procedures and specific provisions to be followed	3.54	0.82
<i>d.</i>	<b>Data resources</b>	<b>4.18</b>	<b>0.36</b>
16.	The availability of various databases in the organization	4.12	0.70
17.	Banks to provide information available to use in different subjects	4.03	0.94
18.	Secure data on the environment surrounding	4.00	0.64
19.	Over the independence of the data resources	4.22	0.55
20.	The availability of different knowledge bases in the Organization	4.36	0.66
<i>e.</i>	<b>Networks and connections resources</b>	<b>4.00</b>	<b>0.63</b>
21.	The extent of the flow of information between the departments of Accounting readily and easily	3.58	0.95
22.	The extent to which management and branches with a network of contacts	4.01	0.55
23.	The extent to which the organization with the outside world network internet	4.35	0.84
24.	The availability of support networksand communications	4.28	0.52
25.	The ability of different information systems to work together in an integrated manner through networks	3.21	0.95
<i>f.</i>	<b>Social and cultural situation</b>	<b>3.38</b>	<b>0.73</b>
26.	Fear on the information from theft and loss	3.18	0.83
27.	unconvinced customers using information systems available to service the e-commerce	3.20	0.66
28.	Cultural and social differences between individuals and their impact on the effectiveness of the system used and the extent of accepting them	3.23	0.46
29.	The extent of computer literacy in the community	3.49	0.69
30.	The extent of information culture in the surrounding environment	3.46	0.75

in the fourth rank in terms of importance like an obstacle from the obstacles of the development of

accounting information systems in Financial companies in Jordan is software resources with a high degree of approval was (3.95) and standard deviation was (0.78). the availability of texts and clear guidance for the operation of and access to the data was with a very high degree of approval was a very (4.39) and standard deviation was (0.95) .the lack of integration of the operational programs that serve different functions is an obstacle with a high degree of approval was (4.34) and standard deviation was (0.86) and the lack of written applications software for specific applications are running, and dealing with the data of the organization in different jobs with a high degree of approval was (3.92) and standard deviation was (0.92) and the lack of procedures and specific provisions to be followed formed a high degree of approval was (3.54) and standard deviation was (0.82) and finally within the constraints of the lack of software written application for specific applications ,especially running, and dealing with the organization data in the different jobs was a high degree of approval was (3.45) and standard deviation was (0.99).

in terms of the arrangement in the fifth rank human resources came as an obstacle from obstructions of the evolution of accounting information systems was a high degree of approval was (3.88) and standard deviation was (0.51). The study showed that the lack of systems designers who develop software and solutions may form an obstacle with a very high degree of approval was (4.33) and standard deviation was (0.53). The lack of adequate support from senior management has formed an obstacle with a very high degree of approval was (4.21) and standard deviation was (0.57) as well as the small number of specialists in accounting information systems is an obstacle with a very high degree of approval was (3.99) and deviation standard was (0.88). inadequate training for workers in accounting information systems came with a high degree of approval was (3.81) and a standard deviation was (0.62) and the last acceptable obstacle is inappropriateness of the scientific content for the specialization in accounting information systems in universities with a medium degree of approval was (3.54) and standard deviation was (0.44).

finally in terms of importance in the sixth and final rank is the cultural and social situation with a medium approval was (3.38) and a standard deviation was ( 0.73) . it was found that the extent of the spread of computer literacy in the community formed an obstacle with a high degree of approval was (3.49) and standard deviation was (0.69) .the extent of information culture in the surrounding environment with a medium degree of approval was (3.46) and standard deviation was (0.75),it is followed by the constraints, cultural and social differences between individuals and their impact on the effectiveness of the system that is used and the extent of accepting them, came with a medium degree of approval was (3.23) and standard deviation was (0.46) . then the unconvinced customers in using information systems that are available to service the e-commerce with a medium degree of approval was (3.20) and standard deviation was (0.66) .finally the obstacle of fear on information theft and loss with a medium degree of approval was (3.38) and a standard deviation was (0.73).

the previous analysis shows that at present, Financial companies in Jordan are suffering from many obstacles preventing the development of accounting information systems which have been the most important constraints are the constraints of material resources , data resources, , networks and connections, software and human resources , social situation and cultural situation respectively . This requires re-examination of the strategies of these companies and following one of the kinds of the constructive cooperation among themselves to ensure the appropriate accounting information systems that serve them.

### Results of the study

1- There are obstacles to the development of accounting information systems from the viewpoint of the study sample, where the results of the statistical analysis function clearly that there is acceptance and approval by the sample of the study on the existence of obstacles to the development of accounting information systems in the Jordanian islamic banks contribute.

Has come in terms of the important constraints on the following order.

- Material resources constraints: The most important of these obstacles summarized as shown by the results of the statistical analysis in high cost of establishing the system.

-data resources: It was the most important obstacles is the extent to which the facility on the base or databases.

-Networking and communications constraints: The most important of these obstacles is the extent of the flow of data between the administrative levels easily.

-Impediments software: The most important of these obstacles is the availability of texts and clear guidance for the operation of and access to data.

-Mankind constraints: It was the most important constraints are inadequate training for workers in management information systems.

-Social and cultural constraints: It was the most important paragraphs extent of information culture in the surrounding environment.

**Recommendations of the study:** The study recommends the following:

1- the need to reduce obstacles to the development of accounting information systems and the fight against these

constraints.

2- Search facilitate the development of methods of accounting information systems.

3-The need to search in other types of companies all obstacles to the development of accounting information systems.

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