
**THE EFFECT OF COMPUTERISED ACCOUNTING SYSTEM ON ORGANIZATIONAL
PRODUCTIVITY. A CASE STUDY OF ARUA DISTRICT LOCAL GOVERNMENT**

1 Rizuyo Alice, 2 Okee Jill Margaret, 3 Dr Twinomujuni Rosebell

1, 2, 3 Metropolitan International University

ABSTRACT

The study aimed at the effect of computerized accounting system on organizational productivity and it was guided by the following objectives; To assess the Importance of computerized accounting system in the organization, to assess the effect of computerized accounting system on organizational performance, to assess the challenges encountered with the use of computerized accounting systems at Arua District Local Government and to examine the relationship between computerized accounting system and organizational performance. A qualitative method was used to explore computerized accounting system through an organizational level by reviewing the perceptions and practices of communication business leaders, accountants and auditors who have had at least 1 year of proven success with computerized accounting systems. The study employed both statistical and non-statistical sampling techniques. Statistical sampling techniques include random sampling, systematic and cluster sampling where by the respondents were grouped into different clusters mainly; The chief Administrative Officer, Deputy Chief Administrative Officer, Principle Human resource, Chief Finance Officer, Accounts Assistants other departments and operational staff. From the findings, the researcher requested respondents to rate the organization performance. The results indicated that organization performance ranged from 45% to 99% and about 76% on average. This meant organization had a good performance on average. This performance was consistent with the stated response regarding the agreement that Computerized Accounting System increases organization performance. Government has to set policies, strategies and programs that enable majority of the people to get education. Education is a key to productivity. The use of computerized accounting system requires someone with computer knowledge and accounting knowledge.

Key words: computerized accounting system, organization, and productivity

Background of the study

Received: 11.09.2023

Accepted: 14.09.2023

Published on: 30.09.2023

Corresponding: Author: research.miu.ac.ug/publications

The innovation of facts and conversation era (ICT) has considerably revolutionized the utility of financial control and accounting practices (Alex & Kazaara, 2023). It has come to be instrumental in offering a competitive part for enterprise, monetary establishments, and manufacturing industries and plenty of others. Facts communication era has been a main component of green and reliable accounting machine as a result progressed organizational performance (Alex et al., 2023). In regards on the subject of accounting, it is a vital a part of any enterprise whether or not huge or small entity. It has main function in measuring the financial overall performance of an employer sports at some stage in a direction of a stipulated time (Paul et al., 2023).

Businesses and people every day lease accountants to help them carry out the mathematical requirements of accounting and balancing of books. before the advent of statistics generation into accounting, those accounting protocols had been being accomplished manually. however, nowadays many accountants and non-accountants use computer software program to perform those duties, (Victor et al., 2022). Business owners use accounting to document, report and examine their organization's economic records and in doing this, companies regularly generate numerous pieces of monetary information from enterprise transactions, and compile these statistics into popular ledgers and journals, (Polycarp et al., 2023).

Historically, accounting became a manual manner using paper, books and files for economic facts. business technology has created large advances inside the place of financial management and accounting software program (Akankwasa et al., 2022). Accounting statistics system being an asset of methods, people, methods and gadgets regularly used to procedure enterprise transactions, Herman son et al, (1987), records is therefore a great deal extra useful whilst it's far conveyed thru a proper reporting machine which gives it suitable qualities inclusive of accuracy and reliability amongst others and this can be performed by means of use of computerized accounting machine (Racheal, Enock, et al., 2023).

Problem Statement

Arua District nearby government is one of the oldest Districts in Uganda, Arua district has been using guide accounting system for managing finance in the district. however computerized accounting structures like included economic management gadget (IFMS) changed into delivered and extended to all twenty-two (22) ministries and relevant authorities corporations in 2003 by means of ministry of finance with the aim of improving efficiency in price range education, execution and financial reporting (Racheal, Kazaara, et al., 2023).

Regardless of the fact that both public and private establishments have a well-established automated accounting machine called included economic gadget (IFMS). This device has also got loopholes inclusive of a few professionals, restrained wide variety of laptop, opportunity of records leakage considering that computers are few and used for different purpose by means of other employees, Delays in processing and presentation of monetary report due to few experts, sluggish net connections and outdated computers amongst others which has affected the overall performance of Arua District local government (Ntirandekura et al., 2022).

Specific Objectives

- To assess the Importance of computerized accounting system in the organization.
- To assess the effect of computerized accounting system on organizational performance.
- To assess the challenges encountered with the use of computerized accounting systems at Arua District Local Government.
- To examine the relationship between computerized accounting system and organizational performance.

Research Questions

- What is the importance of computerized accounting system on the organization?
- What are the effects of computerized accounting system on organizational performance/productivity?
- What are the challenges encountered with the use of computerized accounting systems in the organization?

Methodology

Research Design

Qualitative Research.

A qualitative method was used to explore computerized accounting system through an organizational level by reviewing the perceptions and practices of communication business leaders, accountants and auditors who have had at least 1 year of proven success with computerized accounting systems.

In qualitative research, the researcher is the data collection instrument (Silverman, 2015). Data collection for this study was consisted of participation, interviews and collection of prior archived research. Use of data collection techniques from previous studies and findings from studies on computerize accounting systems at corporate level

For the reason that automatic accounting gadget became put in area, such times are not anticipated to arise, there for the researcher is triggered to carry out studies to locate possible solutions on the way to boom organizational performance like first-class economic reviews and other elements, via training greater professionals shopping extra computer systems, restrict access to computer systems to simplest debts personnel, upgrading to up to date computers like excessive processing Intel center processing which are quicker in facts processing and internet connection (Micheal et al., 2023).

Received: 11.09.2023

Accepted: 14.09.2023

Published on: 30.09.2023

reduced the risk of researcher bias (Bansal& Corley, 2012). Using this frame work can allow the reader to understand the basis for the findings of this study.

Quantitative Research

The intent of this research was to understand strategies and accounting information systems that some business/organization leaders, accountants and auditors use in computerized accounting to increase profitability, business growth and quality financial reporting. (Carlo et al, 2014; Larson- Hall & Plonsky, 2015; Ragin, 2014). The study also captured details of the numerical terms like percentages, ratios, population and sample size among others.

Study Population

The study population constituted mainly the employees of Arua district Local Government Headquarters. These include Chief Administrative Officer, Deputy Chief Administrative Officer, Principle Human Resource Officer, Chief Finance Officer 9 Head of departments, 4 accounting officers, and operational staff totaling to 20 staff.

Category	Number
Chief Administration Officer	2
Chief Finance Officer	4
Operational staff	14
Total	20

Sampling Design

Sampling Techniques

The study employed both statistical and non-statistical sampling techniques. Statistical sampling techniques include random sampling, systematic and cluster sampling where by the respondents were grouped into different clusters mainly; The chief Administrative Officer, Deputy Chief Administrative Officer, Principle Human resource, Chief Finance Officer, Accounts Assistants other departments and operational staff.

Sample size and composition.

The sample size was of 62 respondents comprised of 62 operational staff and 13 head of departments and the assistants. This is presented in the table below.

Category	Population	Sample size	Selection Method
Head of departments	13	13	Purposive sampling
Operational staff	62	56	Simple Random and Systematic sampling
Total	75	66	

Received: 11.09.2023

Accepted: 14.09.2023

Published on: 30.09.2023

Data Collection methods**Questionnaire**

This study used self-administered questionnaires for the respondents. These were distributed among the respondents. The justification for using this instrument was because questionnaires are easy to quantify and analyze. In addition; the questionnaires were used because the study was focused on opinions, attitudes and perceptions of respondents.

Data analysis

Qualitative data analysis was carried out using research instruments such as interview guides, questionnaires and research surveys. Also, narratives were recorded during face to face interview and through observation. The researcher used a quick impressionist summary in analyzing qualitative data; summarize key findings by noting down the frequent responses from the respondents during the interview on various issues relating to quality of work, efficiency in operations and the competency of the of the staff after training.

RESULTS**Descriptive Analysis****Table 3. Age of the Respondents**

Variable	Total	Mean	Std. Dev	Min	Max
Age	90	40.54	7.84	25	56

Source. Author (2020)

This section provides descriptions with respect to Computerized Accounting System at Uganda Prisons Service Headquarters as responded by workers involved in financial management (accounting). Age is important to this study since age It affects the performance of every employee. Age is linked to experience and creativity.

Table 4: Marital Status variable

Variable	Total	Mean	Std. Dev.	Min	Max
Marital Status	90	0.67	0.47	0	1

Source. Author (2020)

The issue of marital status of workers is involved in financial management in an organization especially on computerized accounting was investigated. The mean marital status is 0.67 implying that 67% of respondents are married. Intuitively married workers are faced with many tasks ranging from taking care of the family and therefore expected to contribute less to organization performance compared to unmarried, though this also may not be true in all cases.

Table 5: Training of staff

Variable	Total	Mean	Std. Dev.	Min	Max
----------	-------	------	-----------	-----	-----

Received: 11.09.2023

Accepted: 14.09.2023

Published on: 30.09.2023

Training	90	0.96	0.21	0	1
----------	----	------	------	---	---

Source: Author (2020)

Evans (1999) observed that there is positive relationship between training on computerized accounting system and organization performance which generate both staff and organization performance because those who benefit through working together by sharing their development of skills, knowledgeable, abilities and competence. In this study the mean training is 0.96 meaning that about 96% of respondents agreed to have attended training on CAS organized in their work place.

Study Results

This section provides results with respect to Computerized Accounting System in Uganda Prisons service headquarters as responded by workers involved in financial management as regards to the objectives of this study. Awareness is again as important as experience. Being aware of the subject matter is a step towards good performance. About 88% of workers are aware of the Computerized Accounting System. The issue of who is to access the computer installed with accounting software in an organization is of greater importance due to security reasons.

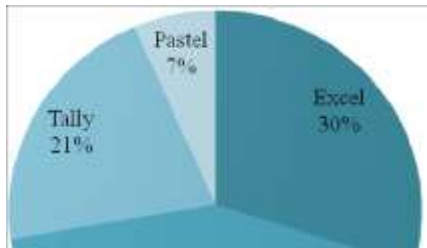
About 97% of respondents stressed that their institutions allow only authorized personnel to use the computer installed with the software and about 36% of respondents claimed that the computers installed with accounting software were also used for other purposes.

The researcher went further to know when the organization was established and the results indicated that, more than 20 years ago, (more details in Appendix III).

Importance of computerized accounting system Usage

The study found that, all respondents surveyed use Computerized Accounting System. It was further found that about 42 per cent of respondents use Integrated Financial Management System in accounting system in organization, 30 per cent use Excel, 21 per cent use Tally, and the remaining 7 per cent use Pastel.

Figure 4.1: Computer Program Used in Accounting System in Organization



Source; Author (2020)

The researcher asked the frequency of use of these programs. The results show that, about 52 per cent of respondents use the computerized accounting system daily, 27 per cent use often, and the remaining 21 per cent use few times. It was also found that about 96 per cent of respondents acknowledge that Computerized Accounting Systems improves accounting records. About 96 per cent of respondents attend training programs on how to operate Computerized Accounting System, and about 99 per cent confessed that these trainings take place semi-annually. Again, it was found that about 97 per cent of respondents reported that only authorized users are allowed to use the accounting software and about 64 per cent reported that the computer installed with accounting software are not used for other purpose; for security reasons.

Organization Performance

Respondents were asked to state if the usage of computerized accounting system increases or decreases organization performance. The results indicated that about 75 per cent of respondents agreed that a Computerized Accounting System increases organization performance.

Table 6: Impact of Computerized accounting system has increased Organization performance.

Variable	Total	Mean	Std. Dev.	Min	Max
No	15	16.7	16.7	16.7	16.7
Valid Yes	73	83.3	83.3	83.3	83.3
Total	90	100.0	100.0	100.0	100.0

Source: Author (2020)

In investigating more on organization performance, the researcher requested respondents to rate the organization performance. The results indicate that organization performance ranged from 45% to 99% and about 76% on average. This means organization had a good performance on average. This performance is consistent with the stated response regarding the agreement that Computerized Accounting System increases organization performance.

Table 7: Organization Performance.

Variable	Total	Mean	Std. Dev.	Min	Max
Marital status	90	0.67	0.47	0	1

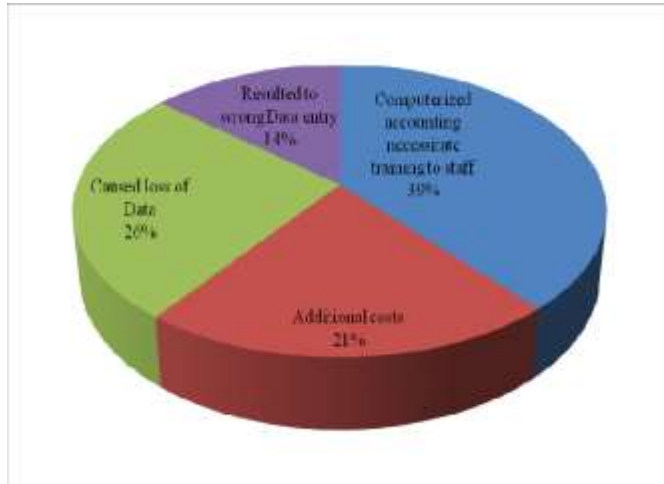
The Challenges Encountered with the Use of Computerized Accounting Systems

The third objective of this study is to assess the challenges encountered with the use of computerized accounting systems. The results indicate that, about 39 per cent reported that computerized accounting system necessitates training staff which is a challenge, about 26 per cent reported that computerized accounting system caused loss of data, 21 per cent are challenged with the associated additional costs, and about 14 per cent claimed it has resulted into wrong data entry (see Figure 4.2).

Received: 11.09.2023

Accepted: 14.09.2023

Published on: 30.09.2023

Figure. 2: The challenges encountered on the use of CAS.**Source Author (2017)**

The researcher asked if there are any measures taken to solve these challenges. The results indicate, about 61 per cent of respondents reported that the organization is taking measures to overcome these challenges. About 92 per cent claim that simplification of Computerized Accounting System will improve organization performance. Respondents also listed some of the advantages of Computerized Accounting System include improving accounting records (96%), increase performance (90%), and save cost (86%).

Since the challenges are related to the choice of computerized accounting software, the researcher investigated the factors that are considered in choosing the accounting software. The results show that about 57 per cent of respondents stated cost of training is considered in choosing accounting software, about 23 per cent claimed initial cost of installation, and about 20 per cent consider the acceptance by users.

Table 8: VIF and Tolerance**Received: 11.09.2023****Accepted: 14.09.2023****Published on: 30.09.2023**

Variable	VIF	SORT VIF	Tolerance	R-Squared
Gender	1.29	1.13	0.78	0.22
Marital Status	1.27	1.13	0.79	0.21
Schooling Years	1.10	1.05	0.91	0.09
Experience	1.11	1.06	0.90	0.10
Awareness	1.08	1.04	0.93	0.07
Training	1.11	1.05	0.90	0.10
Access to Use	1.15	1.07	0.87	0.13
Other Use	1.02	1.01	0.98	0.02
Mean VIF	1.14			

Source. Author (2020)

The researcher also tested tolerance and variance inflation factor (VIF), which are the two commonly used measures of the strength of the interrelationships among the variables. Tolerance is an indicator of the degree of multicollinearity that a regression analysis can tolerate and Variance Inflation Factor is an indicator of the extent of the inflation of the standard error which might be caused by multicollinearity. If all of the explanatory variables are completely uncorrelated with each other, then both the tolerance and VIF are 1 (Nelson et al., 2023). If a variable is very closely related to another variable or variables, the tolerance approaches to 0, and the VIF is very large. There is no clear cut-off point for the VIF. For example, Hair *et al.* (1995) claim the VIF should not exceed 10 if there is no multicollinearity problem while Ringle *et al.* (2015) claims it should be less than 5. From the result presented in Table 8, the tolerance is close to 1 and the mean VIF is 1.14 which is very small indicating no multicollinearity problem (Nelson et al., 2022).

Conclusion

The study concluded that, about 39 per cent reported that computerized accounting system necessitates training staff which is a challenge, about 26 per cent reported that computerized accounting system caused loss of data, 21 per cent are challenged with the associated additional costs, and about 14 per cent claimed it has resulted into wrong data entry. About 61 per cent of respondents reported that the organization is taking measures to overcome these challenges. In investigating the factors that are considered in choosing the accounting software, it was found that about 57 per cent of respondents consider cost of training, 23 per cent claimed initial cost of installation, and about 20 per cent consider the acceptance by users.

Recommendations

Received: 11.09.2023

Accepted: 14.09.2023

Published on: 30.09.2023

Government has to set policies, strategies and programs that enable majority of the people to get education. Education is a key to productivity. The use of computerized accounting system requires someone with computer knowledge and accounting knowledge.

References

- Akankwasa, A., Akakikunda, T., Ntirandekura, M., Murezi, C. M., & Christopher, F. (2022). *Effect of Capital Budgeting on Development of Organizations Empirical Studies of Kashinge Child Development Centre Kisoro District*. 6(9), 5–10.
- Alex, I., & Kazaara, A. G. (2023). *Internal Controls and Financial Performance of Saccos in Wakiso District*. 7(3), 47–56.
- Alex, I., Kazaara, A. G., Lukman, P. N., & Edris, P. (2023). *CORRUPTION PRACTICES AND PUBLIC FINANCE MANAGEMENT IN*. 2(5), 754–767.
- Micheal, T., Nicholas, K., Kazaara, A. G., & Nelson, K. (2023). *The Effect of Teacher's Motivation on Academic Performance of Students in Kole District a Case Study of Alito Sub-County*. 7(2), 64–72.
- Nelson, K., Christopher, F., & Milton, N. (2022). *Teach Yourself Spss and Stata*. 6(7), 84–122.
- Nelson, K., Kazaara, A. G., & Kazaara, A. I. (2023). *Teach Yourself E-Views*. 7(3), 124–145.
- Ntirandekura, M., Friday, C., & Muhammad, M. (2022). Rewards and Staff Retention in Public Sector in Uganda: An Empirical Study from Kabale District Local Government. *International Journal of Academic Management Science Research*, 6(7), 165–170.
- Paul, K., Alex, I., Kazaara, A. G., & Kazaara, A. I. (2023). *Corruption and Public Finance Management A Case Study Of Wakiso District*. 7(3), 298–306.
- Polycarp, K., Kazaara, A. G., Kazaara, A. I., Prudence, K., & Nicholas, K. (2023). *The effect of loan defaults on profitability of financial institutions in Uganda: a case study of post bank, Anaka branch, Nwoya district*. 7(3), 172–178.
- Racheal, N., Enock, Z., & Kazaara, A. G. (2023). *Impact of quality financial reporting on an organization resource management: a case study of Humuza holding limited kampala uganda 1*. 2(2), 408–425.
- Racheal, N., Kazaara, A. G., & Kazaara, A. I. (2023). *Impact Of Quality Financial Reporting on An Organization Resource Management: A Case Study Of Humuza Holding Limited Kampala Uganda*. 7(3), 335–343.
- Victor, M., Nelson, K., & Christopher, F. (2022). *Determinants of Exchange Rates in Uganda (2001-2020)*. 6(7), 198–213.