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A Study on the Impact of ICT on Organizational Performance of Accounting Information System

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Abstract: *ICT has recently been a significant contributor to excellent organizational performance and an effective accounting system. Accounting data's reliability and an organization's performance have both improved as a result of ICT. The fundamentals of computer hardware and software for recording accounting data are included in accounting systems. In this study, there was a correlation between organizational performance and financial capability, the capacity to achieve set objectives, and actions. However, the appropriate implementation and adoption procedures must be followed in order to maximize the benefits of information technology systems; otherwise, these technologies have little or no effect on the aforementioned variables. This study examines experimentally the effect of data innovation on bookkeeping frameworks and hierarchical execution. This study makes use of secondary data, and SPSS was used to analyze Pearson's correlation for a sample of twenty Covenant University employees who work in financial services and other accounting departments that are related to them. The empirical findings demonstrate that there is a significant positive relationship between the ICT system and the accounting system, as well as a significant positive relationship between the ICT system and the performance of the organization.*

Keywords: ICT, Bookkeeping Data Framework, Associations, Execution, Benefits

I. INTRODUCTION

The use of Data Innovation has been a test to certain clients and organizations. This is because technology is always changing and new things come out every day. In addition to technicality, language presents a challenge because some of this computer software is written in languages that are difficult for users to comprehend, and some of its features involve codes and other computer languages. In order for employees to reap the benefits, a certain amount of training must be completed prior to use. The difficulty in adapting to such frequent changes is another obstacle. Some workers might lose interest, which could hurt morale at work. On the other hand, others might see it as a task that keeps them relevant and gives them a focus for the job. Because ICT is a broad qualitative factor that cannot be easily quantified, it is difficult to measure the cost and benefits of ICT on organizational performance. However, demonstrating that data innovation has achieved positive changes in associations, acclimation has not been the most straightforward.

II. LITERATURE REVIEW

In recent years, there has been a lot of interest in the impacts of information technology on accounting systems and organizational performance. In order to obtain information for this study, it is necessary to not only gather new information but also become familiar with previous knowledge that has been made available in order to provide a solution to the problem under review (Linus, 2012). Organizations must follow the trend, be up to date, and invest as much as they can. The term "IT" is not new because, in recent years, it has attracted so much attention and engaged the majority of humans. It appeared to be a means by which some activities were taken over and resulted in better outcomes. As previously stated, the accounting system is the method by which accounting records are kept and managed. The addition of information technology to accounting operations is essentially accounting information system. It's the evolution of the accounting system. The effect that information technology (IT) has on accounting systems is one of the many factors that affect an organization's performance. It is a broad term that refers to the many different areas that are affected by the use of IT.

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III. ELEMENTS I.T.

Elements The following information technology elements are relevant to this study: Computer technology is the process of designing, building, and programming computers. A computer is an electronic device that can store and process information in accordance with a set of instructions. It has led to significant advancements in information transmission. You either live with computers or you fall behind in today's world. Data are now more accurate, precise, and efficient as a result of computer use. -

IV. COMMUNICATION TECHNOLOGY

Communication is the process of sharing or exchanging information. It is the act of exchanging information, thoughts, and ideas with other people. Correspondence innovation is characterized as the movement of planning and developing and keeping up with correspondence frameworks. Electrical devices are used for communication in this situation. The use of telecommunications devices has also advanced communication methods as a result of the development of information technology. -

TELECOMMUNICATION TECHNOLOGY

Telecommunication is the electronic transfer of information between locations. Techniques and devices in telecommunication technology are used to transmit data over long distances via radio, satellite, or wire without losing or being damaged by noise or interference. According to Anonymous (2014), the major current trend in telecommunications is a shift from mechanical to electrical transmission, and in electrical transmission, from analog to digital.

V. COMPUTER COMMUNICATION TECHNOLOGY

The convergence of computing and communication is represented by computer communication technology. Information is shared through communication. As figuring is being finished, data is being changed and can be moved. It is difficult to recognize where figuring starts and where correspondence stops as they are both interwoven. A higher level of information management has resulted from recent advancements in computer and communication technology.

5.1 Types of Information Technology

According to Harvard Business Review, there are three types of information technology: function information technology, which includes technologies that make it simpler to carry out specific tasks. They make these kinds of jobs go faster. Accounting professionals use these technologies the most, which is most relevant to this study and other professions like doctors and design engineers. Word processors and spreadsheets are the most common examples of function IT. Network IT refers to technologies that provide media for communication. It is like correspondence innovation as made sense of in the components of IT prior. Users can interact however they please thanks to network technologies. Blogs, instant messaging, and emails.**ENTERPRISE I.T.** These are technologies that businesses use to manage interactions with business partners or employees. The organizations acquire them and put them into use. They consist of applications that improve business communication and specialize in business processes.

VI. MONETIZATION of ICT

The amount of money spent on IT worldwide, which has been estimated at $3.5 trillion at the most recent time, is growing at 6% per year, or every 15 years, doubling. The federal government of the United States spent nearly $82 billion on IT in 2014. Since 2002, IT expenses have increased by 50% as a percentage of revenue, straining IT budgets. The accounting system is the specific method by which an organization records and reports its financial information. Seventy-five percent of current companies' IT budgets are made up of recurring costs that are used to "keep the lights on" in the IT department, while 25 percent are made up of new initiatives for technology development. It refers to an organization's procedures, principles, standards, and methods for recording and reporting business events and transactions. This system is made up of all the machines and people who know about accounting data. "an organized set of manual and computerized accounting methods, procedures, and controls established to gather, record, classify, analyze, summarize, interpret, and present accurate and timely financial data for management decisions" is the

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definition found in the Business Dictionary. A business's finances, expenses, and income are all managed with the help of an accounting system. Accounting systems were typically manual in the past, but today they are typically computer-based.

ICT and Bookkeeping Framework

Bookkeeping framework all alone is very entrusting as it involves managing incredible figures and numbers, mass estimations and much composition however ICT has made it simpler to keep up with the framework. Most of the time, an accounting information system is a computer-based way to keep track of accounting activity and IT resources. The subsequent measurable reports can be utilized inside by the executives or remotely by other closely involved individuals including financial backers, banks and assessment specialists (Dumitru et al., 2010). Because they serve the same purpose, the terms "accounting system" and "accounting information system" are used interchangeably. The widespread use of information technology in accounting systems in recent years has led to the most widespread use of AIS.

Concept of Electronic Data Processing

Electronic Data Processing (EDP) is the process of transforming unstructured facts and data into meaningful information for management and accountants to use in decision-making. Using a computer and its peripherals, EDP is the process of planning, recording, managing, and reporting on business transactions. Before being imputed into the computer and processed into information that is relevant to the users as output, the accountant in practice gets data from source documents like receipts, invoices, payment vouchers, and written checks, among others.

IMPACT of ICT on Accounting Systems

- **SPEED** : contrasted with manual bookkeeping frameworks, electronic bookkeeping frameworks are a lot quicker. Accounting software stores data the first time, so it doesn't have to be imputed every time. This speeds up the process of processing data. Because calculations are performed automatically, time is also saved. -
- **COST Price**: Because of the costs associated with purchasing computer hardware and software, ICT has increased the cost of an accounting system.
- **RELIABILITY:** As a result of valid, efficient, and effective procedures, ICT has given the accounting system a high level of reliability for accounting information. -
- Reinforcement: Because ICT makes it simple to store data more than once, there is more assurance that all data will be backed up. In the event that one source gets lost, you can depend on one more source to be as exact. -
- Adaptability: ICT on bookkeeping has given a less inflexible type of continuing to account data. An accounting procedure can be carried out in a variety of ways due to the availability of a wide range of accounting software. There is no single approach. -
- Courses of events: With ICT, it is simple to obtain financial information when it is required. It is simple to access when needed because similar information has been precisely classified and stored. -
- **SAFETY**: When compared to manual systems, ICT offers a significant increase in information security. There is a high level of confidentiality and privacy. Only authorized individuals have access to the information. -
- **RELIABILITY**: As a result of computers doing the majority of the work and reducing human error,

ICT has improved all of the previously mentioned performance measures—profit, efficiency, effectiveness, productivity, and quality—and accounting systems are generally more efficient as a result. This has made it possible for businesses to enjoy the following advantages (Dumitru, Glavan, Dumitru, &Glavan, 2010). -

Contest: By improving quality and efficiency, ICT has helped businesses remain competitive. - Evaluation: better definite examination of data should be possible with the utilization of program which increments dependability. -

Command: the executives has more noteworthy command over the business with IT, as overseeing authoritative exercises has been made simple for them with less human mistake to stress over. - Bearing: Organizations can use

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information and communications technology (ICT) to stay current and relevant, determine which processes to adopt, which ones to avoid, and which operations are most profitable, and gain a sense of direction. -

Independent direction: Organizations can use information and communication technology (ICT) to make better decisions because computers can provide details that humans cannot, resulting in more accurate decisions. -

Identifying Business Possibilities: The organizations can identify profitable business opportunities by following the guidance provided by ICT.

VII. DISABILITIES

Despite the significant impact that information and communications technology (ICT) has had on accounting system performance and organizational performance, there are still some challenges. This piece of the review covers the wellsprings of difficulties that emerge with regards to embracing and executing IT in business associations.

These are: - INFRASTRUCTURE The Building: All IT components are required to set up an information technology system. In addition, the IT infrastructure in this location includes IT specialists who are able to design, install, fix, and maintain the systems, as well as specialized IT personnel who can maximize the utilization of such technologies and systems and even train others. A business that is unable to supply such infrastructures cannot reap the full benefits of IT. IT adoption is difficult because organizations lack essential components like communication and computer technologies.

Qualifications and training: The majority of businesses put a lot of money into information technology (IT), which means that employees need to be trained and qualified in order to use new technologies effectively. Continuous staff training is expensive and difficult to maintain, and when employees lack the necessary qualifications and skills, IT implementation is difficult. - Resilience and adaptability: It is entirely different for employees to be able to adapt well to changes and provide positive responses, even when businesses make investments in staff training to improve their qualifications. In a circumstance where the specialists in the organization are not ready to oblige the change and are lethargic, they will generally be less useful thus subsequently the undeniable advantages of embracing IT in the framework would be covered. -

Methods of Management: IT adoption and implementation are difficult in organizations with rigid management systems. The management at this place is unwilling to adapt to the world. There is little or no IT system in these organizations. The company will eventually become irrelevant and less competitive if such management continues. A volatile management system should prevent this by encouraging lower-level employees to become interested in IT.

- Cost: ICT is a great way to invest. It includes putting away cash, time, insight and others. The acquisition of the hardware and software, as well as their installation, incur costs. Maintenance of such elements and components costs money. The hiring of IT specialists and staff training incur additional costs. Additionally, an organization may require fewer employees if computers and other electronic devices take over the majority of its operations. This could be expensive for the people who work for these kinds of businesses, and it could cause them to be resistant to change, have less job security, and be low on morale, which would make them very inefficient and unproductive. The shortcoming of these sorts of laborers can cost the business its benefit and in general achievement. The economy as a whole may suffer as a result of the adoption and implementation of IT. Assuming that laborers are laid off from their work places due to being supplanted by machines, this leaves them jobless thus builds the quantity of jobless individuals in the economy.

Summary Information technology has proven to be an important and inevitable factor in the performance of accounting systems and organizations. It is possible to say that IT has been able to speed up the preparation of accounting reports and improve their dependability and accuracy. This makes the company's dealings with customers, partners, and outsiders more open and honest, which increases the company's overall success. An organization's accounting system and organizational performance have both greatly benefited from ICT. The extent is so high that it compensates for a few drawbacks. It has received advantages in terms of communication, globalization, and job creation. The impact of ICT is responsible for the profit of any organization, as well as the effectiveness of accounting practice, increased productivity, high turnover, and the efficiency of accounting. Every one of the investigations inspected contain the possibility that, to get to a more cutthroat position, the firm ought to offset ICT speculations with a reasonable utilization of these innovations, for which, it are expected to help assets. The majority of businesses are encouraged to stay in business by adopting technology and incorporating computers into the majority of their operations

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as the world becomes increasingly global and electronic. ICT is comparative all over, so in this way its utilization can't simply be restricted to a specific classification of spots, individuals or machines. It is widespread.

VIII. CONCLUSION

From the inevitable exploration work, we can say there is a critical effect of ICT on bookkeeping frameworks, a hierarchical exhibition. We can conclude that ICT has had a significant impact on organizational performance and the accounting system. In recent times, businesses have sought to incorporate ICT systems into their operations in order to remain relevant. Nowadays, businesses take a significant risk by making significant investments in ICT without the assurance of a substantial return. This study's findings demonstrate that other external factors, such as social influences and control, norms, beliefs, and so on, determine the extent to which information and communication technologies (ICT) can be adopted in addition to the firms themselves. This study aims to educate managers, employees, the government, and other stakeholders to add to the body of knowledge. Managers can learn more about this topic thanks to this study. This concentration further gives data to representatives on the effect of ICT on their positions and how they can acclimate to the continuous changes.

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