

# THE ROLE OF CHARACTERISTICS OF ACCOUNTING INFORMATION SYSTEMS IN THE IMPROVE THE FINANCIAL PERFORMANCE OF JORDANIAN COMPANIES

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## **Abstract**

***The study aimed to establish the role of characteristics of accounting information systems in the improved financial performance in Jordanian companies. The study sample consisted of 160 from these Jordanian companies. This study analyzes the data using (SPSS) program, the results revealed a statistically significant relationship at the significance level ( $P \leq 0.05$ ) between characteristics of accounting information systems and financial performance in these Jordanian companies, where the accounting information system provides access to relevant information. Also, provides information helps to confirm the outcome of the planned activities. And provides reliable information and gives opportunities to accountants to improve their works. Also, the development of accounting information systems supports the financial performance in giving the employees at the company new skills in the work to improve their performance, helps to reduce costs at the company.***

***Keyword: Accounting Information Systems, Financial Performance***

## **1. INTRODUCTION**

Accounting information system comprises a mixture of principles, practices and theories associated with accounting, information, and system. Its mechanism is fashioned in a manner that allows the recording of accounting transactions and events of a business in a manner that is in line with the provision of the policies

and procedures established by the business. AIS also entail an established method for recording, organizing, summarizing, as well as reporting financial transactions. Further, AIS operates based on the established rules, regulations, methods, procedures and techniques, explained in Al-Dalaien and Khan (2018), AIS effectively makes available the timely data or information pertaining to the operation of an organization which can be perused by the interested parties (e.g., customers, employers, owners, etc.) in supporting their activities. AIS documents as well as processes data relating to transactions and events into information that businesses could employ in their planning, controlling as well as operation. And considering that AIS is integral to all companies, tackling higher uncertainty in the competitive market should be made a priority. It is therefore important for companies to improvise their systems as well as the capability of their data processing in order to match their information (Issam, 2012). Also, the accounting information system used in companies for financial decision-making must have high-quality, in terms of accuracy, timeliness and reliability of information employed in planning, controlling, and decision-making to improve financial performance. Moreover, it is widely known that accounting information was developed by the accounting system which is characterized by high quality. In this regard, the successful utilization of AIS has been proven to lead to faster and better quality information for decision-making, while also enhancing the relationship quality between organization members. Accordingly, the higher the level of success in applying AIS the higher the level of the company's financial performance (Agung, 2015).

In addition, companies must collect high-quality information on the project to assure accurate, reliable, relevant and understandable user information, which will be employed in planning, control, and decision-making, where the company financial performance is deemed vital to the company wellbeing and continued existence. As indicated in Stankovic et al. (2012), the firm's superior financial performance is a reflection of its effectiveness and efficiency in managing its resources for operational, investment and financing undertakings.

## 2.PROBLEM STATEMENT

Accounting information system and financial performance are impacted by the complexity of the factors affecting the company's performance. Furthermore, AIS functions as a provider of financial information which affects financial performance, although there are also other factors impacting performance such as the decision-making process, decision quality, dynamic individuals in the organization, efficiency, and effectiveness. Also, AIS comprises a system which documents and processes transaction and events data into vital information to be employed by businesses in planning, controlling and operation. Moreover, the accounting information quality possessed by a firm would impact the nature of reporting, which in turn will affect the financial performance of the firm. That the decrease in financial performance in the companies which is caused by the weakness in AIS, the lack of appropriate information, the inaccuracy of the information provided, as well as the unwillingness of managers at the top levels in the companies in providing computerized AIS to their companies all which affect the performance of these companies. Furthermore, this study wishes to provide evidence that organizations should obtain knowledge in the characteristics of accounting information systems use to improve financial performance as well as help organizations to make profits in the companies. All these will be achieved through the accomplishment of the following questions:

1- Is there an impact of relevance characteristic of the accounting information system to improve the financial performance in Jordanian companies?

2- Is there an impact of accuracy characteristic of the accounting information system to improve the financial performance in Jordanian companies?

3- Is there an impact of understandability characteristic of the accounting information system to improve the financial performance in Jordanian companies?

## 3.PURPOSE OF THE STUDY

The purpose of the study stems from the attempt at identifying the characteristics of AIS and financial performance in Jordanian companies, and the improved financial performance in these companies.

1- To examine the impact of relevance characteristic of the accounting information system to improve financial performance in Jordanian companies.

2- To examine the impact of accuracy characteristic of the accounting information system to improve financial performance in Jordanian companies.

3- To examine the impact of understandability characteristic of the accounting information system to improve financial performance in Jordanian companies.

## 4.IMPORTANCE OF STUDY

The importance of research stems from the vitality of subject in the companies due to its significance and effectiveness for management at all levels. Indeed, the accounting information system is vital for the process to improve financial performance whereby for managers of the companies, the process of financial performance is of great prominence.

## 5.LITERATURE REVIEW

### ***5.1. accounting information systems and financial performance***

The companies generally seek to effectively and efficiently accomplish their strategic objectives. For any companies, among their core objectives is to achieve profitability and growth, and therefore, organizations always seek to maximize the market value and expand the owner's wealth, while striving to improve performance (Ahmad, 2013). Accounting Information Systems AIS according to Romney and Steinbart (2012) is as follows: is a system that gathers, documents, keeps, and processes the data for the purpose of generating

information for the utilization of decision makers. In Bodnar and Williams (2013), AIS encompasses an ensemble of resources, i.e., human and equipment, devised to transform financial data as well as other data into information, which will be released to the decision makers. Meanwhile, Bagranoff et al. (2010) perceive AIS as a set of data and processing procedures which generates the necessitated information for its intended users. AIS are hence a group of elements that gather data of accounting, stores it for future usage, and processes it for usage by end users.

Agung (2015) indicated that the application of accounting information system affects the company's financial performance through the establishment of specific dimensions of ROA and profit margin. In particular, effectiveness of the application of AIS can generate financial accounting information that is both valid and dependable. The eradication of suspicion among individuals within the company will further create dynamic employees in the workplace, which will boost the overall financial performance (profitability) of the company. The attentiveness towards these systems has evidently affected the financial performance of the companies while also increasing the involvement of accountants in the development stages of AIS (Ahmad et al. 2013). Gomes (2003) explains that performance is the level of achievement or success achieved by an organization in a given period, where the company's financial performance is the level of achievement or financial success achieved by a company in a given period. Level of achievements or financial success is usually associated with the level of profit earned by the company. Meanwhile, the success of the AIS application and the antecedent or factors affecting its successful implementation, in this regard, the qualitative characteristics of the accounting information system that is valuable to information users include relevance, accuracy and understandability (FASB, 2008). Financial information must have good quality in order to serve its intended objective, that is, to improve financial performance (Alrjoub, 2017 & Bukenya, 2014).

### **5.2. Relevance**

Accounting information needs to be relevant and in order to be relevant, the information must contain the value that helps users make and evaluate the decisions regarding the apportionment of restricted resources

while also helping the user in evaluating the responsibility execution of preparers. In the context of this study, relevant information is one that contains retroactive value (enables evaluation of past performance), predictive value (enables future predictions), timeliness (available exactly when needed), and feedback value (affirms or rectifies past assessments). In Klinsukhon and Ussahawanitchakit (2016) the relevance refers to the capacity of information to make a difference in a decision by helping users to form predictions about the outcomes of past, present, and future events or to confirm or correct prior expectations.

### **5.3. Accuracy**

The degree of accuracy of the accounting information is determined by the extent to which it represents the situation or event it describes. The degree of accuracy required in the information depends on the needs of the user and the nature of the problem. Financial reporting requires accurate information, and to a large extent, future forecasting relies on the accuracy of financial reports. Meanwhile in Kohlbeck and Warfield (2010) and Klinsukhon and Ussahawanitchakit (2016), accuracy refers to the accounting information which adheres stringently to the standards of accounting, regulation, as well as the changes of follow-up in those standards which include unremitting emphasis on the comprehension and construal of the accounting standards in order to provide assistance to organization inaccurately and wholly present its financial reports, where the AIS, in particular, is reliance on the accurateness of information that the accounting information system provides.

### **5.4. Understandability**

The understandability increases with clear and concise classification and presentation of accounting information; as also affirmed in the conceptual framework for financial reporting. It is achieved when accounting information quality allows users to comprehend what it means. And presumably, financial statement users have the rudimentary knowledge of business and economics at least, while also having the willingness to persistently acquire knowledge regarding accounting information relating to financial performance. Hence, financial statements must contain

information that is readily understandable to users, which means that users can see the significance of the accounting information.

## 6. DEVELOPMENT THE HYPOTHESES

The hypotheses of this study will be constructed taking into account past relevant studies that examined AIS characteristics with financial performance, the hypotheses were developed as follows:

The relevance encompasses the ability of the information on the events of change in the direction of the decision of a specific user, and in order to be regarded as useful, the information must have relevance for users' decision-making (Hanan, 2009). In the context of Jordan, Alrjoub (2017) found the effect of the characteristic of AIS relevance on the development of financial performance. Meanwhile, Bukenya (2014) reported a linkage between perceived quality of accounting information "relevance" and financial performance. In the context of Noor Capital, Al-Dalaien and Khan (2018) indicated no significant effect imparted by AIS on financial performance. Among SMEs, Matovu (2005) reported the presence of a linkage between the quality of accounting information "relevance" and performance. In Al-Sakka (2016) in the context of Palestine, a statistically significant association between the relevance of computerized AIS and the improvement of financial performance of the country's Ministry of Finance was found. On the other hand, Harash et al. (2014) looked into the effect of the relevance criterion in AIS on performance. Meanwhile, Al-Dmour et al. (2017) there are significantly moderating the relationship between the qualitative characteristics of financial reporting (relevance) and non-financial performance. Considering the above discussion, the following hypothesis is presented:

***H1- There is a significant relationship between the relevance characteristic in the AIS and to improve financial performance in Jordanian companies.***

Bukenya (2014) indicated that information regarding a particular entity is deemed as accurate if the data regarding it have been reflected in its records. Accounting information accuracy provided by AIS of an organization encompasses the manner in which it demonstrates the actual situation. Where the degree of accuracy required in the information depends on the

needs of the user and the nature of the problem (Issam, 2012), relevantly, in a study by Alrjoub (2017) in the context of Jordan, the impact of the characteristic of accuracy of AISs on the development of financial performance was found. In a study performed by Klinsukhon and Ussahawanitchakit (2016), the result indicates that the accuracy of accounting information transparency significantly and positively influences the decision making effectiveness. In addition, financial report quality has a significant and positive influence on information advantage. Meanwhile, Hussein (2011) concluded a positive linkage between AIS application and performance improvement. Also, Bukenya (2014) reported the presence of a relationship between the perceived quality of accounting information accuracy and financial performance. In another study, Matovu (2005) discovered a linkage between accounting information accuracy and performance amongst the examined SMEs, whereas research conducted by Sahawneh et al. (2016) in private hospital operating in the United Arab Emirates found that AIS provided no information that fulfils the needs of the function of financial performance. In Budiarto (2014), the significant positive impact of AIS alignment on non-financial performance was found. According to Shagari et al. (2017), accuracy has a significant influence on information quality. Considering the above discussion, the following hypothesis is presented:

***H2- There is a significant relationship between the accuracy characteristic in the AIS and to improve financial performance in Jordanian companies.***

As found in past studies, understandability will increase when accounting information is clearly and succinctly characterized and presented. Adediran et al. (2013) explained that understandability is measurable through cleanness and transparency of the accounting information provided in financial performance. Further, as shown by the conceptual framework for financial reporting, the clear and concise classification, characterization and presentation of accounting information makes the information understandable to the user. According to Bukenya (2014), a linkage exists between the perceived quality of accounting information understandability and financial performance. Meanwhile, among SMEs, Matovu (2005) also reported a linkage between the quality of accounting information "understandability" and

performance. According to Alawaqleh and Al-Sohaimat (2017), among the SSM listed industrial companies, a positive linkage exists between the characteristics of AIS (understanding) and the investment decision-making process. On the other hand, Hamdan (2014) reported no statistically significant effect of understanding to the decision makers in their development of accounting systems on financial performance in hotel establishments. In another study, Al-Dmour et al. (2017) found that understanding significantly moderates the relationship between the qualitative characteristics of financial reporting (understandability) and non-financial performance. Considering the above discussion, the following hypothesis is presented:

**H3- There is a significant relationship between the understandability characteristic in the AIS and to improve financial performance in Jordanian companies.**

## 7.METHODOLOGY

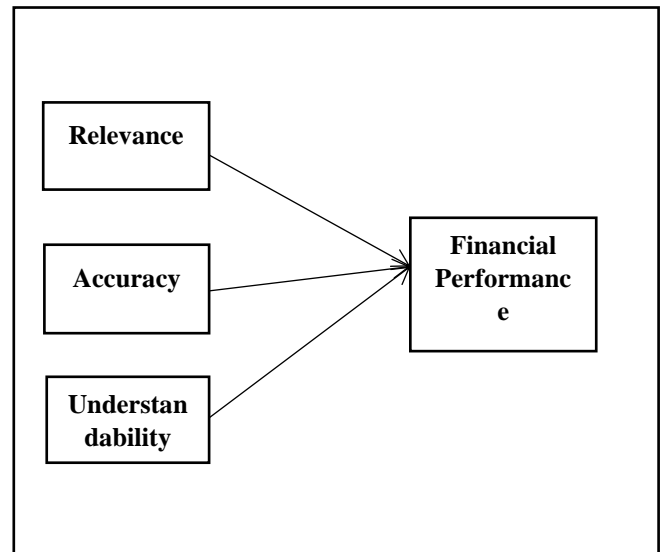
This study focuses on identifying factors that affect the characteristics of accounting information systems (AIS). The present study was carried out primarily to analyze the situation in Jordan regarding to the characteristics of AIS that improve the financial performance process, where this study used a questionnaire method to collect the data to examine the relationship between AIS characteristics and financial performance. The sample of this study comprises of financial managers chosen from companies in Jordan which include service industries. The following reasons include selecting financial managers of the above industries as the sample, the importance of the financial managers in contributing to the success in Jordanian industrial and services companies. Financial managers are the key tributary to the Jordanian national economy and they play a major role in the implementation of the economic and social development process in Jordan. And gathering data from the financial managers in Jordanian industrial and services companies is easy and convenient and is compounded by the possibility of obtaining accurate information.

Where the population of the study consists of industrial and service companies listed in the Amman Stock Exchange, which was involved in continuous industrial and service activities. A total of 110 companies

participate in the study comprising 65 service companies and 45 industrial companies. A total of 160 questionnaires were completed and returned.

## 8.RESEARCH MODEL

### 8.1. characteristics of accounting information systems and financial performance



For the purpose of reliability of the study Cronbach's alpha was applied. To measure the internal consistency, the Cronbach's alpha is used to measure how closely related a set of items are in a group. In other words, Cronbach's alpha is not a statistical test; rather it is a coefficient of reliability or consistency. Moreover, Cronbach's alpha can be written as a function of the number of test items and the average inter-correlation within the items. Through the following paragraphs and for conceptual purposes, the researcher will show the formula for the Cronbach's alpha:

Domain	Cronbach Alpha	reliability Test test R.	Item No
Relevance	0.82	0.82	6
Accuracy	0.80	0.80	6
Understandability	0.84	0.85	6
Financial Performance	0.87	0.87	6
<b>Total</b>	0.90	0.90	24

Table shows that, the highest Cronbach's alpha value was 0.87 for financial performance, whereas the alpha value was 0.84 for Understandability. However, the

alpha value of Relevance was 0.82, whereas the alpha value was 0.80 for Accuracy, indicating the acceptance of reliability.

### 9. DESCRIPTIVE STATISTICS

The covariance matrix method in the descriptive analysis was employed to compute the descriptive function to confirm that all the variables are included in the analysis. For this, all the variables' composite scores were calculated by parceling the initial measurement item scores. Parcels refer to the sum averages of several individual indicators items on the basis of loadings on the construct. The mean and standard deviation of the constructs gauged using a 5-point Likert scale, are tabulated in the table. The mean and standard deviation for "**Relevance**" items and the total mean value for them are shown in table as below:

No	Items	Mean N= 192	Standard. Deviation
1	The accounting information system used in our organization provides access to relevant information.	4.28	0.78
2	The accounting information system used in our organization provides information helps to confirm the outcome of the planned activities.	4.20	0.81
3	The accounting information system used in our organization provides information helps you confirm profitability levels of the business.	3.98	0.87
4	The accounting information system used in our organization provides prompt processing of requests for changes to existing systems.	3.44	1.01
5	The accounting information system used in our organization provides forward-looking information help forming expectations and predictions concerning the future of the company.	3.48	1.13
6	The accounting information system used in our organization assist the top management in defining and monitoring policies in the company.	3.90	1.07
<b>Total Mean Score</b>		<b>3.88</b>	<b>0.69</b>

The table shows that the highest mean were 4.28 out of 5 for item #1 "The accounting information system used in our organization provides access to relevant information" denoting high agreement degree. Then, for item #2 "The accounting information system used in our organization provides information helps to confirm the outcome of the planned activities" the scored mean was 4.20, denoting high agreement degree. High level was also achieved for #3 which states "The accounting information system used in our organization provides information helps you confirm profitability levels of the

business" with the mean score of 3.98. The lowest mean score for this characteristic was 3.44 for item #4 "The accounting information system used in our organization provides prompt processing of requests for changes to existing systems" which denotes medium agreement degree. The total mean score for "Relevance" was 3.88 by high agreement degree.

The mean and standard deviation for "**Accuracy**" items and the total mean value for them are shown in the table below:

No	Items	Mean N= 192	Standard Deviation
1	The accounting information system used in our organization assists the completeness and accuracy of information and output in the company.	3.68	1.09
2	There are no errors in the information obtained from the accounting information system used in our organization.	4.13	0.91
3	The accounting information system used in our organization provides reliable information and gives opportunities to accountants to improve their works.	3.95	0.91
4	The accounting information system used in our organization provides the information is free from error.	3.90	0.97
5	Overall, the accounting information system used in our organization provides accurate information.	3.83	0.97
6	The accounting information system used in our organization collect, store, manage, process, retrieve, and report their financial data.	3.92	0.94
<b>Total Mean Score</b>		<b>3.90</b>	<b>0.69</b>

The table shows that the highest mean was 4.13 out of 5 for item #2 which states "There are no errors in the information obtained from the accounting information system used in our organization" which denotes high

agreement degree. Then for item #3, "The accounting information system used in our organization provides

reliable information and gives opportunities to accountants to improve their works" the obtained mean score was 3.95 denoting a high agreement level. Item #6

"The accounting information system used in our organization collect, store, manage, process, retrieve, and report their financial data" scored a mean value of 3.92 which also shows high agreement degree. On the other hand, the lowest mean was 3.68 for item #1 "The accounting information system used in our organization assists the completeness and accuracy of information

and output in the company" denoting high agreement degree. The total mean score for "Accuracy" was 3.90, which signifies high agreement degree.

The mean and standard deviation for "Understandability" items and the total mean value for them are shown in the table below:

No	Items	Mean N= 192	Standard Deviation
1	The accounting information system used in our organization makes information more understandable.	3.74	1.01
2	The accounting information system used in our organization provides the annual reports presented in a well-organized manner.	3.94	0.89
3	The accounting information system used in our organization provides graphs and tables clarify the presented information.	3.83	0.84
4	The accounting information system used in our organization provides notes to the balance sheet and the income statement.	3.73	0.90
5	The accounting information system used in our organization provides the financial index, numbers and ratios.	3.68	0.82
6	The inputs of accounting information systems in our organization are presented in an easy and clear manner, understandable.	3.82	0.90
<b>Total Mean Score</b>		<b>3.79</b>	<b>0.67</b>

The table shows that the highest mean was 3.94 out of 5 for item #2 which states "The accounting information system used in our organization provides the annual reports presented in a well-organized manner" which denotes high agreement degree. Then, for item #3 which states "The accounting information system used in our organization provides graphs and tables clarify the presented information" the scored mean was 3.83 which shows high agreement degree. High agreement degree was also obtained for item #6 "The inputs of accounting information systems in our organization are presented in an easy and clear manner, understandable"

and item #1 "The accounting information system used in our organization makes information more understandable" with a mean score

of 3.74 for each. The lowest mean was 3.68 for item #5 "The accounting information system used in our organization provides the financial index, numbers and ratios" which denotes high agreement degree. The total mean score for "Understandability" was 3.79, which shows high agreement degree.



The mean and standard deviation for "**Financial Performance**" items and the total mean value for them are shown in the table as below:

No	Items	Mean N= 192	Standard Deviation
1	Accounting information systems contribute to reducing the rate of loss of staff time, leading to lower costs.	2.73	1.24
2	The development of accounting information systems supports the financial performance in giving the employees at the company new skills in the work to improve their performance.	4.13	0.99
3	The development of accounting information systems helps to reduce costs at the company.	4.08	0.95
4	The development of accounting information systems helps to increase the capabilities of the company in the proper planning to achieve high productivity.	2.43	1.39
5	The development of accounting information systems contributes to improving the efficiency of the company's performance.	4.07	0.95
6	Accounting information systems help to increase the company's ability to measure customer satisfaction with the company's services, resulting in increased revenues.	2.98	1.27
<b>Total Mean Score</b>		<b>3.40</b>	<b>0.89</b>

The table shows that, the highest mean was 4.13 out of 5 for item #1 which states "The development of accounting information systems supports the financial performance in giving the employees at the company new skills in the work to improve their performance" denoting a high agreement degree. Then, for item #2 "The development of accounting information systems helps to reduce costs at the company" the scored mean was 4.08, denoting a high agreement degree. Item #5 "The development of accounting information systems contributes to improving the efficiency of the company's

performance" achieved a mean value of 4.07 which also denotes a high agreement degree. The lowest mean was 2.43 weak agreement degree and was scored by item #4 "The development of accounting information systems helps to increase the capabilities of the company in the proper planning to achieve high productivity" The total mean score for "Financial

Performance" was 3.40, denoting medium agreement degree.

## 10.HYPOTHESES TESTING

### 10.1. Linear Regression

The linear regression tries to model the relationship between two variables by fitting a linear equation to observed data. One variable is considered to be an explanatory variable while the other is thought to be a dependent variable. In statistics, linear regression is a linear approach which models the relationship between a scalar response (dependent variable) and one or more explanatory variables (independent variables). The case of one explanatory variable is called a simple linear

regression. For more than one explanatory variable, the process is called multiple linear regressions.

**H1- There is a significant relationship between the relevance characteristic in the AIS and to improve financial performance in Jordanian companies.**

In order to test this hypothesis, and ascertain the relationship between the **relevance characteristic** in

the AIS and **financial performance** among Jordanian companies, **Linear Regression** analysis was carried out. Accordingly, the table shows that:

Independent variable	"t" value	"t" sig	B	R	R <sup>2</sup>	"F" value	"F" sig	Result
Relevance	18.379	0.00	.800	0.800	0.640	337.79	0.00	Accepted

\* Dependent variable: Financial performance

The table indicates a statistically significant relationship at the significance level of ( $P \leq 0.05$ ) between the **relevance characteristic** in the AIS and **financial performance** among Jordanian companies. In this regard, "F" value was 337.79 and was statistically significant at (0.00). (R) The value was 0.800 and (R<sup>2</sup>) the value was (0.640); hence, the first hypothesis was accepted.

**H2- There is a significant relationship between the accuracy characteristic in the AIS and to improve financial performance in Jordanian companies.**

In order to test this hypothesis and ascertain the relationship between the **accuracy characteristic** in the AIS and financial performance among Jordanian companies, **Linear Regression** analysis was carried out. Accordingly, the table shows that:

Independent variable	"t" value	"t" sig	B	R	R <sup>2</sup>	"F" value	"F" sig	Result
Accuracy	20.789	0.00	.833	0.833	0.695	432.20	0.00	Accepted

\* Dependent variable: Financial performance

The table shows a statistically significant relationship at the significance level of ( $P \leq 0.05$ ) between the **accuracy characteristic** in the AIS and **financial performance** among Jordanian companies. In this regard, "F" value was 432.20 and was statistically significant at (0.00). (R)

The value was 0.833, and (R<sup>2</sup>) the value was 0.695; hence, the second hypothesis was accepted.

**H3- There is a significant relationship between the understandability characteristic in the AIS and to**

**improve financial performance in Jordanian companies.**

In order to test this hypothesis, and ascertain the relationship between the **understandability**

**characteristic** in the AIS and financial performance among Jordanian companies, **Linear Regression** analysis was performed. Accordingly, the table shows that:

Independent variable	"t" value	"t" sig	B	R	R <sup>2</sup>	"F" value	"F" sig	Result
Understandability	15.937	0.00	.756	0.756	0.572	253.995	0.00	Accepted

\* *Dependent variable: Financial performance*

The table shows a statistically significant relationship at the significance level of ( $P \leq 0.05$ ) between the **understandability characteristic** in the AIS and **financial performance** among Jordanian companies. In this regard, "F" value was 253.995 and was statistically significant at (0.00). (R) The value was (0.707), and (R<sup>2</sup>) the value was (0.500); hence, the third hypothesis was accepted.

Multiple regressions are an extension of simple linear regression. It is used when we want to predict the value of a variable which is based on the value of two or more other variables. Multiple regressions also allow you to decide the overall fit of the model and the relative contribution of each of the predictors to the total variance explained. And in order to ascertain the relationship between the role of characteristics AIS and financial performance among Jordanian companies, Multiple Regression analyses were used. Accordingly, the table shows that:

**10.2. Multiple Regression Results**

Independent variable	"t" value	"t" sig	( $\beta$ ) values (Standardized Coefficients)	R	R <sup>2</sup>	"F" value	"F" sig	Result
Relevance	8.109	.000	.254	0.958	0.917	411.050	0.00	Accepted
Accuracy	6.991	.000	.243					Accepted
Understandability	7.417	.000	.215					Accepted

*Independent variable: (Characteristics of AIS)*

\* *Dependent variable: Financial Performance*

The table shows a statistically significant relationship at a significance level of ( $P \leq 0.05$ ) of the role of characteristics of AIS and financial performance among Jordanian companies. In this regard, the "F" value was 411.050 and was statistically significant at (0.00). (R) The

value was 0.958, and (R<sup>2</sup>) the value was 0.917. Also, the relevance characteristic appears to play a greater role in financial performance with a t value of 8.109 ( $p = 0.00$ ). As for the understandability characteristic obtained t value of 7.417 ( $p = 0.00$ ). In regards to the accuracy characteristic, its achieved t value was 6.991 ( $p = 0.00$ ).

**11. CORRELATION COEFFICIENT**

The correlation coefficient is a numerical measure of some type of correlation, meaning a statistical relationship between two variables. The variables may be two columns of a given data set of observations

They all assume values in the range from -1 to +1, where ±1 indicates the strongest possible agreement and 0 the strongest possible disagreement.

which is often called a sample, or two components of a multivariate random variable with a known distribution. The table shows the details of several types of correlation coefficient exist, each with their own definition and own range of usability and characteristics.

	<b>Characteristics of Accounting Information Systems</b>	<b>Financial Performance</b>
Characteristics of Accounting Information Systems	1	.957**
Pearson Correlation Sig. (2-tailed)	.	.000
Financial Performance	.957**	1
Pearson Correlation Sig. (2-tailed)	.000	.

The table shows that there is correlation coefficients were applied in the original sample between characteristics of accounting information systems and financial performance [(0.957) (Sig. 0.00)], between characteristics of accounting information systems and financial performance. These indicate a high relationship between the study variables.

## 12.CONCLUSION

This study examined the relationship between characteristics of AIS represented by "relevance,

accuracy and understandability" and financial performance. Specifically, it examined the relationship between the characteristics of AIS and financial performance among listed industrial and services companies in the Amman Stock Exchange. The AIS contribute to increasing the capacity of information outputs in understanding; it also provides information that helps make rational decisions. Hence, it also contributes to the verification of the effectiveness of the decisions taken through timely attainment of the required information. AIS also offer current information. Furthermore, the accuracy of accounting information increases its relevance and effectiveness. Additionally,

the implementation of financial analysis that gauges financial performance will present management with a more thorough understanding of

the figures. In this regard, the company uses the important information to provide financial performance information for financial decision making. Where the results revealed a statistically significant relationship at the significance level ( $P \leq 0.05$ ) between characteristics of accounting information systems and financial performance in these Jordanian companies, where the accounting information system provides access to relevant information. Also, provides information helps to confirm the outcome of the planned activities. And provides reliable information and gives opportunities to accountants to improve their works. Also, the development of accounting information systems

supports the financial performance in giving the employees at the company new skills in the work to improve their performance, helps to reduce costs at the company.

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