

THE EFFECT OF AIS ON ACCOUNTING PRACTICES IN ERP ENVIRONMENT

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ABSTRACT

Both in the increasing competitive environment and rapid changes in technology drives organization's attention on improving Accounting Information System Quality and Information Quality. Accounting information system (AIS) is a vital model for any organization. Even public listed companies now have more concentration on implementing suitable AIS. With the global competitive environment, most of the companies have started to realize the importance of implementing suitable AIS in order to face competition and gain more benefit from the business. AIS is the one of the main integrated function of Enterprise resource planning (ERP) system. Enterprise resource planning systems are dominant and considered as a strategic tool to achieve competitive advantage. However, the implementation of ERP system is not only alone achieving the set objectives of the organization, but also other accounting factor also important specially accounting practices. Accounting practices is the process of accounting activities such as collecting, processing and disseminating information for management. The very recent studies show that information system quality and information quality are the main top concern among accounting professionals. Information system mainly has two main dimensions such as system quality and information quality. In this research, the conceptual model emphasizes the relationship between AIS in ERP environment and accounting practices. The study highlighted the hypothesis that there is a positive relationship between ERP system quality and accounting practices and also it has supported that there is a positive relationship between Information Accounting Information Quality and Accounting practices. The study was conducted using struted questionnaire which was issued accounting practitioners in public listed companies. 217 respondents have responded to the study. Moreover, structural equation modelling techniques were used to show the model fit. The structural equation model shows a good fit with the identified constructs. The result shows that both ERP system quality and Accoining information quality are having a significant influence on Accounting practices used in public listed companies in Sri Lanka. This research contributes theoretically and empirically to information system success model through ERP system quality to Accounting practices and accounting information quality to Accounting practices.

Keywords: ERP system Quality, Accounting Infoamtion Quality, and Accounting Practices.