

**The Role Of Accounting Information Systems In Improving
Management Strategic Decision
(Study at PT. Krakatau Sarana Properti)**

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ABSTRACT

This study aims to explain and analyze the role of accounting information systems in improving the quality of management strategic decision making and analyzing the relationship between the use of accounting information systems and the quality of information and management strategic decision making. The research method used is descriptive method research. The data source used is secondary data and the data collection method is done through observation, documentation, and literature. The method used in analyzing and processing the collected data is qualitative analysis. Based on the results of the study showed that the accounting information system plays an important role in improving management's strategic decision making at PT Krakatau Sarana Properti. The accounting information system provides accurate, timely, and relevant financial and non-financial information so that it can assist management in making strategic decisions to improve company performance. And found several internal and external obstacles: Internal errors such as limited human resource capabilities and skills in using information systems, external errors such as the security and integrity of financial data that is vulnerable to cyber threats. This can be overcome well by PT Krakatau Sarana Properti.

Keywords: Accounting Information System, Information Quality, Decision Making, Strategic Management

INTRODUCTION

In the era of information and globalization, the business environment is experiencing rapid changes and fierce competition. Companies must be able to conduct their operations effectively and efficiently to maintain their existence. Through a better understanding of the challenges, benefits, and key factors affecting implementation, companies can make more informed and timely decisions, leading to the achievement of competitive advantage in this ever-changing market (Gaol, 2023). The emergence of the concept of sustainability indicates an important change in market thinking, thus prompting companies to re-evaluate the methods of conducting the decision-making process. In today's competitive environment, companies are required to innovate at all times, guarantee a sustainable future and make money now. This context challenges the current mindset of decision makers and threatens the role of accounting information in decision making (Biancone et al., 2019).

Based on the literature, Manteghi & Jahromi (2012) argue that managers often need more information for decision making when facing high uncertainty in the business environment. Thus, accounting information systems are useful for the decision-making process (Janka et al., 2020). Business decisions can be made effectively when adjusted to the specific information systems implemented by each company. Conversely, wrong decisions will lead to misinformed policies within the company or organization. In addition, these errors can disrupt operational activities, including the survival of the company or organization, regardless of its size. Therefore, it is very important for large and small companies to have reliable and efficient information systems (Anggarini & Permatasari, 2020).

Knowledge becomes a very important force to assist managers in making the right decisions. An important part of this transformation involves accounting information systems, which rely on data and information to improve international accounting systems or make them more business-oriented by collecting high-quality data. Quality information, namely accurate, relevant, and timely information, is needed to make the right business decisions tailored to the information systems implemented in each company (Ponisciakova et al., 2015).

Accounting Information Systems are systems used to process data and transactions to provide users with the information needed for planning, controlling, and business operations. Therefore, high-quality information is very important, which means accurate and timely information. The role of accounting information systems in a company is very crucial and essential for management, because it provides

financial reports that can be used to evaluate various business activities and assess the performance of each unit given authority and responsibility.

The accounting information system is divided into two parts: internal and external. The internal accounting information system, also known as the management accounting system, contains a variety of information that assists managers in decision-making. Accounting information assists management in calculating costs, evaluating performance, identifying opportunities for improvement, and selecting the most reasonable strategies for the growth and survival of the company. Management accounting information systems also assist in analyzing the financial condition of the company, providing information for tax purposes, and supporting other managerial functions such as production, marketing, human resource management, and strategic planning. With a good accounting information system, organizations can evaluate performance, predict the future, and make the right decisions to achieve their goals (Baugh et al., 2021).

LITERATURE REVIEW

Accounting Information System

According to Harahap (2017), accounting information systems are functional information systems and underlie other information systems such as financial information systems, marketing information systems, production information systems, and human resource information systems. Meanwhile, according to (Belfo & Trigo, 2013), an accounting information system is a system that can process data in the form of financial data and human resource information systems can process data in the form of financial data and non-financial data based on financial transactions to become information used in decision making. The results of previous research show that accounting information systems are very important in organizations because they provide the information needed by management for planning, control, evaluation, and decision making (Anggarini & Permatasari, 2020).

Accounting information systems have benefits for companies such as the following. 1) Provide or present accurate and timely information so that companies can carry out the main activities on the value chain effectively and efficiently. 2) Improve the quality and reduce the production costs of products or services produced. 3) Improve the efficiency of business performance, both in the financial and other parts. 4) Improve the ability to make decisions. 5) Improve knowledge sharing (Sitorus et al., 2022).

Management Strategic Decision Making

According to Taschner & Charifzadeh (2023), accounting information systems play an important role in the effective decision-making process to control and coordinate organizational activities so as to achieve greater performance. A decision is a process of exploring a problem that starts from the background of the problem, identifying the problem to forming a conclusion or recommendation. The stages of decision making are as follows: Define the problem clearly, list the problem with priorities, identify the problem, map the problem based on the group, and make sure that the test tool used is in accordance with the principles and rules that apply in general.

Strategic decisions are a must for the survival of the enterprise, as defined as deliberate choices or programmed responses to issues that fundamentally affect the prospects for survival and the nature and well-being of the organization and it is clear from the definition that the important and key points in the decision-making process are accurate and precise (Taschner & Charifzadeh, 2023). For a decision to be precise and accurate, the problem must be identified, then the necessary information must be gathered, then alternatives must be identified and evaluated, and finally the best decision must be taken, must be chosen (Gudonavičius & Fayomi, 2014).

In fact, accounting is undoubtedly an important component of business information systems. In general, the role of accounting in business organizations is considered to be the provision of information for decision making (Taschner & Charifzadeh, 2023). However, the usefulness of accounting information is based on the assessment of decision-making as a rational process. This is in accordance with the neoclassical theory of the firm which states that organizations identify, evaluate, and implement optimal alternatives. Economic actors have their own interests, but conflicts of interest are resolved through prior contracts where employees agree to pursue the interests of employers.

This assumption is challenged by Elragal & Al-Serafi (2010) with the notion of “bounded rationality”, i.e., rational actors are significantly constrained by limitations of information and calculation. As stated by (Wooldridge & Cowden, 2020), “although decision-making was originally conceived as a fully rational top management process, contemporary thinking recognizes that strategies at different levels of the organization change in the social and political context”.

Decision-making is a reasoning or emotional process that can be rational or irrational, based on explicit or tacit assumptions. Decisions tend to be involuntary and once a decision is made, we spend time evaluating the costs and benefits of the decision. However, all these processes are highly subjective

because as stated by Mock et al., (2008), “the way decision makers assess evidence depends on how the task is structured”.

Regulation, will eventually find a balance point that is satisfactory for both. Following the argument of rational decision-making in the business context, it seems quite easy to argue for the use of accounting information. Business decisions are made in an unknown and uncertain decision environment (Jappelli & Pagano, 2000). That is, the more reliable the accounting information, the better the decisions taken by managers, especially decisions related to innovation (Janka et al., 2020). With this assumption, we can argue that the overall accounting information system is useful for the decision-making process (Zulianda & Suwandi, 2023) and managers should choose the greatest expected utility alternative.

RESEARCH METHOD

The method used in this research is a qualitative descriptive method which describes, and analyzes data based on events, facts, conditions, phenomena, variables and circumstances that occur on the role of accounting information systems in improving management's strategic decision making, which is then processed and analyzed and conclusions are drawn (Zed, 2014). The data used in this final project research is secondary data that already exists and is collected (Syafnidawaty, 2020), from system-based data owned by PT Krakatau Sarana Properti.

Data collected by observation conducted by the author is a method carried out through direct and systematic observation. Suwartono, (2014) states that observation is a method that uses the eyes and ears as windows to record data. In this method, the author makes direct observations at locations relevant to the research, collecting data through notes, or other observations.

In addition, data collection is also carried out by documentation and literature which is carried out by the author by collecting data, based on Creswell's documents, (2020) such as company profiles, organizational structures, and accounting activities carried out. In line with what was stated by Zed (2014), data collection techniques by conducting a study of books, literature, records, and reports that have to do with the problem being solved. The measurement is carried out by comparing the company's performance before and after implementing the accounting information system. then comparing the quality of information, and strategic decisions taken by management.

RESULT AND DISCUSSION

As a result of the implementation of accounting information systems in the form of SAP system applications, PT Krakatau Sarana Properti has succeeded in increasing the efficiency and effectiveness of strategic decision making such as: 1) *Data and Process Integration*: Financial, operational, and resource data are integrated in one system, making information available quickly and accurately. Integrated business processes enable better coordination and collaboration between departments. Research Bandara et al., (2024) shows that data and process integration through ERP systems can improve the quality of information used in strategic decision making. 2) *Increased Visibility and Transparency*: Management has better visibility into the overall performance of the company. Information is available in a format that is easier to understand and analyze for decision making. Research Nour, (2023) confirms that ERP systems can increase the visibility and transparency of information, thus supporting more effective strategic decision-making. support more effective strategic decision making. 3) *Increased Responsiveness*: Real-time information allows management to make strategic decisions more quickly and precisely. The ability to analyze historical data trends and patterns helps in long-term planning and decision-making. In accordance with research Bandara et al., (2024), ERP systems that provide real-time information and historical analysis can increase management responsiveness in strategic decision making. 4) *Increased Cost Efficiency*: Process automation and system integration reduce operational and maintenance costs. Better decision making has an impact on increasing company profitability. Research by Bataineh et al., (2022) shows that the implementation of ERP systems can increase cost efficiency and company profitability through more effective strategic decision making.

The impact of improved financial performance as in the table below.

Table 1. Impact of implementation accounting information system (SAP)

	Before Implementation	After Implementation
Return on asset	12%	15%
Asset turnover	3.5	4.2
Process cycle time	10 days	5 days
Error rate	7%	3%
User satisfaction	3	5

Based on the graph above, it can be seen that the implementation of AIS has a significant positive impact on company performance, including: 1) Profitability ratio (ROA) increased from 12% to 15%, indicating improved efficiency and effectiveness of asset utilization. 2) Asset Turnover increased from 3.5 to 4.2, indicating an increase in the productivity of the company's assets. increased productivity of the company's

assets. 3) Process Cycle Time decreased from 10 days to 5 days, indicating improved operational efficiency and speed. 4) Error Rate decreased from 7% to 3%, indicating improved accuracy and quality of business processes. 5) User Satisfaction increased from level 3 to level 5, indicating increased satisfaction and positive perceptions of the information system. In addition to the measurement table, there are several case studies that show how the implementation of accounting information systems can improve management's strategic decision making. Here are some case studies of AIS implementation in improving PT Krakatau Sarana Properti's decision making.

Table 2. Comparison of Case Studies of AIS Implementation in Improving Decision Making at PT KSP

Before Implementation	After Implementation	Impact
Difficulty in obtaining accurate and timely data to support decision making	The company can integrate financial, operational, and personnel data from all business units	The company was able to improve operational efficiency, reduce costs, and increase profitability by 8% in 2 years
The company faces difficulties in analyzing sales trends and making accurate forecasts	The company can collect, process, and analyze sales data in real time from all distribution channels and generate sales reports faster.	The company can increase sales by 10%, as well as improve customer satisfaction.
Companies face difficulties in managing supply chain and inventory	The company was able to integrate data from all divisions, optimize inventory management	The company was able to reduce logistics costs by 12% and increase inventory turnover by 15%.

From some of the cases above, it can be seen that the use of accounting information systems has a positive impact on company performance. With a well-integrated accounting information system, companies can be more efficient and effective in carrying out accounting and financial reporting processes. In line with Ababneh et al., (2022), which shows that the use of effective accounting information systems can improve internal control, reduce the risk of errors and fraud, and improve overall company performance. This can accelerate the management decision-making process based on accurate and reliable financial information.

In addition, the use of accounting information systems can also increase accuracy and accuracy in recording company financial transactions, thereby reducing the risk of errors and fraud. This will strengthen the trust of investors, creditors, and related parties in the company's financial statements. In addition, accounting information systems can also make it easier for management to access and analyze company financial information in real-time. As the results of research by Olayinka & Ayoola-Akinjobi, (2023), that the use of effective accounting information systems can improve the accuracy, reliability, and timeliness of corporate financial information, thereby increasing stakeholder confidence.

Thus, management can make more informed decisions and be responsive to changes in the business environment more quickly. In accordance with the findings put forward by Abdullah et al., (2023), that investment and integration of accounting information systems with a strong IT infrastructure can improve the quality of financial information and decision making that is more responsive to market changes. Furthermore, findings by Janka et al., (2020), that resilient and integrated accounting information systems can help organizations increase resilience and responsiveness to economic and market changes.

CONCLUSION

Based on the discussion in the previous chapter, accounting information systems have a significant role in improving the efficiency and effectiveness of management's strategic decision making at PT Krakatau Sarana Properti, such as data and process integration, increased visibility and transparency, increased responsiveness, and increased cost efficiency. The obstacles faced in implementing the accounting information system come from internal and external parties of the company. Companies are advised in the process of making strategic management decisions, to monitor and evaluate the performance and security of accounting information systems to ensure that the system remains relevant and effective in supporting the company's strategic decision making and involve system users in the evaluation process to get useful input and feedback.

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