

The Influence of Business Strategy and Top Management Support on the Effective of Management Accounting Information System and its Impact on Corporate Performance: Evidence from Indonesia

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Abstract

This research is aimed to explain the influence of business strategy, top management support (TMS) on the effective of management accounting information system (MAIS) and its impact on corporate performance. The research methodology used quantitative approach while the statistical method used SEM-PLS. Questionnaires and interviews had been done to 240 managers from 60 state owned companies in Indonesia. Result had shown that business strategy did not have any influence on the quality of management accounting information system. Top management support on the other hand, had influences on the quality of management accounting information, in addition the quality of management accounting information system had influences on the performance of the organization.

Keywords: Business Strategy, Top Management Support, Quality of Management Accounting Information System , Corporate Performance

Introduction

Since 1980s' corporate performance and all the efforts to realize it has become an interesting topic, (McAdam & Braine, 2002). One determining factor is the availability of management accounting information system that will provide accounting information which is needed to help managers in making decisions related to strategic planning and even long term goal planning, in allocating resources, controlling and doing evaluation, (Atrill & McLeny, 2009). This thing is in accordance to the statement from Fawcett et.al (1997), that accounting information systems have to be able to provide all of the information related to financial measures and other measures that can escalate long term performance.

There are still a lot of problems related to the performance of state owned company management in Indonesia. This thing is supported by the evidence from an audit on state owned companies which were done by *Badan Pemeriksa Keuangan Republik Indonesia* (BPK RI) between the period of 2014 and 2016 as follows: the company managed ineconomically over the last three years (2014-2016) with the value of ineconomis in 2016 amount to 1,378,950.28 Milion IDR increased 208 % compared on 2014. In addition, the company is also managed inefficiently or a waste of amount 11.652,169 Milion IDR on 2016. This condition indicates a decline in management performance over the last three years.

Literature Reviews

Business Strategy

Business strategy is one way that was taken by companies to set up corporate's purpose and goals for a long term while also planning on some activities which have to be done and making the allocations