

# **PROPOSING A CONCEPTUAL FRAMEWORK: CAN THE USE OF ACCOUNTING INFORMATION SYSTEM AND BUSINESS STRATEGY TOGETHER AFFECT ORGANIZATIONAL PERFORMANCE AT THE HOSPITAL IN BANTEN, INDONESIA?**

**Baby Amelia Fransesca S**

Lecturer, Multimedia Nusantara University, Serpong, Indonesia

Doctorate Program in Business Management, Faculty of Economics and Business,

The University of Padjadjaran Bandung, Indonesia

[babyafs@gmail.com](mailto:babyafs@gmail.com)

## **Abstract**

*This study is based on a range study to know the relationship between the use of the accounting information systems (AIS) and business strategy, impact the use of the accounting information systems (AIS) to organizational performance. Accounting information systems (AIS) can be used to measure the performance of the company. AIS help the hospital to plan business strategy that will run or to change business strategies that are less effective and efficient. AIS supports the hospital business strategy to achieve organizational performance superior hospital. Moreover, the use of AIS also increases the profitability is an indicator of organizational performance. Furthermore, a positive relation is found between the use of AIS and the election of the hospital business strategy of organizational performance. With the use of AIS with the implementation of the right business strategy will help the hospital to serve the patient BPJS health program.*

*Keywords: Accounting Information System, Business Strategy, Organizational Performance, Hospital, BPJS Health Program*

## INTRODUCTION

Generally, business is attempting to answer the question of how to improve business position exceeds the position of competitors. Hospitality businesses include hotels, motels, prison, elder home, food service, and beverage operations across, using computers to record, report and analyze the effectiveness of internal operations. The hospitality industry including hospital business has now become one of the very fast growing businesses and affiliated with high technology. With the rapid development of technology, needs and desire for a variety of customers and increase the number of people increased, the world economic crisis and market trends encourage hospital industry must be able to adjust the performance of the business to achieve the profitability of the company. Profitability of the company will be focused on important for investors and shareholders and other stakeholders. To support the achievement of a superior business performance, hospital using the accounting information system that will provide accurate information and fast in when needed.

In Indonesia almost all private hospitals such as hospitals owned by the government to become a partner of the government for public health service warranty program namely BPJS Health (National Health Insurance). Initially at the time of the government of Indonesia launched a health program BPJS, there are symptoms of private hospital reluctant to serve patients with this Health BPJS program perhaps because the program is not considered profitable. The involvement of the hospital with health BPJS program (National Health Insurance) need quick information about the availability of treatment rooms, operating room, medical experts, and others. With the help of technology in system accounting information helps many hospital management decision-making in dealing with patients as consumers.

Internal capabilities accounting information system users use and manage a system involving the accounting and it encourages the owner of the hotel will invest build system accounting information (Ramli, 2013). The hospital has a similar business with business hotel, the difference is the house provides health services for its consumers. Now this is the management of the hospital has adopted management practices hotel.

Porter and Millar (1985) hold that the contribution from IT in enhancing the competitive positions of the organization. Like the hospital operational, the operational at hotel., So the results of research on the accounting information system in the hotel can be applied in the hospital with added medical services activities. The use of AIS can improve the function of the recording of the data processing, reporting and decision-making managerial and help hotels to efficiently and it effectively report their operation's results to many users (Aenon Ramli, 2013)

In Indonesia, especially in Banten, private hospital more attracted by the customer. In Banten comparison of the number of private hospitals more compared with government

hospital. Since then launched BPJS Health program 2012 until the year 2014, tackles hospital bothered reject the BPJS's patient. Start the year 2015 hospital in Banten replacing the banner stating that the hospital receiving BPJS patients. Based on an interview with two private hospitals in Banten, this is because the hospital does not have the basis of the calculation of tariffs for health services. The use of AIS help all division of the hospital especially costing division in managerial decision-making process by the division related to the patient services.

## **LITERATURE REVIEW**

### **Accounting Information System**

The accounting Information system is vital to all organizations and perhaps, every organization either profit or nonprofit oriented need to maintain an Accounting Information System as no organization is exempted from decision making in their operations. (Olamide, et al, 2015)

Accounting and financial information systems are the ones that keep up financial assets of the company and provide long term forecasts. Others had defined accounting information systems as: a system that collects, records, stores and handles data to provide information to decision-makers through using advanced technology or simple system or in between of the two (Romney & Steinbart, 2012).

Accounting Information System, operated with the support of information technology, became an important component in the business organization in running effort, because he was able to assist in the development of business and manage the advantages of comparative and competitive advantages of the company and information technology system also reliable to improve effectivities and efficiency of business processes in the organization and become the best practice that is able to bridge the board of managers and the board of director in making the decision and collaboration between the different sections in the company (Orlikowski and Tire, 1993). Accounting system effects of firms' investment, operating and financing activities. (Bushman, et al, 2004)

### **Business Strategy**

The cost and potential profit that will be produced or is produced from each business strategy that run the company will be different results. Business strategy is a way out of the error determines the concept of business. (Masanell and Ricart, 2009) company decided to use a program of Accounting information system with many considerations, demands to cut costs, run the business process without raising the cost or increase the quality of products to survive in the industry. (Legris, P, et al, 2003) This pressure encouraged companies implement business strategy to rely on the information that is produced from the AIS.

Strategy may be misunderstood business concepts, but facial for people at all levels of the organization to understand what strategy is and how it affects their jobs (Enz, Cathy A., 2011). Different business situations, particularly training involving the diagnosis of issues and decision making (Stumpf, Stephen A, 1991).

The selection of business strategy that will be implemented company always adjusted to the resources of the company. Each company has a different resource, particularly human resources and learning performance. Devise your own unique property level strategy and then deployed software component your resources to accomplish the ongoing task of implementing your strategy (Enz, Cathy A., 2011)

In formulating business strategy, generally the company compares or imitate business strategy competitors, in formulating business strategy, the company will consider the resources owned. Owned resources in the form of tangible assets and intangible assets.

Miles and Snow identified four types of the strategy the company: (1) Prospectors continuously attempt to locate and exploit new product and market opportunities, (2) defenders attempt to seal off a portion of the total market to create a stable set of products and special event, (3) analyzers by cautiously services as following prospectors into new product-market domains while protecting a stable set of products and special event, and (4) reactors do not have a consistent response to the entrepreneurial problem. (Miles & Snow, 1978)

Hambrick uses four strategies, namely cost fouling, asset parsimony, differentiation, and scale installation design/scope. (Hambrick, 1983).

From these observations, researchers, hospital in Banten, Indonesia many use business strategy Porter than direct typology proposed Miles&Snow. While the proposed business strategy Hambrick has not been founded researchers on examinations conducted in several hospitals in Banten, Indonesia. Allegedly business strategy relatively Porter more popular and easy to apply.

### **Organizational Performance**

The performance consists of three important variables, namely organization goals, organization design and organization management (Rummler & Brache, 1995).

The hospital is a type of hospital business, so the process of delivering services in the hospital much in common with the process of delivering services in the hotel that are different between the services in the hospital and hotel is in the hospital there are medical.

There are two studies that measure firm performance through the profitability, market value, growth, employee satisfaction, customer satisfaction, environmental performance, and social performance (Daft&Weick, 1984; Santos & Brito, 2012). Hospital performance indicators

are classified into three areas as Quality- Effectiveness, Efficiency- Financing and Accessibility– Equity (Nikjoo, 2013).

In Indonesia, especially in Banten, private hospital more attracted by the customer. In Banten comparison of the number of private hospitals more compared with government hospital. Private hospital in Banten seeks to surpass its competitors. Organizational performance will be ahead of the competition if companies pay attention to the environment industry and the position of the company in the compare competitors.

According to Masanell and Ricart, (2009) Firms must pay attention to their competitive environment and then specify their positions and develop competitive and corporate advantages.

### **The relationship between Accounting Information System with Business Strategy**

An accounting system is one of the most effective decision making tools of management as it provides an orderly method of gathering and organizing information about the various business transactions so that it may be used as an aid to management in operating the business (Copeland and Dascher, 1978)

The business environment has undergone significant changes due to globalization and developments in information and production technologies (Burgstahler et al. 2007). Accounting information systems are an organizing tool to achieve stronger, more flexible corporate culture to face continual changes in the environment (Grande et al, 2010)

Information is produced through the implementation of accounting information system become inputs for the decision makers at various levels in the organization. In the business process, hospital bed availability information in some type of room treatment will help the sales division through the front desk on when serving the acceptance of patients hospitalized. So also with the information availability of operating room action and specialist doctors will help speed the acceptance of patients with the analysis of the price of the rooms and the action in accordance with the needs and the tuition potential patients. The information produced by the accounting information system to help the patients in health care using the Indonesian government health program namely BPJS. The hospital in Indonesia has improved implementation AIS since the BPJS program launched by the government. The implementation of the AIS encourages hospital in Indonesia specify the business strategy, according to the concept of the Porter namely cost leadership, differentiation and focus. Accurate information that produced accounting information system supports the implementation of the business strategy in accordance with the capabilities of the resources owned hospitals will increase profitability which is one of the size of the organizational performance.

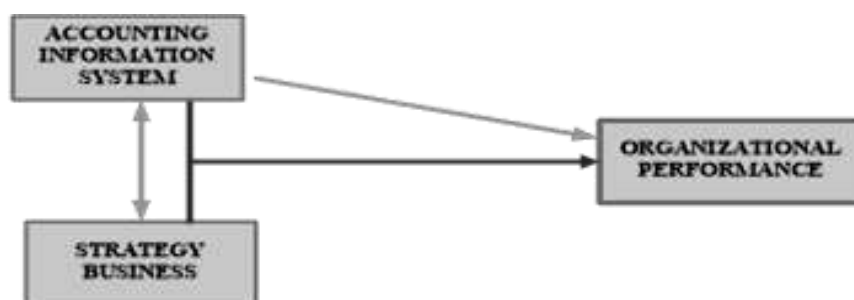
## Hospital Management System in Accounting Information System

Accounting information system helps the process of financial reporting and management information system help the reporting of business process that is not being processed in the accounting information system. Hospital Management, System Management has been defined as the process, comprised of social and technical functions and activities, occurring within the organization for accomplishing predetermined objectives through humans and other resources (Longest, Rakich & Darr, 2000). Healthcare quality and patient safety across the common mantra of all primary and secondary health care providers. In hospitals, over the years, a variety of models and schemes for hospital interventions and development have been deployed (Friesner, 2009). Hospital Management System provides the benefits of streamlined operations, enhanced administration & control, superior patient care, strict cost control and improved profitability. The process of Hospital Management System includes: Patient management, Services management, Appointment scheduling, Store management, Pharmacy management, Admission management, Ambulatory, Laboratory, Account management, Payroll, and Human Resource Management (Olamide, et al, 2015) Hospital Management System (computerized) is increasingly becoming an emerging tool in health care arena to efficiently enable the delivery of high quality health services (Olamide, et al, 2015). Hospital Management System not only provides an opportunity to the hospital to enhance their patient care, but also can increase the profitability of the organization. Hospital administrators to significantly bolster consumers' consumption be able reserves receiving complain operational control and thus streamlines operations. This bolsters consumers' consumption receiving complain response time to the demands of patient care do we stop? Because it automates the process of collecting, collating, and retrieving patient information (Olamide, et al, 2015).

## PROPOSED MODEL

Based on the phenomenon that is in a hospital in Indonesia and constituted from literature, author arrange paradigm research as follows:

Figure 1. Proposed Conceptual Framework



The use of accounting information system together with the implementation of the Strategy business in the hospital in Banten, Indonesia is suspected to encourage the achievement of superior hospital performance. The approach taken entails reviewing academic journals from the area of accounting information system, strategy business and organizational performance. The review shows this research can help add to one's knowledge of accounting information system and strategy business.

## **SUGGESTION FOR THE FUTURE RESEARCH**

For further researchers suggested doing research by collecting data and analyzed statistically, because this research is still in the form of research literature. Because this research is awarded in the form of research literature. The next research builds research model by adding or changing the moderating variable measure with other variables. It is expected that in the future research, the author will investigate dimensions in measuring the variable the proposed.

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