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THE EFFECT OF USAGE AIS ON SMALL BUSINESS PERFORMANCE

IN MUGADISHO-SOMALIA

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Abstract

The purpose of this study is to investigate how the Accounting Information System (AIS) affected the performance of small businesses. The study's particular goals were to determine how top management support, usefulness, and ease of use were impacted by AIS, a tool used to analyze small business performance in Mogadishu, Somalia.

Theoretical Framework: "Meta-theory" describes how the technical, organizational, and cognitive approaches are combined and integrated to provide an all-encompassing model for AIS research.

Design, Methodology, and Approach: The population of the study comprised small businesses in the Bakaro market that focus on retail, electronics, and clothes. The main data for this investigation were gathered manually using a questionnaire. Non-probability sampling was employed, and the data were subjected to regression and correlation analyses using SPSS software. The investigation's methodology was survey design.

Findings: The results of this study demonstrate a direct relationship between accounting information systems and business performance, suggesting that access to trustworthy accounting data improves organizational effectiveness. Hence, the accounting information system may have an impact on how Somalia's businesses operate economically.

Research practical and social implication: The ease of use, usefulness, and support management of the accounting information system are enormous benefits for the economy, businesses, and organizations. A constant supply of precise and trustworthy data is necessary for the economy to grow. The biggest factor increasing the entire worth of a firm is performance management.



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The paper recommends that firms integrate accounting information systems into their daily operations to increase future sales and profitability and Given that accounting information systems (AIS) facilitate the development of analytical comparisons, also governments should establish comprehensive, universal training facilities for small businesses.

Originality/Value: This approach identifies a strong correlation between organization science, technology, and cognitive functions. A variety of AIS technologies, such as databases, expert systems, and decision support tools, can be utilized to address accounting-related issues. As such, the cognitive and organizational demands of the activity must be considered while selecting and applying these tools. A variety of AIS solutions are necessary because AIS users encounter several problems and organizational limitations.

Keywords: Performance of small businesses, perceived usefulness, perceived ease of use, and accounting information system

.INTRODUCTION

Accounting information systems gather, examine, and display financial data for decision-makers. It covers the whole accounting cycle. It contains the documents that function as transactional documentation in addition to the records, trial balances, spreadsheets, and financial statements generated as a result of the transactions. Accounting systems come in both computerized and manual forms. Accounting systems that are computerized are used by almost all firms. (Zuritati 2017). A few fundamental ideas constitute the cornerstone of any effective accounting information system. Cost-effectiveness, usefulness, and adaptability are a few of these ideas. Accounting systems can help achieve both personal and organizational objectives as long as they are affordable, produce worthwhile outcomes, and can be properly altered to accommodate shifting requirements.

. It is imperative for businesses to embrace systems that enhance productivity and enable them to thrive in the information era. Succeeding in business requires using top-notch information technology and accurately managing organizational, financial, and statistical data (Kamanga & Alexandra, 2019).

The use of AIS is essential for management enhancement, efficient service delivery, fostering sound judgment, and increased productivity. It is essential to use AIS in order to adapt and build best practices. Management needs accounting data from AIS in order to project and plan the company's future business strategy. (Alamin et al., 2015).

Although, it's potential to improve business performance, the implementation of knowledge management is dependent upon the installation of an accounting information system. It is knowledge management that stands between organizational performance and the accounting information system. Using accounting information systems is linked to increased chances of better performance and knowledge management. (Al-Shbiel and Ahmad 2019)



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In the context of Jordanian SMEs, the elements influencing accountants' ongoing desire to use an accounting information system (AIS) were investigated, according to (Lutfi, 2022). The effectiveness of the AIS will be greatly influenced by how accountants use and accept it. Accountants are the system's main users. The findings demonstrated that although the components under Expectations about the study effort, performance, and enabling conditions all had a positive impact, TMS considerably and negatively affected accountants' propensity to adopt AIS. Furthermore, it was demonstrated that the will to carry on was closely related to the social impact, highlighting the importance of AIS assistance for SMEs.

(Wang & Miraj, 2018), suggested that an accounting information system (AIS) is among the most crucial systems in a business. Data quality is vital in an economy that is knowledge-based and heavily dependent on data. The government needs accurate financial data in order to manage its finances and carry out its obligation to its citizens.

In the context of Jordanian SMEs, it was investigated what factors influence accountants' continued desire to utilize an accounting information system (AIS). Information systems currently play a key role in all industries. For the AIS to be successful, accountants must embrace and utilize it. Accountants are the system's main users. The results showed that TMS significantly and negatively impacted accountants' intention to use AIS, whereas the study's components—expectations regarding the study's effort, performance, and enabling conditions—had a positive effect. Furthermore, the will to persist was demonstrated to be closely associated with the social impact, highlighting the importance of AIS support for SMEs. A business's accounting information system (AIS) is among the most crucial systems. Data quality is essential in a knowledge-based economy that uses a lot of data. We need to use accurate financial data. Expectations for effort, performance, and enabling conditions all had a favorable impact. Furthermore, it was demonstrated that the will to carry on was closely related to the social impact, highlighting the importance of AIS assistance for SMEs. The accounting information system (AIS) is one of a business's most crucial systems. Data quality is vital in a knowledge-based economy that uses a lot of data. To manage its finances and carry out its obligation to the people, the government needs accurate financial data. As a result of globalization, technical advancements, and economic growth.

These developments have given rise to a wide range of applications at all administrative levels as well as operational, technical, and strategic uses. Accounting information systems have benefited greatly as a result of the crucial information they make available to all users. Businesses always work to maximize their resources in order to achieve the following: suitable profits, a sizable market share, a positive reputation, social acceptance, and a high return on investment. They also make informed judgments about their assets based on the information that is available. The quality, appropriateness, correctness, and accuracy of this information elevated the profile of accounting information systems. (Kanakriyah R, 2020)

According to (Temitope & Olamide, 2016).



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Nigerian businesses are similarly burdened by a host of issues. Some of these problems are internal to the company and include low capacity utilization, aggressive rivalry from bigger companies, difficulties locating raw materials, a lack of management strategies, operators with insufficient training, serious financial difficulties, and a reluctance to embrace technology. This technique has helped businesses become more efficient and conduct greater transactions since they are more equipped to achieve their objectives. Since this enhances business activity, more companies and transactions are probably going to occur, which implies that more accounting data needs to be gathered and updated. The manual entry and recording of daily transactions in accounting, which was the traditional method, has become inefficient. Erroneous data entry, inefficient task performance, and other mistakes severely hindered the performance of enterprises and organizations. These drawbacks, along with excessive paper use, led to the creation of accounting information systems. A quicker program to gather, reviews, and generate reports. In Nigeria, small and medium-sized businesses typically have worsening issues as a result of not having an accounting information system.

According to Muhindo (2014). An accounting information system comprises every aspect of a business, including reporting, information collection, and inputs related to financial operations. The accounting information system can be developed and delivered because of this system setup conclusion. In order to produce output that facilitates decision-making, this information system aims to gather and preserve transactional data.

With information systems that handle economic events or transactions, a business may effectively manage its most valuable asset. These transactions are mostly the result of the business's regular business operations. Within a firm, there are two main types of transactions that occur: internal transactions stem from the gathering of cost information and the allocation of production expenses, and external transactions are the consequence of dealings with the outside world, such as buying or selling goods. (Muhindo, 2014)

Many small businesses in Mogadishu, Somalia, use the computerized accounting systems that have taken the place of the manual ones that were in use earlier. One of the many markets these small firms cater to is the small company community, which benefits from the dependability and value of their financial reports. The absence of management practices and insufficient understanding of the accounting information system in Somalia can be attributed to the nation's economic issues and political conflicts.

This method was thereby helped businesses produce more and conduct transactions that put them in a better position to meet their goals. The requirement to capture and update accounting data increased with the number of businesses and transactions. However, The Somali economic challenges are many and organizations focus using on different accounting tools to maintenance their operations (Abdulle et al, 2019)



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Small and medium-sized business owners and employees in Somalia regard Islamic financing with helping their businesses obtain the capital required to grow outside of their present markets. This is the foundation of the country's economic progress. SMEs in the country depend on financing from Islamic banks for their expansion and growth. (Ondes & Abdinur, 2022). AIS are quite beneficial for small and medium-sized organizations. Small and medium-sized business owners and employees in Somalia regard Islamic financing with helping their businesses obtain the capital required to grow outside of their present markets. This is the foundation of the country's economic progress. SMEs in the country depend on financing from Islamic banks for their expansion and growth. (Ondes & Abdinur, 2022) AIS is quite beneficial for small and medium-sized organizations.

REVIEW OF LITERATURE

ACCOUNTING INFORMATION SYSTEM

Topics include the development of accounting information systems, the understanding of system users, the many kinds of accounting information, the significance of AIS components, and the advantages of small businesses will all receive special emphasis in this study.

Accounting is largely focused on its users' financial decision-making processes and how data from these systems supports those processes. Accounting information is regarded as being externally used by people and other companies that have financial interests in the reporting organization. Owners, company associations, government agencies, labor unions, suppliers, and the general public are examples of external users of the financial data.

Every one of these external decision-making bodies needs a certain set of information in order to make judgments on the reporting enterprise. It's challenging, if not impossible, to provide information in a single set of financial data that satisfies the needs of such a wide range of different consumers. Examining how accounting information systems can help SME management get accurate and relevant information can help increase the influence of SMEs on the local economy.

Despite the fact that prior successful accounting information systems improve SMEs' accounting performance, there are few studies on how SMEs can use these systems to address the challenges posed by rapidly evolving technology and rising global competitiveness. This implies that the amount of research on accounting information systems in small and medium-sized businesses is quite low. Furthermore, the majority of research on accounting information systems in SMEs has been done on the citizens of developed nations. (Harash, 2017).



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Accounting is the process of identifying, recording, and providing interested parties with information regarding an organization's financial events. Information, on the other hand, is data that is precise, timely, purposefully organized, and presented in a way that makes sense. Significance and pertinence, which can result in heightened comprehension and reduced ambiguity and The system consists of a well-organized and highly integrated collection of pieces that work together to accomplish a single purpose. Each of the outputs produced by the system's diverse inputs contributes to the achievement of the system's primary objective after going through numerous phases. Businesses can collect, arrange, process, retrieve, and report financial data for managers, CFOs, auditors, consultants, business analysts, regulators, and tax authorities using accounting information systems (AIS). Some people consider accounting information systems to be instruments that assist management in organizing and directing activities by offering pertinent and trustworthy data for making decisions.

This point of view believes that the capabilities of accounting information systems go beyond the conventional understanding and can be applied not just to the provision of financial reporting but also as a regulatory tool, such as budgeting. (Osier, 2014). The roles that information plays in decision-making can be classified along two dimensions, depending on the degree of uncertainty: the ambiguity surrounding cause and effect and the degree of uncertainty surrounding objectives. One type of data that can be used as a "learning machine" is accounting data, which assists in evaluating possible routes to goal achievement by estimating the financial impact of each option for decision-making. We suggest that when there is uncertainty about the consequences of an activity due to a lack of clarity regarding the relative importance of the many effects of a given action, accounting data is particularly helpful in operations management.

The number of units produced, the lead time of processes, their dependability, the client service quality, inventory levels, capacity utilization rates, and the variety of items they generate are just a few of the metrics that can be utilized to describe and alter the outcomes of a decision. Uncertainty stems from not knowing which impacts will actually occur. (Jawabreh & Alrabei, 2012).

PERCEIVED EASE OF USE

More employees in the business use an accounting information system when it is user-friendly. It is crucial to consider human variables, such as perceived ease of use, while utilizing AIS in a corporate environment. (Turner group, 2020). In order to guarantee optimal installation and utilization within businesses, the opinions of AIS users are essential. In Daud and Triki (2013) Likewise, Mustapha and Obid (2015) discovered that the idea of usefulness performs a significant role in the adoption of accounting information systems for tax administration.

An further study examined the acceptance of AIS in educational settings. The goal of the study was to find out how university financial managers' assessments of the usability of AIS affected their decisions to employ the system. The study's findings indicate that people's thoughts regarding the use of AIS have a major impact on how effective they perceive it to be. (Permatasari et al. 2018).



PERCEIVED USEFULNESS

It is mentioned that when putting AIS inside of businesses, perceived utility should be considered. The management's perception of the AIS's usefulness strengthens, and behavioral desire to integrate and use the system increases as performance expectations rise. Productivity and effectiveness could be increased by the system. (Tilahun 2019,). Businesses' adoption of computerized information systems is significantly influenced by perceived utility. Research on the variables impacting the connection between ICT adoption and socioeconomic development shows that consumer perceptions of technology's utility are a major driver of new technology adoption. (Lanlan & Ahmi 2018; Roztocky & Weistroffer 2016).

According to (Almahamid et al. 2010), they investigated into the relationship between people's perceived value of e-government systems and their readiness to adopt them. The study's findings indicate a positive association between the two variables. Users are more inclined to support the installation and adoption procedure if they believe they will benefit from it.

In the Chinese towns of Shann Xi and Xian, (Zhang 2017) investigated into how SMEs perceived and used AIS. The study's conclusions suggest that a significant factor influencing organizations' adoption of computerized accounting systems is how useful they are seen to be. By (Zaini et al 2020). It is suggested that this is a major element impacting the adoption of AIS since behavioral intentions are mostly determined by performance expectations. Businesses can increase efficiency in the implementation of accounting information system activities by utilizing performance anticipation.

TOP MANAGEMENT SUPPORT

According to Suratman and Ridwan (2017), The proficiency and commitment of accounting managers facilitate the effective implementation of accounting information systems (AIS). Adoption and implementation of AIS require high executive participation. It is the responsibility of senior executives to correctly integrate AIS inside their organizations. Suratman and Ridwan (2017) assert that senior management is in favor of using AIS. (Ouko 2013) asserts that increasing efficiency in this way will help. A positive influence was produced by favorable conditions, study effort, and performance expectations.

The decision to continue was also shown to be strongly correlated with the social impact, underscoring the significance of AIS assistance for the SMEs. One of a company's most important systems is an accounting information system (AIS). In an economy that is knowledge-based and increasingly reliant on data, data quality is essential. Use of precise financial data is essential. There was a positive influence from expectations for performance, effort, and supportive circumstances. It was also shown that the intention to continue had a strong correlation with the social impact, underscoring the significance of AIS assistance for SMEs. The accounting information system (AIS) is one of the business's most crucial systems. Data quality is essential in an information-based economy where a great deal of data is consumed. To manage its finances and carry out its responsibilities to the public, the government needs accurate financial information. As a result of economic expansion, globalization, and technological innovation. The research conducted by Qatawneh et al. (2015) confirms the conclusions drawn by Suratman and Ridwan (2017) regarding the role that accounting managers' competency and commitment play in the effective implementation of accounting information systems (AIS). (Micheni, 2017).



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The adoption and implementation of AIS entails high management involvement. Senior executives are in charge of implementing AIS correctly within their companies. Senior management supports the use of AIS, claim Suratman and Ridwan (2017). Efficiency is raised by this.

According to (Ouko 2013), an institution's ability to successfully deploy an AIS depends on upper management's willingness to inspire staff. This is a significant aspect in the acceptability of computerized payment management systems. (2015) Qatawneh et al. senior management can have a big impact on how challenging issues are addressed and how successfully the team works during the implementation phase, claim Lundu & Shale (2015).

In order for automated payment management systems (AIS) to be successfully implemented inside an institution, senior management's willingness to inspire staff is a vital aspect in the acceptability of AIS, according to Okoko (2013). Qatawneh et al., 2015. The way challenging issues are handled and how well the team works during the implementation phase can be greatly influenced by senior management, claim Lundu & Shale (2015).

Accounting records are no longer preserved on paper; instead, they are stored in advanced accounting information systems. These systems collect, organize, document, and handle data in order to produce information. It's stated that senior management supports together with individual considerations are needed for the installation of an accounting information system. The study examined the relationship between personality traits and top-level management support for the adoption of an accounting information system and the accuracy of accounting data for projects of Tanzanian nonprofit organizations. (Mkonya, Y. Victoria Lucas 2018)

SMALL BUSINESS PERFORMANCE.

Any business, no matter how big or little, needs to be expertly managed in order to grow, stay competitive, and last. This is especially true for small and medium-sized organizations (SMEs). The main reason for choosing Iraq's SMEs was their significant role in the development of the country's sector overall. The private sector typically owns private SMEs, either directly or indirectly. Continue reading Empirical data from the past shows that SMEs in developing countries are a major source of economic prosperity. SMEs are the foundation of every expanding economy. In terms of creating jobs and fostering large, quick industrial development, SMEs have a big influence on the health and welfare of the country. They are necessary to guarantee innovation, social integration, economic progress, and the generation of jobs. (Harash, 2017).

A small business is a company that is independently owned and operated, with a restricted size and income, depending on the industry. Performance is the completion of a task entrusted to it; it also plays a major role in the growth and survival of a business. SMEs are more sophisticated than one might think. The study claims that research on formal accounting methods frequently suggested that SMEs lacked efficient control mechanisms and accounting data to aid in decision-making. However, it should be highlighted that research done from a more subjective perspective revealed that SMEs really depended on enough accounting data to inform their business choices, including managerial accounting, which was frequently acquired informally. Small firms use accounting data in different ways. (Ismail & King, 2014)

The importance of SMEs in driving economic growth is becoming more widely acknowledged. Empirical studies conducted in the past have shown that SMEs in developing countries are a major source of economic prosperity.



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Data from the Central Organization for Statistics (COS) has been used to identify the performance of SMEs as a target group. This data indicates that SMEs make up the majority of the private sector in Iraq, are a focus for enterprise policy, and account for (99) percent of all companies in the country. Research indicates that a large number of SMEs fall short of their goals as a result of poor internal management practices caused by SMEs' ill-conceived accounting information systems. (Harash, 2017).

THEORETICAL AND CONCEPTUAL FRAMEWORK

The varying nature and goals of AIS, combined with the differing theoretical positions, emphasize the necessity for an organizing paradigm that offers a way to bring the corpus of existing AIS research together and take advantage of the complementary qualities of different viewpoints. "Meta-theory" explains the process by which technological, cognitive, and organizational techniques are integrated to produce an all-encompassing model for AIS research. Previous AIS research has included or modified reliable frameworks from the disciplines of IT and management information systems (MIS) (e.g., Ives, Hamilton & Davis, 1980; Mason & Mitroff, 1973; Gorry & Scott-Morton, 1971). These studies include Gorry & Scott-Morton, 1971; Cushing, 1990; and Reneau & Grabski, 1987. Through referencing past research, the meta-theory model addresses the four flaws listed below of current IT frameworks. (1992:2-55) Smith & March.

The methodology of this research is based on the task-orientation and system viewpoint, which identify important interrelationships among the three main contingent component types: innovation, structure, and cognition 3. A task-focused AIS research technique has to be reoriented, according to one of the report's primary findings. Because a substantial amount of previous research on the performance of judgment and decision-making indicates that task contextual elements have a major impact on performance, task accomplishment and an AIS's appraisal should be considered simultaneously. (Payne et al., 1993; Solomon & Shields, 1995). According to Hopwood (1989), Lastly, it is also hoped that organizing the three source disciplines around a task emphasis will facilitate the decision-making process regarding which interactions warrant more in-depth study and in what possible configurations. The methodology takes into account the significant relationships that exist between technology, cognitive processes, and organization science. Expert systems, databases, and decision support tools are a few examples of AIS technologies that can be applied to accounting problems. A consideration of the cognitive and organizational demands of the task at hand is important in order to select and use these tools appropriately. Due to the numerous problems and organizational limitations that AIS users encounter, a range of AIS techniques are needed. study methodology focused on examining the interdependency.



CONCEPTUAL FRAMEWORK

INDEPENDENT VARIABLE (IV)

USAGE AIS

Perceived of usefulness

Perceived Ease of use

Top management support

DEPENDENT VARIABLE (DV)

SMALL BUSINESS

Business Performance

FIGURE 2.1 CONEPTUAL FRAMEWORK

METHODOLOGY

The study's population comprised all small businesses in the Bakaro market, particularly those involved with retail, apparel, and electronics. The intended respondents were small business owners or managers functioning in these three areas. Only users of accounting information system tools, such as Excel, QuickBooks, Peachtree, and others, were the subject of the study. Due to the high number of small businesses utilizing accounting information systems in Bakaro, the major market in Mogadishu, Somalia, the researchers chose the small businesses in the Bakaro market. Unfortunately, it is unknown how many small businesses there are in the Bakaro market because no government body is in charge of keeping track of them. The 152 employees of small enterprises in Mogadishu, Somalia, who were involved in the data collection phase of the study, are the target demographic.

SAMPLE SIZE

The process of choosing a sufficient number of components from a population and group of individuals, objects, or items that are picked from bigger populations for measurements is known as sampling size. The sample size was 152 respondents only. Using Slovene's formula for determining sample size, the sample size will be ascertained. $N / (1 + (N * e^2))$ is where Sample size (e) = N - Total Population (n) - Errors at 5% Based on the Slog Van's formula, the sample comprises 110 small businesses in Mogadishu owned by the respondents.



DEMOGRAPHIC INFORMATION OF THE RESPONDENTS

The study's participants are divided into various categories based on factors including age, business kind, education level, experience, marital status, and gender, which includes both male and female. Respondents to the study were affiliated with specific small companies, including those in the Bakaro market in Mogadishu, Somalia, that sold electronics, clothes, and shopping items.

TABLE 4.2 DEMOGRAPHIC CHARACTERISTICS

Characteristics of the respondents	Classification	Frequency	Percent (%)
Respondent's age	Male	65	59.1
	Female	45	40.9
	Total	110	100.0
	Less than 25 Years	63	57.3
	26-40	42	42.2
	Above 40	5	0.5
Respondent's qualification	Total	110	100.0
	Secondary	14	12.7
	Bachelor	73	66.4
	Masters	22	20.0
Business experience	Phd	1	0.9
	Total	110	100.0
	Less the 1 year	33	32.7
Business experience	1-3 Year	37	33.6
	3-5 years	24	21.8
	Above 5 Years	13	11.8
Type of Business	Total	110	100.0
	Electronic	38	34.5
	Shopping	30	27.3
	Clothing	42	38.2
Occupation of respondents	Total	110	100.0
	Manager	67	60.9
	Owner	43	39.1
	Total	110	100.0

Source: Primary Data, 2023

When respondents were asked to indicate their gender, as the above table illustrates, 59.1% of them were men and 40.9% were women.



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It also indicates that most research participants are men, which helps to explain why men predominate in the workplace. Among the respondents, 57.3% were under 25, 42% were between the ages of 26 and 40, and 5% were older than 40. In terms of their qualification, 12.7% hold secondary education; 66.4% of the respondents were bachelor level; and also 20% of respondents were masters and PhD 0.9% the majority of the respondents, which is equal to 66.4% were bachelor level. Table shows the most respondents of the study 33.6% were 1-3yrs., while 32.7% were less than 1yr, and also although 13% were above 5 years' experience, as shown the table 4.2.6. Therefore, the most respondent of 33.6% were 1-3yrs. The majority of the respondents 38.2% were clothing business, while 34.5% were electronic business, and last Respondents 27.3% were shopping business. Therefore, the most respondent of 38.2% were clothing business. The majority of the respondents 60.9% were managers, while 39.1% were owners. Therefore, the most respondent of 69.9% were Owner.

DESCRIPTIVE PERCEIVED EASE OF USE ACCOUNTING INFORMATION SYSTEM

Statement	Mean	Std. deviation	Interpretation
Users of this business's accounting information system (AIS) consider it to be user-friendly.	3.9273	.57003	HIGH
The business users find the accounting information system to be user-friendly.	3.9455	.66134	HIGH
Users of the accounting information system (AIS) in this company are not afraid of making mistakes when using it.	3.9545	.61161	HIGH
The accounting information system (AIS) of this organization is user-friendly for users to do duties.	4.0455	.49560	HIGH
It is thought to be user-friendly by those who utilize the accounting information system (AIS).	3.9364	.63934	HIGH
TOTAL	3.961	0.595	HIGH

Source: Primary Data, 2023

The results shown in Table 4.3.1 reveal that research participants thought the accounting information system was easy to use for AIS users. (Standard deviation = .57003, mean = 3.9273). Furthermore, the accounting information system (AIS) of the organization proved to be user-friendly. (Standard deviation = 0.66134, mean = 3.9455). The findings also demonstrate that this company's accounting information system (AIS) users have no trouble utilizing it. (Standard deviation = .61161, mean = 3.9545). The responders also agreed that AIS users could readily finish tasks by using the accounting information system. The mean is 4.0455 and the standard deviation is .49560. Additionally, the majority of respondents said that AIS users find the accounting information system to be user-friendly.



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Standard deviation =.63934); mean = 3.9364. In the end, the findings above show that the frequency with which small enterprises in Somalia utilize accounting information systems (AIS) is significantly influenced by respondents' opinions of the systems' ease of use.

DESCRIPTIVE OF PERCEIVED USEFULNESS OF ACCOUNTING INFORMATION SYSTEM

STATEMENT	MEAN	STD.DEVIATIO N	INTERPRETATI ON
The business's accountants and AIS users concur that implementing AIS has improved the quality and accuracy of accounting information.	3.954	.6825 0	High
The business's accounting experts claim that using an accounting information system enhances the level of financial reporting.	3.9545	.5808 3	High
Top executives at the organization think that having AIS has improved their capacity for decision-making.	4.3000	.6140 6	High
This company's accountants are of the opinion that implementing AIS will improve their productivity.	4.1091	.7703 9	High
The management of an organization believes that using AIS enables them to quickly get relevant information.	3.9818	.5415 2	High
TOTAL	3.40	0.661	HIGH

Source: Primary Data, 2023

Table 4.3.1 Findings show that respondents concurred with the assertions made by the company's AIS users and accountants that putting in place AIS enhances the precision and caliber of accounting information throughout the company. (Mean = 3.9545, Standard deviation = .68250) and Accounting professionals at the company think that employing an AIS enhances the caliber of financial reporting at the company. (mean = 3.9452, Standard deviation = .58083). The respondents agreed The Company's top executives believe that the implementation of AIS has enhanced their ability to make decisions. (mean = 4.3000, Standard deviation = .61406).



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Furthermore, the senior management of the business believes that the use of AIS has improved decision-making based on the study's findings. (4.1091, mean; standard deviation =.77039). Based on these findings, small business accountants think AIS is important and has the potential to boost output. Comparably, the management of the organization feels that AIS helps them to quickly obtain pertinent data (mean = 3.9818, Standard deviation =.54152). (The standard deviation is 1.02; the mean is 3.40). This is deemed necessary for the effective implementation and use of AIS.

DESCRIPTIVE OF MANAGEMENT SUPPORT OF ACCOUNTING SYSTEM

Statement	Mean	Std. deviation	Interpretation
To support the accounting division, the corporation's senior management provides the necessary funding for an accounting information system.	4.0091	.67042	High
Management is putting pressure on the accounting department to implement accounting information systems and make them institutionalized.	4.0909	.69791	High
The highest level of management invests resources in training staff members to use accounting information systems.	4.3455	.70952	High
The organization's top management advocates for the use of information systems.	4.1818	.65219	High
Senior management uses information systems to assist most organizational processes in this the business.	4.0364	.48703	High
Total	4.132	0.643	High

Source: Primary Data, 2023

Each argument that developed organically was accepted by the participants, as Table 4.3.3 demonstrates. It makes sense that the respondent's upper management provides sufficient financing for an accounting information system, which benefits the accounting department. A 4.009 mean and 0.67042 standard deviation indicate the data. Furthermore, management is pushing the accounting department to use accounting information technology and standardize its use. * The average is 4.0909, the standard deviation is.69791.



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The fact that upper management pays for staff training on accounting information system use is also acknowledged. (SD =.70952, mean = 4.3455). Also, the findings show that senior management is a key player in encouraging the adoption of information technologies. (mean = 4.1818, SD =.65219).

Furthermore, information systems are used by top management to support most organizational operations. (Standard deviation =.487030; mean = 4.0364). Based on the previously indicated results, upper management at small and medium-sized businesses promoted the use of AIS, supported its integration into different accounting procedures, and allocated funds for AIS upkeep and training.

DESCRIPTIVE OF BUSINESS PERFORMANCE OF SMALL BUSINESS

Statement	Mean	Std.deviation	INTERPARTE TION
Organizational performance is a common contribution from all employees	2.6400	1.32969	Medium
AIS is good platform to implementation Business performances	4.4400	.80804	HIGH
The performance of organizations can be greatly enhanced with AIS.	4.1100	.88643	High
The adoption of AIS and organizational performance are positively correlated.	3.6600	1.40144	Medium
The business use financial instrument as a tool for measuring performance and correcting future performance	2.6400	1.32969	Medium
Total	3.498	1.067	Medium

Primary resource 2023

In the first question of the above table, 4.3.4, the overwhelming majority of respondents strongly agreed that every employee has a part in the company's success. On the other hand, the standard deviation is 1.32969 and the mean average is 2.6400. Furthermore, the vast majority of managers and owners who answered our second question expressed strong agreement with it. Achieving organizational success can be greatly aided by the accounting information system. The standard deviation is 4.440. An error of 0.808. The majority of respondents, however, strongly agreed that the accounting information system is a helpful platform for executing business operations, with a mean average of 4.110 and Std. Progression 88643. There is a positive correlation between the installation of accounting information systems and organizational performance, which is one of our objectives. The standard deviation is 3.6600.



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Disturbance 1.40144 The final question asks whether businesses use financial instruments to measure performance and make necessary corrections for future performance. The average response is 2.640 standard deviation 1.32969, meaning that respondents are unsure about their position on this matter. As the table illustrates

RELIABILITY

The degree to which a research instrument consistently produces data or results after multiple trials is known as its reliability. There are numerous methods to assess a study's reliability, the first of which is the test-retest method. This kind involves the researcher giving a set of participants a pre-test of the instrument, waiting a week, and then giving the same test to the same subjects again. Cronbach's Alpha is another method for testing reliability; in this study, we used it to demonstrate internal consistency. For both new and established scales, a Cronbach's Alpha value of 0.70 and higher is regarded as the standard for consistency.

In this study, researchers conducted the test through the study variables.

Reliability Statistics

CRONBACH'S ALPHA	N OF ITEMS
0.758	4

As indicated Table the reliability analysis for the independent variables and dependent variables on the table shows that 75.8% are reliable for the questionnaire after analyzing them using SPSS version.

CORRELATION ANALYSES

The study examined the relationship between perceived usefulness, perceived simplicity of use, and management support and business performance.

RESULTS OF CORRELATION ANALYSIS

Variables	PEO	PU	MS	BP
P. Ease of use	1			
P. Usefulness	.399**	1		
Mgt. Support	.440**	.228*	1	
B. Performance	.552**	.307**	.459**	1

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Table 4.5.1 above shows the findings of the relationship between perceived ease of use and business performance. There exists a statistically significant positive association ($r = 0.307^{**}$) between perceived usefulness and business performance, as well as a substantial link ($r = 0.459^{**}$) between managerial support and company performance.



MULTIPLE REGRESSION ANALYSIS

The findings displayed in the table below shows the model's fitness when it comes to the regression model that explains the study. The Felt simplicity of usage. Practicality, executive oversight of the dependent elements and independent variable,

REGRETION ANALYSES

The regression analysis comprises of model summary ANOVA table and coefficients of the study variables.

4.6.1 MODEL SUMMARY

The summary result of the regression model is shown in the table below. The values of R, R² corrected R², and standard errors of estimation are displayed in the result.

MODEL SUMMARY

	R	R Square	Adjusted R Square	Std. Error of the Estimate
Model		.938	0.528	2.44623
1	.737 ^a			

a. Predictors: (Constant), V1, V2, V3

Business performance and other variables have a 73.7% agreed-upon favorable link. However, perceived usefulness, perceived simplicity of use, and management support are the main causes of the exchange business performance of 26.3%.

ANOVA TABLE

ANOVA ^a					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	369.421	3	123.140	20.578	.000 ^b
1 Residual	628.322	105	5.984		
Total	997.743	108			

a. Dependent Variable: Business performance

b. Predictors: (Constant), Easy-use, usefulness and top management of accounting information system



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Coefficients

Model	Coefficients ^a				Sig.
	Unstandardized Coefficients		Standardized Coefficients	t	
	B	Std. Error	Beta		
(Constant)	34.654	3.119		8.372	.020
Easy use	.407	.093	.403	4.397	.000
Usefulness	.092	.090	.087	1.024	.308
management support	.252	.083	.262	3.034	.003

The results of the above table show that accounting software's accuracy and ease of use have a substantial beneficial impact on financial performance (p-value < 0.05 level of significance). According to this, small business performance will rise by 0.407 and 0.252 points, respectively, for every one point improvement in the accounting information system's simplicity of use and management support. Additionally, business performance will rise by 0.092 for every one point increase in usefulness. Indicating that the relationship between AIS and business performance is inverse

MAJOR FINDINGS

The major findings of this research were in descriptive analysis, the first independent variable, and the easy use of accounting information systems, its final average mean index of the all questions 3.961, Standard deviation was 0.595. Therefore, the respondent's average answers were high. The second independent variable, the usefulness of accounting information systems, its average means Index of all questions was 3.40, Standard deviation was 0.661.

Therefore, and the respondent's average answer also was medium. The third independent variable, the top management support of accounting software systems, its final average mean index of all questions was 4.132, Standard deviation was 0.643. Therefore, and the respondent's average answers were high. The dependent variable (business performance) its average mean index of the questions was 3.34, Standard deviation was 1.067.

The average response from the respondent was then average. Correlation analysis is another research that has been conducted; the primary goal of this study was to look into how business performance is affected by accounting software systems' ease of use. The table illustrates the relationship between business performance and the ease of use of accounting information systems. The correlation coefficient for 4.5.1 was 0.552, indicating a moderate positive relationship between business performance and the ease of use of accounting information systems. This study's second goal was to find out how accounting information systems' support for upper management affected business success.



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As Table 4.5.1 indicates, there is a very weak positive correlation between the accounting information systems' usefulness and business performance, with a correlation of 0.307 between the data usefulness of the software and performance.

CONCLUSIONS

The aim of this study is to examine the relationship between small business performance and the use of Accounting Information Systems (AIS). How Accounting Information Systems Affect Performance in Small Businesses Application of accounting information system to high-quality business information related records of Business using various systems, including Peachtree and Excel QuickBooks.

The population of this study was all small businesses particularly those who are working on electronics, shopping and clothes located in Bakaro market. Since the population of this study is unknown, researchers took 110 respondents who are the owners or managers of small businesses operating in electronics, shopping, and clothing industry as the sample size of this study. The researchers adopt this sample size from another study conducted by Mathenge & Muturi (2017). The methods used in this study comprises a descriptive survey design, manual questionnaire data collection, non-probability analysis, SPSS data analysis, correlation analysis, and regression analysis.

In conclusion, the accounting information system's usability, support management, and convenience of use are very beneficial to the economy, businesses, and organizations. A steady stream of correct information is essential to the expansion of the economy. Enhancing an organization's overall worth is mostly dependent on performance management. Previous studies have demonstrated that the implementation of accounting information systems improves a company's operational efficiency, profitability, and performance.

This study shows a clear link between business performance and accounting information systems, suggesting that access to reliable accounting data will increase the efficacy of businesses. Accordingly, it can be said that the Mogadishu, Somalia, accounting information system affects the way businesses operate financially.

RECOMMENDATIONS

The researcher recommends more investigation into the connection between accounting information systems and business performance, focusing on the impact of computerized accounting on small enterprises and the ways in which these systems influence their operations.

- Developing an accounting information system can help with analytical comparisons, In addition to putting these small business advices into practice.
- It can also be applied to daily operations and business development, as well as to increase future sales and profit.
- The government should establish a general training facility, a system that connects all small enterprises, and encourage the adoption of AIS.



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