

**IMPACT OF QUALITY OF ACCOUNTING INFORMATION
SYSTEM AND SYSTEM QUALITY ON USER SATISFACTION AND
FINANCIAL PERFORMANCE OF BANKS IN SRI LANKA**

BY



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ABSTRACT

Increased organizational dependence on information systems drives management attention towards improving information systems' quality. Within information systems in banks, accounting information system (AIS) is one of the eldest subsystems of management information system (MIS) domain. The aim of this research paper is to find out "How do information quality and system quality of accounting information system (AIS) impact on user satisfaction and financial performance of banks in Sri Lanka".

Conceptual model has been developed based on reviewing literature. D&M IS success model has been used as a basement to clearly derive the variables and dimensions for the study. Two main independent variables have been used to measure the quality of AIS which are information quality and system quality of AIS. Dimensions of information quality of AIS are information content and information format. Dimensions of system quality of AIS are system flexibility and system sophistication. As the dependent variables, AIS users' satisfaction and financial performance have been used.

Primary data that has been used for the study were obtained from AIS users who were working in head offices of banks in Sri Lanka. Convenient sampling method was used to obtain 201 responses of AIS users. The collected data has been analyzed by using descriptive statistics, correlation analysis, regression analysis, independent sample t test and Analysis of variance (one way ANOVA) with post hoc test.

Based on the findings of the study, it concludes that there is a higher degrees of information quality and system quality of AIS of banks in Sri Lanka. Information quality and system quality of AIS in licensed commercial banks are at a higher level in Sri Lanka. Foreign banks who operates in Sri Lanka has a higher level of information quality and system quality of AIS. Information quality of state own banks' AIS are at a higher level where private own banks has a higher level of system quality.

The study further reveals that AIS users' satisfaction level is also at a higher level of banks in Sri Lanka. AIS users' in state own banks are more satisfied by using AIS with their regular work than private own banks in Sri Lanka. AIS users' satisfaction is at a higher

level in licensed specialized banks than commercial banks. Domestic banks' AIS users are more satisfied than foreign banks.

The results reveals that information quality and system quality impact significantly on financial performance of banks in Sri Lanka. Information quality of AIS has a higher impact than system quality of AIS on financial performance in Sri Lanka. And AIS users' satisfaction also impacts on financial performance of banks in Sri Lanka. The study further reveals that, information quality impacts on AIS users' satisfaction of banking industry in Sri Lanka. But, System quality is not a significant predictor of AIS users' satisfaction.

Further results imply that there are significant differences in the information quality, system quality and user satisfaction of AIS among demographic characteristics of AIS users. The founded demographic characteristics are education level, age and gender accordingly.

The findings of this research can be used by strategic managers in banks to sustaining the quality of AIS and improving the new areas shown by this research study. And also, future researchers can apply the conceptualization and findings to modify their future researches. This study is only consider about the information (output) quality and system quality (processing/ software) quality of AIS. Based model that was used for conceptualization, it includes information system service quality. And also, users' satisfaction was not only the attitudinal outcomes of information systems. In any further research study, any researcher can try up to maximum number of variables of the fundamental model.

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