

The Effect of Organizational Climate, Knowledge Management, Ethical Leadership on Company Performance is Moderated Quality of Management Accounting Information System

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Abstract

Purpose: The purpose of this study is to provide a direct influence of organizational climate, knowledge management and ethical leadership on company performance.

Theoretical framework: This study also examines the moderating impact of the quality of management accounting information systems on the influence of organizational climate, knowledge management and ethical leadership on firm performance.

Design/methodology/approach: The method used is a survey method on manufacturing companies in the Greater Jakarta area. There are 296 sample companies represented by employees with a minimum position of supervisor as respondents representing sample companies. Data processing is done by structural equation modeling to test the direct impact and impact moderation. Model testing with the help of smart pls software.

Findings: The results of the study prove that organizational climate, knowledge management and ethical leadership have a direct positive effect on company performance. The quality of management accounting information systems is able to strengthen the effect of organizational climate and ethical leadership on company performance, while the quality of management accounting information systems is not able to strengthen the effect of knowledge management on company performance.

Research, Practical & Social implications: This study can be implicated in manufacturing sector companies. If you want to improve company performance, an alternative strategy is to improve organizational climate, knowledge management and ethical leadership. The quality of management accounting information systems can also be improved to strengthen the effect of organizational climate and ethical leadership on company performance.

Keywords: *company performance, organizational climate, knowledge management, ethical leadership, accounting information system managemen.*

Introduction

With the rapid changes in technology as fast as human needs, a quality system must also change according to the needs of its users. Having knowledge of information technology used internally by the company, as well as information technology used by other companies, the system usage policy will further improve the quality of the information system itself (Karagiorgos et al., 2022; Kareem et al., 2021; Knauer et al., 2020 ; Utomo, 2019), this is the latest research. In addition, security or security in the use of hardware, software and network is also important in supporting the quality of management accounting information systems. Controls on the system used can prevent criminal acts

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and make users comfortable using the system itself in storing, inputting and using management accounting information (Serb et al., 2014; Shao et al., 2021; Wang & He, 2011; Zadorozhnyi et al. , 2020), so that security also needs to be used as part of the dimensions in the quality of management accounting information systems. Meanwhile, in the use of information systems, the latest innovations in terms of communication are needed so that users are comfortable operating the system (Corsi et al., 2017).

Even so, there is still inconsistency between the existing literature on matters that affect company performance. (Affandi Asyad Siregar et al., 2018; Arya & Sainy, 2017; Ependi et al., 2020; Saleem et al., 2018; Sayoga Diputra, 2018) in his research found that the corporate climate created had a significant positive effect on company performance, meanwhile (Dhamara & Violita, 2018) actually found the opposite where Organizational Climate has a negative effect on Company Performance

Research gaps are also found in the literature on the influence of Knowledge Management on Company Performance. (Al-Dmour et al., 2020; Obeidat et al., 2018; Payal et al., 2019) obtained significantly positive results but Zou & Ji (2017), and Rezaei et al (2021) found negative results. Research that analyzes the effect of Ethical Leadership on Company Performance also found different results, where a positive effect was found in research (Esmaelzadeh et al., 2017; Onyebuchi et al., 2019) while negative results were found in research by Alshammari et al (2015) and Fu et al. al (2020).

Many studies show that the quality of the management accounting information system (KSIAM) can not only be used as a tool or device, but the quality of the management accounting information system also influences company performance. This makes the researcher make KSIAM a moderating variable or variable that can affect the influence of organizational climate, knowledge management, and ethical leadership variables on company performance. The influence that can occur is that it can strengthen or weaken the influence of organizational climate variables, knowledge management, and ethical leadership on company performance.

The novelty of this study is found in the dimensions that exist in the variable quality of management accounting information systems which generally only use 2 dimensions, namely System Flexibility and Sophistication, then 3 new dimensions are added, namely 1). Information technology knowledge (Karagiorgos et al., 2022; Kareem et al., 2021; Knauer et al., 2020; Utomo, 2019) with indicators of internal information technology knowledge and external information technology knowledge 2). Security (Serb et al., 2014; Shao et al., 2021; Wang & He, 2011; Zadorozhnyi et al., 2020) with indicators of hardware security, software security and network security, and 3). Innovative communication (Corsi et al., 2017) which has never been used as a dimension of KSIAM but has been proven several times to have a significant impact on KSIAM with indicators of digitalization of communication and two-way communication.

Based on the background on the phenomenon, literature and gap research, the researcher is interested in conducting a study entitled "The Influence of Organizational Climate, Knowledge Management, Ethical Leadership on Company Performance Moderated by the Quality of Management Accounting Information Systems." Accordin to Madhavi and Rao (2018), this study evaluates the performance of Singareni Collieries Company Limited (SCCL) based on multiple dimensions such as coal production, coal productivity, sales, cost of sales to sales, net worth, debt-equity ratio, average collection period, and earnings per share. The study found that SCCL needs to focus on improving its performance in terms of coal production and productivity. The authors also suggest that the company needs to take measures to reduce the average collection period to enhance the quality of debtors or improve its liquidity position. The paper provides valuable insights into the performance of SCCL and highlights areas where the company needs to focus its attention to improve its overall performance. The results of the study can be used

by the company to identify areas for improvement and develop strategies to enhance its performance.

Research Method

This study used primary data for analysis which was collected by questionnaire and was built based on theoretical and empirical studies relevant to the research variables. The questionnaire was built to focus on the respondents' perceptions as representatives of the sample companies. From the answers to the respondents' statements, it can be seen how far the respondents' perceptions of the indicators and dimensions of the variables asked are. In this study, questionnaires were distributed offline and online via the Google form.

The sampling technique in this study used a random sampling method for employees with supervisory positions to leaders in manufacturing companies domiciled in the areas of Jakarta, Bogor, Depok, Tangerang. The size of the research sample taken in this study was determined using the Hair formula, et al. (2014) with a recommended minimum sample of 10 times the number of the largest indicators of each research variable. Based on Joe F. Hair Jr. Journal, Marko Sarstedt, Lucas Hopkins, Volker G. Kuppelwieser, (2014) "Partial least squares structural equation modeling (PLS-SEM) An emerging tool in business research" page 102 ' "ten times the largest number of inner model paths directed at a particular construct in the inner model (Barclay et al., (1995).

Research And Discussion

Based on the results of the study, it can be seen that the inner model values used in the t test are used in hypothesis testing, as follows:

- a) The influence of organizational climate on company performance has a t statistic value of 2,761 which is greater than t table of 1.96, so based on Figure 4.7 it can be concluded that organizational climate has an effect on company performance.
- b) The effect of knowledge management on company performance has a t statistic value of 2,807 which is greater than t table of 1.96, so based on Figure 4.7 it can be concluded that knowledge management has an effect on company performance.
- c) The effect of ethical leadership on company performance has a t statistic value of 2,869 which is greater than the t table of 1.96, so based on the research figures it is concluded that ethical leadership has an effect on company performance.
- d) The effect of the quality of the management accounting information system on company performance has a t statistic value of 4,816 which is greater than the t table of 1.96, so based on Figure 4.7 it can be concluded that the quality of management accounting information systems has an effect on company performance.
- e) The moderating impact of management accounting information system quality on the effect of organizational climate on company performance has a t statistic value of 2,676 which is greater than t table of 1.96, so based on figure 4.7 it is concluded that the quality of management accounting information systems moderates the effect of organizational climate on company performance.
- f) The moderating impact of management accounting information system quality on the influence of knowledge management on company performance has a t statistic value of 0.451 which is smaller than the t table of 1.96, so based on Figure 4.7 it is concluded that the quality of management accounting information systems cannot moderate the effect of knowledge management on performance company.
- g) The moderating impact of the quality of management accounting information systems on the effect of ethical leadership on company performance has a t statistic value

of 2,182 which is greater than the t table of 1.96, so based on figure 4.7 it can be concluded that the quality of management accounting information systems moderates the effect of ethical leadership on company performance.

$$KP = \alpha + 0,273 IO + 0,280 KM + 0,341 EL + 0,120 KSIAM + 0,236 IO * KSIAM + 0,263 EL * KSIAM - 0,060 KM * KSIAM + \epsilon$$

Information:

KP : Company performance

IO : Organizational Climate

KM : Knowledge Management

EL : Ethical Leadership

KSIAM : Quality management accounting information system

IO*KSAM : Interaction of IO variables with KSAM variables

EL*KSAM : The interaction between the EL variable and the KSAM variable

KM*KSAM : Interaction of KM variables with KSAM variables

The regression equation resulting from this research model, the direct effect coefficient and the indirect effect coefficient can be seen. The coefficient of direct influence, the strongest is ethical leadership, followed by knowledge management, organizational climate and quality of management accounting information systems. This can be interpreted that the strategic priority if you want to improve company performance sequentially starts from increasing ethical leadership, followed by knowledge management, organizational climate and quality of management accounting information systems.

Meanwhile, if it is done simultaneously (moderation of the interaction model), then the highest is the combination of the quality of the management accounting information system with ethical leadership. Then followed by a combination of management accounting information system quality with organizational climate.

The result of the r square value or the coefficient of determination is 0.928 or 92.8%. These results can be seen in Figure 4.6. Generally the value of the coefficient of determination is grouped into three groups. If the r square value is below 33%, the research model is weak or not very good. If the r square results are in the range of 33% to 66% then the research model is quite good. If the results of the r square value are above 66%, the research model can be said to be good or good. The results of this study fall into the good or good category, because the r square value is very high.

The coefficient of error in this study is only slightly, namely 7.2%. The error in this study is the opportunity for other variables outside the research model to affect company performance.

Hypothesis testing in this study was made in one research model or one equation model. That is a combination of direct effect models and moderating effects. The following are the results of hypothesis testing from all the hypotheses tested.

Table 1 Hypothesis Test Results

No.	Hipotesis	T Statistik	P Values	Decision
1	Organizational Climate <input type="checkbox"/> Company Performance	2,761	0,006***	Hypothesis Accepted
2	Knowledge Management <input type="checkbox"/> Company Performance	4,816	0,000***	Hypothesis Accepted
3	Ethical Leadership <input type="checkbox"/> Company Performance	2,869	0,004***	Hypothesis Accepted

4	Organizational Climate * Management Accounting Information Ssietem Quality □ Company Performance	2,676	0,008***	Hypothesis Accepted
5	Knowledge Management * Quality of Management Accounting Information Systems □ Company Performance	0,451	0,654	Hypothesis Rejected
6	Ethical Leadership * Quality of Management Accounting Information Systems □ Company Performance	2,182	0,030**	Hypothesis Accepted

Information*** Significant 1%, ** Significant 5%, * Significant 10%

Source: Primary data processed, 2022

The research hypothesis is accepted if the T statistic is > 1.96 and the P value is <0.05 whereas the research hypothesis is rejected if the T statistic is <1.96 and the P value is > 0.05. Of the six research hypotheses tested, there were five hypotheses that were accepted, namely hypothesis 1, hypothesis 2, hypothesis 3, hypothesis 4, and hypothesis 6, while one research hypothesis that was rejected was the fifth hypothesis. The following explains the acceptance or rejection of the research hypothesis.

This study found a positive influence from ethical leadership, knowledge management, organizational climate and the quality of management accounting information systems with the highest order of significance on company performance.

This contributes to companies wishing to improve their performance so that they can carry out strategies sequentially starting from increasing ethical leadership, followed by knowledge management, organizational climate and quality of management accounting information systems.

Meanwhile, if it is done simultaneously (moderation of the interaction model), then the highest is the combination of the quality of the management accounting information system with ethical leadership. Then followed by a combination of management accounting information system quality with organizational climate.

Scientific Implications: The use of new measurements on the quality of management accounting information systems is proven to have a better effect than the old measurements. Where with a new measurement that uses 5 (five) dimensions, the quality of management accounting information systems can strengthen the effect of ethical leadership on company performance, these results are not obtained when the quality of management accounting information systems is measured by 2 (two) dimensions as previous researchers.

Conclusions And Recommendations

This study proves that the quality of management accounting information systems has an important role in supporting the achievement of company performance. Overall the research model is acceptable and proven. Directly, organizational climate, knowledge management and ethical leadership have a positive effect on company performance.

Then the management accounting information system is able to strengthen the influence of organizational climate and ethical leadership on company performance. The following are the conclusions of the research which are conclusions or answers to research problems:

1. Organizational climate has a positive effect on company performance. A good organizational climate makes employees comfortable in carrying out their respective duties thereby encouraging company performance.

2. Knowledge management has a positive effect on company performance. By means of dissemination, transfer and employee opportunities to receive, develop and apply information and knowledge in the process of business activities, employees have the opportunity to develop and increase loyalty in the workplace so that the company's performance can grow positively.
3. Ethical leadership has a positive effect on company performance. As the number one person in an agency, the company leadership is a party that can bring positive or negative direction to the company. With personal ethics and applying it to the internal company, employees have an attitude of respect and respect so that they can foster voluntary loyalty in building the company.
4. The quality of the management accounting information system is able to strengthen the effect of organizational climate on company performance. A quality management accounting information system assists employees in operationalizing work, so that employee contributions in developing the company are getting better in a comfortable organizational climate.
5. The quality of the management accounting information system is not able to strengthen the influence of knowledge management on company performance. With the means of developing knowledge information provided by the company, the ability and creativity of employees is increasing in carrying out their respective duties, so that a quality information system is not the main thing that is needed by employees because even without a quality system employees can obtain, transfer and apply their knowledge information independently .
6. The quality of the management accounting information system is able to strengthen the influence of ethical leadership on company performance. Directions from leaders who have personal ethics and apply them within the company are directions that are respected by employees, coupled with quality management accounting information system facilities, employees are greatly assisted in carrying out the duties of these leaders, so that business activities can run smoothly and company performance can increase.

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