

The Role Of Information System Quality In Supporting Financial Performance Reporting On Cv. Zahra

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ABSTRACT

The use of technology and information systems has become an inseparable part of business activities in companies, especially in making it easier to prepare financial performance reports. This research aims to determine the role of information system quality in supporting financial performance reporting at CV. Zahra. The method used is a qualitative method with a case study approach. The selection of informants was based on purposive sampling. Data collection techniques use observation, interviews and documents. Data analysis used in this research was using the NVivo 12 Pro application. The data validity technique uses source triangulation. This research found that the role of information system quality in supporting financial performance at CV. Zahra gave positive results which made the role of information system quality easier in preparing financial performance reporting. In this research, there are obstacles faced by companies, namely in networks and transactions which are limited to information system applications.

Keywords: Information System Quality; Financial Performance Reporting

I. INTRODUCTION

Business developments during the post-pandemic recovery period which are growing rapidly pose challenges and threats for business actors to compete again to win the competition and maintain the survival of their companies. The fashion industry is one of the fastest to recover during the post-pandemic recovery. This industry, which previously stagnated during the pandemic, is making a comeback, forcing companies operating in it to provide their best services and develop new products to meet customer needs (Hamdani & Hadiana, 2022).

According to the Minister of Cooperatives and SMEs, Indonesian business actors including MSMEs, they are still low in applying technology in their activities his business. It has been proven that there is still a lack of connected MSME actors in the industrial supply chain, the figure shows 7%, meanwhile global supply chain entry was smaller, namely 4.1%. Apart from technology, what business actors also feel is that in doing recording financial reports also feels difficult because, there are no and no Have a book that can be used as a reference or guide used as a reference in understanding their business financial management. So if this continues to happen it will have a negative impact

on business continuity, especially in financial terms, which results in no development of their business.

According DailySocial.id through his speech, (16/8), the President of the Republic of Indonesia said that the government continues to encourage the development of the digital economic ecosystem to increase people's productivity. The number of digitalized MSMEs entering electronic commerce applications and marketplaces continues to increase. As of August this year, more than 14 million MSMEs or 22% of the total MSMEs had joined electronic trading applications.

From a technology perspective, various initiatives have been launched to help MSME activists go digital, one of which is point of sales solutions or also known as online cashiers. Basically, the point of sales (POS) application functions as a cash register that records every transaction in a retail business. As technology advances, its function develops, covering the ins and outs of retail management, from sales, customer data storage, bookkeeping, to e-commerce.

The use of technology has become an inseparable part of business activities in companies. The implementation of information systems shows technological advances that have brought major

changes to various aspects of company operations, including the preparation of financial reporting. According to Mashuri & Ermaya (2021), one of the many problems faced by business actors is that they are not yet literate in the use of technology, which means that when carrying out their business activities they still use minimal technology-based information systems.

Zahra is a company operating in the Muslim fashion sector in Garut City. The results of the interview with Manager Zahra stated that the use of the information system was carried out using POS (Point Of Sales) software. POS is an application that can help make buying and selling transactions faster. The perceived obstacle is that the use of technology in the information system is not yet optimal, such as an unstable network and limited transactions, resulting in inappropriate information results, namely in financial reports. It is reinforced that these constraints can affect the company's financial performance resulting in decision making not being optimal and not being able to provide complete information (Sukmantari & Julianto, 2022).

POS has benefits for companies, namely speeding up work time, being able to track inventory, making buying and selling transactions easier, being able to improve service performance in the eyes of customers, providing

complete and accurate sales reports, and being able to provide concise reports in one period if one day they are needed again. . According to Fadly (2021), it cannot be denied that the use of information system applications such as POS always provides advantages, but there are weaknesses in using this software, namely the possibility of program incompatibility with manufacturer policies.

The rapid development of technology is certainly supported by the quality of information systems which are able to encourage business development to make it easier and faster to market products more widely. The presence of technology makes entrepreneurs more proactive, creative and continue to innovate to be able to compete. This is one of the keys to the success of the Indonesian economy so that it continues to exist and survive.

An information system is a combination of various parts that can be seen physically or not and are connected to each other and interact harmoniously to achieve a goal, namely changing data into useful information (Susanto,2017). Information system quality refers to the inherent characteristics of the information in the system itself, which describes how effective the hardware, software, policies and procedures in the information system are in meeting user information needs. The quality of an information

system reflects the user's experience that the system is easy to use without requiring a lot of time, showing efficiency in its use (Rudianto, 2013).

Financial performance is the result of a company's activities which can be measured using certain criteria. These criteria allow companies to measure their performance financially by collecting data and information related to results that are beneficial to stakeholders (Hutabarat et al, 2022).

The novelty of this research lies in the research method which is different from previous research. This research uses an analysis tool in the form of Nvivo which was not used in previous research. The aim of this research is to find out the role of information system quality in supporting financial performance reporting and what is different from previous research, namely the variables, methods used, data analysis and research location.

II. RESEARCH METHOD

The method used in this research is qualitative with a case study approach. The data sources used consist of words and actions, written data sources, and photos. The selection of informants was determined by purposive sampling, because they were appropriate and directly involved in the research problem. Data collection techniques use observation, interviews and documents. Data analysis used was with NVivo 12 Pro software.

III. RESULTS AND DISCUSSION

RESULT

Information System Quality Analysis

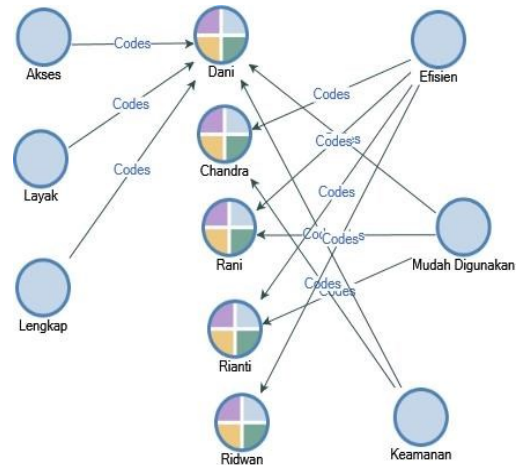


Figure 1: Project Map with Case
Source: Data processed with NVivo 12 Pro, 2024

a. Efficient

Researchers gave the efficient theme to the quality of the information system because the informants stated that an information system that is said to be efficient is fast, greatly simplifies company activities, does not require a long time, and carries out transactions more quickly.

b. Easy to use

Information systems must be easy to use. Dani, Rani and Rianti stated that using an information system is easy to use because carrying out company activities does not require a lot of energy and time.

c. Security

Security in an information system is very necessary so that company data remains safe. Security in the theme of information system quality states that the use of information systems has good security. According to Chandra and Dani, storing company data such as transaction data at the POS is safe.

d. Access

The researcher gave the theme of access to the quality of the information system, the informant named Dani stated that those who can access the POS information system are the Warehouse Head, Cashier and Manager.

e. Worthy

Like any information, it is certainly very important for a company. Only informant Dani stated that the information produced by POS was appropriate. According to him, POS data can be said to be appropriate, including tax calculations and of course transaction data from POS.

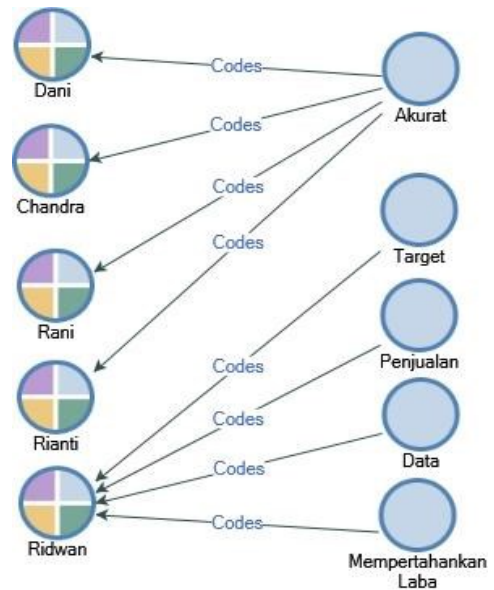
f. Complete

Complete data can certainly be used as information for users. The informant named Dani stated that the data produced by POS was complete, starting from the transaction data for purchasing goods and data for selling goods.

Financial Performance Reporting Analysis

Figure 2: Project Map with Case
Source: Data processed with NVivo 12

Pro, 2024



a. Accurate

The informants stated that the data produced by POS was always accurate. However, Ridwan did not state that POS had accurate data because Ridwan had nothing to do with POS use. One of them is said to be accurate because by using POS the data requested by the user is in accordance with the command.

b. Target

The researcher gave the target theme to financial performance because Ridwan stated that in

determining financial performance such as GPM and NPM, companies have targets in determining these ratios, namely in accordance with company industry standards in general.

c. Sale

On the sales theme, Ridwan stated that the most popular sales items purchased by consumers were hijab products with a percentage of 40%, tops 20%, bottoms 20%, mukenas 10%, and accessories 10% of total sales and stated that POS only produces data related to sales.

d. Data

Financial performance certainly requires data to produce information and from where these reports can be produced. Ridwan stated that sales data is data generated by POS. Apart from that, Ridwan also stated that purchasing data can also be generated from POS.

e. Maintaining Profits

The aim of building a company is to get as much profit as possible. Ridwan stated that the company maintains its profits by minimizing operational costs and must be able to survive under any conditions.

Analysis of Constraints on the Role of Information System Quality in Supporting Financial Performance Reporting

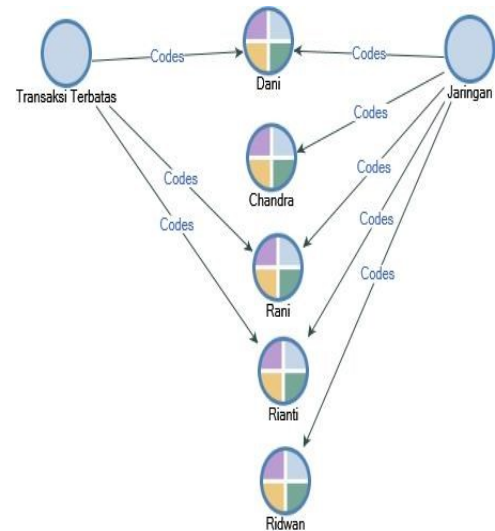


Figure 3: Project Map with Case Source: Data processed with NVivo 12 Pro, 2024

a. Network

Constraints on the role of information system quality in supporting financial performance lie in the network. All informants stated that the main obstacle to using information systems such as POS is that the network is often unstable. The internet network used is via WiFi.

b. Limited Transactions

Apart from the network, another obstacle in using information systems is limited transactions. All informants stated that the obstacle in using the information system was the network and what stated the obstacle in limited transactions was according to Dani, Rani, and Rianti that transactions per day could only reach 1,000 (one thousand) transactions.

DISCUSSION

Quality of Information Systems

1. Adaptability (adaptation)

Adaptation of information systems at CV companies. Zahra can be used by Managers, Warehouse Heads and Cashiers. It only takes one month for employees to operate it and it can be operated immediately. Based on the results of interviews with the cashier, information was obtained that the POS system used by CV. Zahra provides convenience in operational activities. This is also supported by the statement of the Warehouse Head who confirmed the truth of this information. As stated below:

“This POS system can be easily used”.

2. Availability (availability)

Having a system available for use certainly requires tools that support it. Based on the results of interviews with the Head of the Warehouse, the tools used in the information system are:

“Computer, CPU, mouse, scanner, keyboard, and printer.”

3. Response Time (response time)

The system's response time to data requested by users is fast and efficient. However, in this case there is an obstacle in the frequent network instability. Based on interviews with cashiers, namely Rani and Rianti, they provided the following information:

”As fast as possible, but depends on the network.” ”Depends on the server and tea network.”

4. Usability (usefulness)

The usefulness of information systems according to informants is that using information systems such as POS is easy to learn and does not require a long time, when operated it is easy, and the data it produces can make it easier to prepare financial performance reports.

This statement is in accordance with what the Warehouse Head said that: "For now it's easier, because some of the data in the financial reports comes from POS."

5. Completeness (complete)

According to Dani as Manager, the data produced by the POS information system is complete, but he did not mention the meaning of the complete data produced by the POS, as in the statement below:

"As long as I know it is complete".

6. Relevance (relevant)

The data or information produced by the POS is appropriate and relevant to the user's desired orders. In accordance with observations made by researchers, just as a user inputs goods by scanning a barcode, of course the system can also display the name of the goods ordered along with the price. This statement is in accordance with the Cashier's statement which said that:

"Always in accordance with user-operated commands."

7. Security (security)

Data stored at the POS is always safe and has never been hacked. This is evidenced by the statement from the manager that: "Very safe, username and password always change randomly once a month. "Once a month I suggest to them to change it randomly, you can't use the password until it drags on for a year, no, you can't change it once every month, you're afraid there will be a leak."

Financial Performance Reporting

Information systems play a very important role in companies, both small and large scale. Use of information systems on CV. One of Zahra's efforts is to make it easier to prepare financial performance reports. The information system used is POS or Point Of Sales which can produce reports related to the company's sales activities. The POS information system is used as a support system to support and make it easier to prepare financial performance reports.

The information produced by POS is a profit and loss report. By looking at the profit and loss report, the company can certainly prepare a financial performance report related to its sales activities.

1. Gross Profit Margin (GPM)

One way to determine financial performance is the Gross Profit margin or gross profit ratio. The use

of this ratio is in accordance with the data generated in the POS information system. The GPM value obtained in 2022 is 36.55% and in 2023 there will be a slight increase to 37.11%. The industry standard has been established that a good GPM is 30%, the higher the GPM value, the better (Kasmir, 2016).

2. Net Profit Margin (NPM)

Apart from GPM, to determine financial performance is the Net Profit Margin or net profit ratio. The use of this ratio is in accordance with the data generated in the POS information system. The NPM value obtained in 2022 is 30.66% and in 2023 it will increase to 31.74%. The industry standard has been established that a good NPM is 20%, the higher the NPM value, the better (Kasmir, 2016).

IV. CONCLUSION

The role of information system quality in supporting financial performance reporting carried out by CV. Zahra is quite good. It is proven that by using point of sales the company experienced an increase in the GPM value from 2022 of 36.55% and increased in 2023 to 37.11%. The same thing is that NPM has experienced an increase in percentage from 2022 of 30.66% to 31.74% in 2023. The use of an information system as a support, namely POS (Point Of Sales) is able to make CV easier. Zahra in preparing financial performance reporting. However, behind this there are

perceived obstacles such as network problems and limited POS transactions.

It is hoped that the implications of this research can be a reference for companies to be able to use applications that support the process of preparing financial reports in order to be able to create quality financial reports. This research still has limitations, namely that the research was carried out within one company, and there were only a few informants used in this research. So, for further research development, it is recommended to add research objects and also increase the number of informants so that the information obtained can be even more valid. Then add other variables such as internal control systems, inhibiting factors, and others related to information systems or financial performance. Then use other indicators of financial performance such as liquidity ratios, solvency ratios and other ratios.

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