

## **The Influence of Transformational Leadership on the Success of Accounting Information Systems Implementation (Survey on National Zakat Management Institution of West Java)**

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**Abstract:** The objective of this research is to find out the influence of transformational leaderships on the success of accounting information systems implementation of BAZNAS of district/regency level in West Java. The research is expected to identify and solve the problems. The results of the research assessments gives evidence that transformational leadership has significant influence on the success of accounting information systems implementation of BAZNAS at the district level in West Java that is of 22.5%. This indicates that transformational leadership has significant influence on the success of accounting information systems application of BAZNAS at the district level in West Java as much as 22.5%. Meanwhile the remaining 77.5% is influenced by other factors that are not observed.

**Key words:** Transformational leadership, success of accounting information systems implementation, BAZNAS, research assessments, significant influence, identify and solve the problems

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### **INTRODUCTION**

**Research background:** Based on government regulation approved on February 14, 2014 about the implementation of Zakat Management Acts, it becomes the first step towards the changes of National Zakat Management Institution (BAZNAS) leaderships at all levels, central, province and district. Based on Government Regulation chapter 34 and 41, BAZNAS at province and district levels consists of leaders and managers of zakat funds whereas BAZNAS director must be a community member including scholars, professionals and Islamic public figures. BAZNAS should hire professional candidates of BAZNAS directors and managers. According to Maman Immanulhaq a member of the house of representatives in the commission 8, candidates should have competence as BAZNAS leader and possesses fiqh, management skills and be able to perform zakat specialties. The quality of a leader is often regarded as the most important factor in the success or failure of an organization (Bass, 1997). A BAZNAS transformational leadership model is needed today.

Transformational leadership is a leader with the changes and movement within an organization by providing a vision for the change (Wheelen and Hunger, 2012). A transformational leader is a type of leader that

inspires their subordinates to achieve outstanding result (Robbins and Judge, 2010). Meanwhile, according to Schermerhorn and Richard (2011) a transformational leader is an inspiring leader who is able to inspire people to do more to achieve the expected performance. Duggen and Reichgelt (2006) have mentioned that leadership is needed to change the organization to achieve higher performance and enable the organization consistently provide quality information systems.

A quality information system is for BAZNAS as a tool to generate quality accounting information as a means of accountability to the public who trust BAZNAS to distribute zakat to the right recipients. Therefore, quality accounting information is information that can help users to perform the expected action (Hall, 2011). This is in line with the statement of O'Brien and Maracas (2008) who said that a user requires quality information because quality information will enhance the value of a decision to be taken by the company.

Zakat management systems of BAZNAS have not been integrated. This phenomenon has caused BAZNAS cannot provide zakat reports optimally and timely to public and the information provided is not in good quality. Therefore, the success of accounting information systems implementation is the role of a leader. The

relation between leadership and the success of an accounting information systems implementation is expressed by Eseryel and Eseryel (2013) who has stated that transformational leadership is the key to the success of an information system. This is similar to the results of Cho *et al.* (2011) which states that there is a positive influence between transformational leadership and the success of an accounting information systems implementation.

**Problem formulation:** Based on the above description, the resulting problem is: how much influence does transformational leadership have on the successful implementation of an accounting information system in West Java-BAZNAS.

#### **Literature review**

**Transformational leadership:** Transformasional leadership is an inspirational leader who is able to get people to do more in achieving the expected targets (Schermerhorn and Richard, 2011). According to Robbins and Judge (2010), Knicki and Kreitner (2003), Lussier and Achua (2009), the characteristics of transformational leadership consists of: idealized influence) inspirational motivation, individual consideration, intellectual stimulation). Meanwhile, according to Bertocci (2009) characteristics of transformational leadership consists of Charisma where a leader is able to instill a sense of value, respect and pride and can articulate the vision, individual attention a leader gives attention to the needs of subordinates and gives meaningful activities to create professional subordinates, intellectual stimulation a leader helps subordinate to re-think rational way to examine any situation and to encourage subordinates to be more creative.

**The success of information accounting systems implementation:** A quality Implementation of accounting information systems is an accounting information system that combines technical efficiency with the sensitivity to the needs of people and organizations that will lead to high satisfaction level of performance and productivity while DeLone and McLean (2003) reported the success of an accounting information system focu's on the efforts to produce quality information.

Azhar (2013) has stated that the fundamental role of accounting information systems in an organization is to the generate quality accounting information. According to Nelson *et al.* (2005), DeLon and MacLean (2003), Heidmann *et al.* (2008), Stair and Reynolds (2010), the dimensions of the success of accounting information

system after the synthesis that can be applied in BAZNAS can be measured through: integration, accessibility and flexibility.

**The influence of transformation leadership on the success of accounting information systems:** According to Cho *et al.* (2011), transformational leadership has a positive influence on the success of accounting information systems which can increase the success of transformational leadership accounting information systems through idealize influence, inspiration motivation, individualized consideration and intellectual stimulation. Meanwhile, according to Koehler and Pankowski (1996), the objective of transformational leadership is to implement an effective and efficient management information system.

#### **MATERIALS AND METHODS**

**Research methods:** The method used is explanatory research. This method is research that explains the causal relationship between variables (Cooper and Schindler, 2013). Explanatory research method refers to a theory or hypothesis that will be examined as the cause of the phenomenon.

The data used is primary data, the unit of analysis in the study is 21 BAZNAS in the Province of West Java, the observation unit is the users of accounting information systems (managers and leaders in BAZNAS districts/cities in West Java). The statistical analysis instruments are data processing linear regression and SPSS Software.

#### **RESULTS AND DISCUSSION**

**Descriptive analysis:** The interpretation of respondents resulting data is achieved by categorizing the average score of response. According to Cooper and Schindler (2013) for ordinal data that has an asymmetric distribution, measures of central tendency can be performed through the distribution of inter-quartile range. The first quartile is the 25th percentile, the second quartile (median) is the 50th percentile and the third quartile is the 75th percentile. In the questionnaire that uses scale of 1-5, the first quartile 1-2 is categorized as poor (<2) the second quartile among 2-3 is in the category of fair (>2) third quartile between 3-4 in the category average (>3) and fourth quartiles 4-5 is good (>4).

This grouping applies to the descriptive statistical analysis of transformational leadership variable and successful implementation of accounting information system variable that can be described in quadrants as follows (Table 1):

**Table 1: Implementation of accounting information system variable**

Poor	Fair	Average	Good
Quadrant <2	Quadrant ≥2	Quadrant ≥3	Quadrant ≥4
1	2	3	4

**Table 2: Recapitulation of average score of Respondent's answers on transformational leadership**

Dimension	Average	Category
Idealize influence	3.95	Average
Intellectual stimulin	3.79	Average
Individual consideration	3.69	Average
Total average	3.81	Average
Gap	1.19	
Total (expected)	5.00	

**Descriptive analysis of transformational leadership:**

Descriptive analysis is conducted to determine the transformational leadership in BAZNAS of district levels in West Java Province. Descriptive analysis is conducted based on respondents questionnaire result.

After the score of each variable and research dimension are obtained, the category determination is conducted based on score interval criteria as follows (Table 2):

According to the Table 1, transformasional leadership of BAZNAS at the district level in West Java is at 3.81 and in average category. It shows the leadership of BAZNAS at the district level in West Java has been running well although, there is a gap of 1.19. A gap at 1.19 indicates that transformational leadership is not optimal, especially in the concern given to subordinates, mainly concern related to the subordinate welfare improvement this is in accordance with the responses individual consideration has the lowest score compared with idelaiize influence and intellectual stimulation. While idealize influence has the highest score on average.

This shows that leadership in BAZNAS is already good, especially in actualizing the vision and mission which makes BAZNAS trusted, transparent, accountable and professional.

**Descriptive analysis of the success of accounting information systems implementation:** The success of accounting information system implementation is measured in three dimensions, namely integration, accessibility and flexibility and each dimension and interpretation as follows:

Based on Table 3, The success of accounting information systems implementation in BAZNAS at district level in West Java is 3.17 on average and it is in average category. It shows that the accounting information system implementation in BAZNAS at district level in West Java province is good although there is 1.83 gap. The gap of 1.83 indicates that accounting information system implementation of BAZNAS has not been the integrated both the integration

**Table 3: Recapitulation of the average score of respondent's answers on the success of the implementation of accounting information system**

Dimension	Average	Category
Integratation	3.01	Average
Accessibility	3.34	Average
Flexibility	3.16	Average
Total average	3.17	Average
Gap	1.83	
Total (expected)	5.00	

Result of data processing

**Table 4: Validity and reliability results**

Variable	Statement items	Validity index	Coefficient of reliability
Transformational leadership	Item 1	0.730	0.895
	Item 2	0.727	-
	Item 3	0.776	-
	Item 4	0.846	-
	Item 5	0.783	-
	Item 6	0.821	-
The success of accounting information system implementation	Item 1	0.730	0.850
	Item 2	0.411	-
	Item 3	0.696	-
	Item 4	0.684	-
	Item 5	0.829	-
	Item 6	0.700	-

Data processing result

of system components and the integration of sub-systems. This in accordance with respondent's result that the system integration of BAZNAS has the lowest score compared with accessibility and flexibility dimensions.

**Verification analysis:** Verification assessment is basically to examine the effects of transformational leadership on the successful implementation of accounting information systems. Before the assessment is conducted, research instruments (validity and reliability test) are conducted.

**Research instruments testing:** Before the data of questionnaire results is processed, research instrument which consists of validity and reliability tests are examined on the research measurement instruments to prove whether the measuring instruments that are used have validity and reliability. Based on the results of processing using (Spearman rank correlation and Cronback alpha) the result of validity and reliability tests are as follows:

Table 4 shows that the correlation coefficient of validity test that is obtained for transformational leadership and the success of accounting information system implementation is bigger than the critical value of 0.30. The test results show that on average statement items on the variables of transformational leadership and the success of accounting information system implementation are suitable to use as measuring instrument of research and can be used for further analysis (Barker, 2002).

**Table 5: Results of linear regression model of transformational leadership variable on the success of accounting information system implementation**

Coefficient	Unstandardized		Standardized		t-values	Sig.
	coefficients (B)	SE	coefficients (β)			
Constant	0.590	7.683	-		0.077	0.940
Transformational leadership	0.868	0.369	0.475		2.351	0.030

Dependent variable: the quality of accounting information system: SPSS Output

Meanwhile, based on the table, reliability test resulted in 0.895 for transformational leadership variable and 0.850 for the variable of the success of accounting information systems implementation. According to Barker to see how reliable a measurement instrument, statistical approach is used. If reliability coefficient is >0.70, all items are reliable.

Based on the result in Table 5 the questionnaires used to measure each variable are declared reliable; where cronbach's alpha value of each questionnaire is bigger than reliability standard (0.70). This result shows that all statements used are reliable so that it can be concluded that the questionnaires give consistent results

**Hypothesis testing:** To test the effect of transformational leadership on the success of the implementation of accounting information systems in BAZNAS of district levels in West Java province linear regression analysis is performed.

**Regression equation:** Regression model is used to predict and test the changes of variables with the data as Table 5: Based on the data processing results in Table 4, model of regression equation prediction as:

$$Y = 0.590 + 0.868 X + \epsilon_i$$

The regression equation above can be interpreted as follows: a = 0.590; means that if there is no change in transformational Leadership or at constant condition (value = 0) transformational leadership is not changed or at constant conditions (at 0) the success of the implementation of accounting information system is at 0.590. b = 0.868; this means that if transformational leadership increase by 1 unit, the variable of the success of the implementation of accounting information system (Y) will increase by 1.458.

**Coefficient of determination:** Coefficient of determination (R<sup>2</sup>) basically measures the ability of a model in explaining dependent variables variation. Determination value is between zero and small R<sup>2</sup> value. Small R<sup>2</sup> value means the abilities of variables in explaining the variation

**Table 6: Coefficient of determination results**

Model	R	R <sup>2</sup>	Adjusted R <sup>2</sup>	SE of the estimate
1	0.475	0.225	0.185	3.34930

**Table 7: Coefficient of transformational leadership**

Model	Unstandardized		Standardized		t-values	Sig.
	coefficients (B)	SE	coefficients (β)			
Constant	0.590	7.683	-		0.077	0.940
transformational leadership	0.868	0.369	0.475		2.351	0.030

Processed data

of dependent variables (the success of the implementation of accounting information systems). Combined with the use of SPSS, determination coefficient values that are obtained is as follows:

The value of determination coefficient can be seen in R<sup>2</sup> value shown in Table 6 of determination coefficient (0.225). This means that transformational leadership contributes to the success of the implementation of accounting information systems (Y) in BAZNAS at district level in West Java province as much as 22.5% while the remaining 77.5% is influenced by other factors that were not observed.

**Hypothesis testing (t-test) stages:** This test is performed to test whether transformational leadership influence the success of the implementation of accounting information systems with testing stages as follows:

- H<sub>0</sub>: b<sub>1</sub> = 0 Transformational leadership does not have any influence on the success of the implementation of accounting Information system
- H<sub>1</sub>: b<sub>1</sub> ≠ 0 Transformational leadership has an influence on the success of the implementation of accounting information system
- Significant level (α) is 5%, t<sub>table</sub> = 1.96

**Testing criteria:** If  $t \frac{1}{2}\alpha \leq t \leq t \frac{1}{2}\alpha$ . H<sub>0</sub> is accepted and if  $t < t \frac{1}{2}\alpha$  or  $t > t \frac{1}{2}\alpha$ . H<sub>0</sub> is rejected or; If the p (Sig.) > 0.05 then H<sub>0</sub> is accepted and if the p (Sig.) < 0.05 then H<sub>0</sub> is rejected. Hypothesis testing result using SPSS is as Table 7:

Based on the calculation using SPSS, p (Sig.) is 0.030 or < 0.05 or t-value (2.351) is greater than t (1.96) (Table 6) then H<sub>0</sub> is rejected, This means that transformational leadership has a significant influence on the success of accounting information system implementation of BAZNAS at district level in West Java

**Influence of transformational leadership discussion on the success of accounting information systems implementation of baznas at regency level in West Java:** Based on the results of descriptive analysis where the

average score of transformational leadership in BAZNAS at district level in West Java Province is 3.81. This condition indicates that the transformational leadership of BAZNAS, supported by idealize influence dimension gives the highest score of 3.95 which indicates that BAZNAS leadership is quite inspiring and motivates their subordinates to actualize the transparent, accountable, trustful and professional vision and mission. Leaders also trust their subordinates to work at their best and become role models in their words and action to motivate the staff to perform the organizational mission and vision.

If a BAZNAS leader becomes a role model, the subordinates will have respect and pride for their leader and will try to optimize the use of accounting information system because accounting information system can provide information. BAZNAS have responsibility as zakat.

Based on Table 1, individualial Consideratin has the lowest average score of 3.69, indicating that BAZNAS leaders have sufficient concern for the needs of the subordinates to develop self-actualization by providing training, especially in the development of accounting information systems. In 2016, all BAZNAS at district level are encouraged to use SIMBA application a system that has been developed by central BAZNAS as a device used to produce various types of activity reports both the report of the zakat collecting and distribution that are nationally integrated. However, a BAZNAS leader should have a concern about subordinate's welfare (salary) because based on the interview many BAZNAS staff receives a salary below minimum salary. Working in BAZNAS requires sincerity and seeking for God's blessings. Some BAZNAS leaders said that working in BAZNAS is a jihad for them. Based on Table 1, the average score of intellectual stimulation is 3.79 indicating that BAZNAS leaders encourage their subordinates to be creative and innovative in their performance particularly in the development of accounting information systems.

The development of a web-based information system is the best solution in developing BAZNAS at district level in West Java province because enhanced information technology will allow people to access all programs used by the management of zakat. A system that can be easily accessed by people must be developed in order to gain public trust in BAZNAS, especially in managing muzaki and mustahiq (donor and recipients) database, creative and innovative ideas from both subordinates and superiors should be developed well. For example, one of BAZNAS in West Java province has developed a muzaki corner as their accountability to the public where this BAZNAS provide the people/muzaki/donors a zakat card that is integrated with

the National Zakat Identification Number (NPWZ) and cooperate with some merchants in its region. A muzaki/donor will get discount when they go shopping in the authorized merchants. Muzaki can also see all BAZNAS activities and reports on an integrated muzaki corner application. This product has increased the trust level of public (government employees and communities) on this BAZNAS.

Based on the results of hypothesis testing, at significance level of 5%, transformational leadership has a significant influence on the success of the implementation of accounting information system of BAZNAS at the district level in West java Province. The result of this research provides empirical evidence that better transformational leadership will enhance the success of the implementation of accounting information systems in BAZNAS at regency level in West Java Province. The results of this study are consistent with Cho *et al.* (2011) which stated that transformational leadership has a positive influence on the success of the implementation of accounting information systems as well as Shao *et al.* (2013) which have stated that charismatic leadership is able to articulate the vision clearly to the employees to innovate and improve the implementation of accounting information systems. Based on this explanation, it can be concluded that leadership has an influence on the success of the implementation of an accounting information system.

## CONCLUSION

Based on the phenomenon, the problem formulation and research results, it can be concluded that transformational leadership influences the success of the implementation of accounting information systems. The quality of accounting information system is still low because the roles and functions of BAZNAS leadership are still low and not optimum in inspiring and motivating their employees to give a maximum performance.

## SUGGESTIONS

Based on the results and discussion, the writer suggests that BAZNAS should enhance the role and function of leaders through: be a role model for subordinates to be honest, trustworthy, informative and wise to motivate and inspire their employees to work optimally. Provide periodical trainings for the employees, especially in the development of accounting information systems. Leaders create innovative and creative programs to gain public trust in BAZNAS. The cooperation program between local leaders in making zakat distribution program

to eradicate poverty in each region. Improve zakat information and socialization to the public because this socialization program is very strategic in reducing the gaps between zakat potential and actual revenues. Muzaki and Mustahiq (zakat donors and recipients) database system development makes it easy to control and determine the distribution map of muzaki and mustahik.

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