



The Influence of Accounting Information System Effectiveness, Compensation, and Work Motivation on Employee Performance in Saving and Loan Cooperatives

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Abstract

This study is entitled "The Influence of Accounting Information System Effectiveness, Compensation, and Work Motivation on Employee Performance in Saving and Loan Cooperatives." The primary objective of this research is to analyze the extent to which the effectiveness of the accounting information system, compensation, and work motivation influence employee performance. The study focuses on savings and loan cooperatives operating in Marga District. It was conducted across 21 cooperatives with a total population of 84 employees. Using a purposive sampling technique, four respondents were selected from each cooperative, resulting in a total sample of 84 respondents. The respondents included cooperative managers, tellers, credit officers, and treasurers. Data was collected through questionnaire distribution and analyzed using multiple linear regression method with the help of SPSS software. The results indicate that an effective accounting information system, fair compensation, and work motivation collectively have a significant positive influence on improving employee performance in the savings and loan cooperatives of Marga District.

Keywords: Accounting Information System Effectiveness, Compensation, Work Motivation, Employee Performance, Saving and Loan Cooperative

1. Introduction

One of the most critical factors in determining an organization's success is employee performance. In the professional context, performance is defined as the work results an employee achieves based on established standards and the quality of their contributions. Performance not only reflects individual productivity but also serves as a primary indicator of the overall achievement of organizational goals (Gupta *et al.*, 2022) ^[11]. Therefore, every organization, including cooperatives, must be able to manage and optimize the factors that influence its employees' performance (Clemens & Bakstran, 2010) ^[8]. As people's economic institutions based on family principles, cooperatives play a strategic role in improving their members' welfare. However, a cooperative's success is not determined solely by its organizational structure or capital but depends heavily on the quality of its human resources, particularly the employees who manage its daily operations (Saputra *et al.*, 2022) ^[20]. In Bali Province, specifically in Tabanan Regency, many cooperatives are active and successful. Despite this, various challenges persist, which is the focus of this study in the context of Marga District.

Based on data from the Cooperatives, SMEs, and Manpower Service of Tabanan Regency, a total of 582 cooperatives were registered as of June 2024, of which 158 were inactive. Notably, nine cooperatives in Marga District have been dissolved due to their failure to operate in accordance with regulations. The emerging problems include the non-implementation of the Annual Members' Meeting for three consecutive years, a lack of active members, and poor financial management (Saputra & Laksmi, 2024) ^[19]. Furthermore, several cooperatives face internal operational challenges, such as delayed salary payments, low employee work motivation, underutilization of information technology, and compensation that is not commensurate with the workload. A real-life case occurred at one cooperative, where employees did not receive their salaries for three consecutive months. This situation directly impacted employee performance and ultimately led to organizational instability. It demonstrates that many cooperatives still struggle to manage their human resources optimally, particularly in critical areas such as information

systems, compensation management, and work motivation (Saputra, 2021) ^[18]. Several factors are theorized to influence employee performance, one of which is the Accounting Information System (AIS). An AIS is designed to process and present financial and operational data to support decision-making processes. An effective AIS can enhance operational efficiency and ensure transparency in financial reporting. However, the implementation of this system in many cooperatives in Marga District remains suboptimal, primarily due to a limited understanding of the technology and a lack of adequate training for employees (Atmadja & Saputra, 2018; Ekayani *et al.*, 2020) ^[5, 10].

The next factor is compensation, which refers to all forms of financial and non-financial rewards employees receive in return for their contributions to the organization. Fair compensation is believed to boost employee morale and loyalty (Chen *et al.*, 2022; Rehan *et al.*, 2013) ^[7, 17]. However, in several savings and loan cooperatives in Marga, the compensation provided is often not commensurate with the workload, and in some cases, salary payments are delayed. This situation negatively impacts employee motivation and overall productivity. The third, and no less important, factor is work motivation (Rai *et al.*, 2019) ^[16]. Motivation is the internal and external drive that directs an individual to take action to achieve specific goals. In a cooperative environment, strong work motivation is essential for employees to perform their duties optimally, even when faced with limited facilities or a less-than-ideal work system (Andarsari & Ningtyas, 2019) ^[4]. Low motivation, whether due to a lack of recognition or an unsupportive work environment, can significantly diminish both individual and team performance (Desalegn & Tangl, 2022) ^[9].

Several previous studies have shown mixed results regarding the influence of these three variables on employee performance. Research by Bazighoh (2019), Yustina (2020), and Handoko & Wijaya (2021) indicates that AIS, compensation, and work motivation have a positive and significant effect. Conversely, studies by Widiyanti (2018) and Ismawati (2019) show different results, suggesting that not all these variables exert a significant influence. This research is supported by two theoretical frameworks: Attribution Theory and the Technology Acceptance Model (TAM). Attribution Theory explains how individuals assess the causes of behaviors or events, which in this context relates to employee perceptions of the factors influencing their performance. Meanwhile, TAM examines how the acceptance of technology, including an AIS, is influenced by factors such as motivation and compensation. Employees who feel valued and are intrinsically motivated are more likely to accept and effectively utilize new technological systems.

Literature Review

Attribution Theory

Attribution Theory focuses on how individuals interpret and explain the causes of behaviors and events, particularly whether these causes are internal or external to a person. Internal attributions assign causality to factors within the individual, such as their ability, effort, or personality (Ullah *et al.*, 2021) ^[26]. External attributions, on the other hand, assign causality to outside influences, such as organizational systems, environmental conditions, or luck. In the context of workplace performance, this theory helps understand how employees assess the reasons behind their own or their

colleagues' successes and failures. For instance, an employee might attribute high performance to their hard work (internal) or to an effective accounting system (external). Conversely, they might blame poor results on a lack of personal skill or on unfair compensation policies. These perceptions significantly influence subsequent motivation, morale, and engagement (Tavitiyaman *et al.*, 2022) ^[24]. Understanding these attributions is crucial for management, as it affects how employees respond to feedback, incentives, and organizational changes. If employees believe their efforts lead to fair rewards (internal attribution), they are generally more motivated (Malik & Garg, 2020) ^[14]. If they feel outcomes are controlled by external, uncontrollable factors, their motivation and performance may decline. Therefore, Attribution Theory provides a valuable lens for analyzing how workplace factors like information systems, compensation, and leadership influence employee behavior and organizational effectiveness.

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) was developed to understand how users adopt and accept new technology. Its core components are two key perceptions: Perceived Usefulness (PU), which is the user's belief that using the technology will enhance their performance, and Perceived Ease of Use (PEOU), which refers to how effortless the technology is to interact with. In the context of a cooperative, the successful implementation of an Accounting Information System (AIS) heavily depends on employees' views. If employees believe the AIS is beneficial for their tasks and easy to operate, they are far more likely to accept and use it effectively (Mallick *et al.*, 2020) ^[15]. This acceptance is crucial for improving efficiency, ensuring accurate financial reporting, and achieving the cooperative's overall goals.

Accounting Information System (AIS)

An Accounting Information System (AIS) is a structured framework designed to collect, record, process, and present financial data. Its primary purpose is to support management in the decision-making process (Johnstone, 2020) ^[12]. Key indicators of an effective AIS include the availability of accurate and relevant information, ease of data access, the speed of information retrieval, robust system security, and the system's overall capacity to facilitate informed decision-making (Adiputra & Sujana, 2021; Vásquez & Naranjo-Gil, 2020) ^[27, 2].

Compensation

Compensation encompasses all forms of financial and non-financial rewards provided to employees in recognition of their contributions to the organization (Adu *et al.*, 2022; La Lumia & Nachum, 2025) ^[3, 13]. Key indicators include base salary, fixed and variable allowances, performance-based bonuses or incentives, and non-financial benefits such as workplace facilities, formal awards, and opportunities for career advancement.

Work Motivation

Work motivation is the internal and external drive that compels an individual to exert persistent and directed effort toward achieving organizational goals (Widarko & Anwarodin, 2022) ^[28]. Its key indicators include the intensity and direction of effort, the level of perseverance in task completion, a strong need for achievement, and the desire for

recognition and appreciation for one's work results.

Employee Performance

Employee performance refers to the measurable outcomes of an individual's work, evaluated in terms of both the quality and quantity of results achieved relative to their assigned responsibilities (Buhl *et al.*, 2016; Su & Swanson, 2019) ^[6, 23]. Key performance indicators include work quality, work quantity, adherence to deadlines, the ability to collaborate effectively, a strong sense of responsibility, and a high level of discipline and reliability in performing duties.

Method

This research was conducted at savings and loan cooperatives located in Marga District, Tabanan Regency. The study focused on the variables of accounting information systems, compensation, work motivation, and employee performance within these cooperatives. The research population encompassed all 21 active savings and loan cooperatives in the district. The sampling technique employed was purposive sampling. The selection criteria required that the cooperatives were still operational during the research period and were actively engaged in savings and loan services. A total of 84

respondents were selected, comprising cooperative managers, tellers, credit officers, and treasurers. Respondents were chosen based on the relevance of their job functions to the cooperative's accounting information system and internal management, as well as a minimum of one year of work experience. Data was collected using a closed-ended questionnaire. The instrument utilized a 5-point Likert scale to measure respondents' level of agreement with statements related to the indicators of each variable. The data obtained were then analyzed using multiple linear regression analysis with the assistance of the latest version of SPSS software.

Results Study and Discussion

To test the partial influence of each independent variable on the dependent variable, a t-test was conducted. The t-test results indicate whether individually the variables of Accounting Information System (AIS) effectiveness, compensation, and work motivation have a significant effect on employee performance. The testing criterion was that if the Sig. value < 0.05, then that independent variable has a significant influence on employee performance. The results of this test are presented in Table 1 below.

Table 1: T-Test Results (Partial Test)

Variable	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t-statistic	Sig. (p-value)
(Constant)	0.332	0.273	-	1.218	0.227
AIS Effectiveness (X ₁)	0.331	0.053	0.278	6.270	0.000
Compensation (X ₂)	0.272	0.051	0.234	5.300	0.000
Work Motivation (X ₃)	0.487	0.053	0.493	9.108	0.000

Based on the statistical test results in Table 1 above, the following can be explained:

1. Accounting Information System Effectiveness (X₁)

- The significance value (Sig.) is 0.000, which is far below the alpha level of 0.05. This indicates that AIS Effectiveness has a positive and significant partial effect on Employee Performance.
- The positive regression coefficient (0.331) and beta coefficient (0.278) indicate that an increase in AIS effectiveness will be followed by an improvement in employee performance, assuming other variables remain constant.

2. Compensation (X₂)

- The significance value (Sig.) is 0.000 < 0.05. This proves that Compensation has a positive and significant partial effect on Employee Performance.
- The positive regression coefficient (0.272) and beta coefficient (0.234) show that the higher the compensation provided, the higher the employee performance will be.

3. Work Motivation (X₃)

- This variable has the smallest significance value (0.000) and the highest beta coefficient (0.493). This result concludes that Work Motivation has a positive and significant partial effect on Employee Performance and is the most dominant variable compared to the other two.
- The positive regression coefficient (0.487) reinforces that work motivation is a primary driver in improving employee performance.

4. Constant

- The significance value of the constant is 0.227 (> 0.05), which means it is not significant. This shows that if the values of all independent variables (X₁, X₂, X₃) are considered zero, the value of employee performance is not statistically different from zero.

The results of the t-test provide robust empirical evidence supporting the hypothesis that the effectiveness of the Accounting Information System (AIS), compensation, and work motivation each have a significant positive influence on employee performance in the context of Saving and Loan Cooperatives in Marga District. Firstly, the significant value for AIS Effectiveness (0.000) confirms that a well-implemented accounting system is a critical driver of performance. This finding aligns with the Technology Acceptance Model (TAM), which posits that technology perceived as useful and easy to use will be adopted and leveraged effectively. In practice, an effective AIS likely reduces manual errors, streamlines financial reporting, and accelerates data retrieval, thereby enabling employees—from tellers to managers—to perform their tasks more accurately and efficiently (Ababneh, 2021) ^[1]. This allows them to focus on higher-value activities such as member service and strategic decision-support, rather than being bogged down by cumbersome manual processes.

Secondly, the significant influence of compensation (Sig. 0.000) underscores its role as a fundamental extrinsic motivator. Fair and timely compensation fulfills employees' basic economic needs and serves as a tangible recognition of

their contributions, as suggested by various management theories. In the specific case of Marga District, where delayed salaries were a noted issue, this finding is particularly salient (Shupska *et al.*, 2022; Tuan, 2021) ^[22, 25]. It suggests that resolving compensation inconsistencies is not merely an administrative duty but a strategic imperative to boost morale, reduce financial anxiety, and foster a sense of fairness, all of which directly translate into improved productivity and commitment. Finally, work motivation emerged as the most dominant predictor of performance, evidenced by the highest Beta coefficient (0.493). This strongly supports Attribution Theory, indicating that employees who are internally driven and feel a sense of ownership over their outcomes are likely to exhibit greater perseverance, initiative, and quality in their work (Shim *et al.*, 2024) ^[21]. This intrinsic drive often outweighs external factors, empowering employees to perform optimally even when other organizational systems are less than perfect. In conclusion, the study demonstrates that optimizing employee performance requires a holistic approach. Cooperatives must invest not only in technological infrastructure (AIS) and fair compensation packages but also, most importantly, in cultivating a work environment that fosters strong intrinsic motivation to achieve sustained organizational success.

Conclusion

Based on the findings of this study, it can be concluded that the effectiveness of the Accounting Information System (AIS), compensation, and work motivation collectively and individually have a significant positive influence on employee performance in Saving and Loan Cooperatives in Marga District. The partial analysis revealed that all three variables are statistically significant, with work motivation being the most dominant factor affecting performance. An effective AIS enhances operational efficiency and supports decision-making, while fair and timely compensation acts as a key extrinsic motivator that reinforces employee satisfaction and reduces financial stress. Most importantly, strong work motivation drives employees to perform persistently and proactively, even under less ideal conditions. Therefore, to improve employee performance and ensure organizational success, cooperatives should adopt a comprehensive strategy that includes investing in reliable information technology, ensuring equitable compensation practices, and actively fostering a motivating work environment that encourages intrinsic drive and commitment.

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