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Analysis of Information Technology Development in Management Accounting

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Abstract:

The development of information technology causes the business world to become limitless, the boundaries between countries are becoming more extensive and global in nature. It cannot be denied that one of the main causes of the globalization era, which is coming sooner than everyone thought, is due to the rapid development of information technology. The implementation of the internet, electronic commerce, electronic data interchange, virtual office, telemedicine, intranet, and so on has breached physical boundaries between countries. The merger of computer technology with telecommunications has resulted in a revolution in the field of information systems. Nothing can hold back the rapid development of information technology. One trend that causes changes in management accounting is the advancement of information technology. Management accounting provides information that is useful for management in achieving the goals of the company. The development of information technology has forced management to seek new strategies in order to survive. The field of management accounting, which as the field of producing information, is greatly influenced by the development of information technology. Management that has succeeded in making its company have an advantage at the world level is the one that is able to survive, develop and become a champion in an increasingly tight global competition situation.

Keywords: Information, management accounting, information technology

1. Preliminary

Advances in digital technology combined with telecommunications have brought computers into a period of "revolution". Information technology is entering a new phase, namely as a facility that can provide a competitive advantage for companies, especially those engaged in services or services. Modern organizational management theories were introduced intensively in the early 1980s. One of the most studied and applied theories are about change management. In almost all change management theoretical frameworks, the importance of information technology is emphasized as one of the main components that must be considered by companies that want to win in business competition. Emphasized by several management experts, that it is companies that control the information that have a competitive advantage in a "regulated free market" macro environment. It is not surprising that in the era of the 1980s to the early 1990s, there were many companies that carried out BPR (Business Process Reengineering), re-structuring, implementing ISO-9000, implementing TQM, installing and using corporate information systems (SAP, Oracle, BAAN), and so on. The utilization of information technology is seen to dominate every change management program undertaken by companies, installation and use of corporate information systems (SAP, Oracle, BAAN), and so on. The utilization of information technology is seen to dominate every change management program undertaken by companies; installation and use of corporate information systems (SAP, Oracle, BAAN), and so on. The utilization of information technology is seen to dominate every change management program undertaken by companies.

When an international seminar on the internet was held in San Francisco in 1996, even information technology practitioners who had previously collaborated in research to introduce the internet to the industrial world honestly admitted that they never expected the development of the internet to become like this. It was as if they saw that what was planted was a magic tree seed, which suddenly split into a giant, towering tree. It is difficult to find a theory that can explain all the phenomena that have occurred since the early 1990s. Nothing can hold back the rapid development of information technology. Its existence has eliminated the boundaries between countries in terms of flow of information.

It is not uncommon for companies to finally redefine their business vision and mission, especially those that are engaged in service delivery. The conveniences offered by sophisticated information technology devices have changed the mindset of company management so that it is not uncommon for companies to shift their steering wheel in other fields. For third world countries or those that are developing, the dilemma regarding the use of information technology is very pronounced. On the one hand, many companies are not ready because of their cultural or human resource structures, while on the other hand a large investment must be spent to purchase information technology equipment. Not having information technology means that they cannot compete with other multinational companies, aka they have to go out of business. The last thing that most frustrates heads of management is the fact that the current business environment is

changing and dynamic so often. Changes that occur are not only the result of intense competition, but due to other external factors such as politics (democracy), economy (crisis), socio-culture (reform), which indirectly produce new policies and regulations. that the company must comply with.

2. Context / Method

Information technology is a study of the design, implementation, development, support or management of computer-based information systems, particularly hardware and software. According to the ITTA (Information Technology Association of America), the definition of Information Technology is a study, design, implementation, development, support or management of computer-based information systems, especially in computer hardware and software applications. The purpose of this information technology exists because it is to solve problems and increase creativity in doing work. With this information technology also helps the performance of employees or human workers to be easier and more efficient.

This information technology arises because of globalization that affects organizational systems such as intense business competition and demands for consumer tastes that are increasing over time plus in an increasingly technological era such as today all societies are required to become technology-savvy people and all of that must be. changing from a traditional society to an information society, the needs of consumers are varied and they need anger and services of good quality and efficiency. To avoid this, companies are looking for new ideas or breakthroughs so that they can compete in the era of globalization, such as currently using information technology.

There are several information systems that appear using information technology, namely as follows, among others (1) Electronic Data Processing Systems / EDP is the use of automatic methods in commercial data processing. (2) Data Processing Systems / DPS, a type of processing that can convert data into information or knowledge, (3) Decision Support System / DSS is parts and computer-based information systems used to support decision making in an organization or company, (4) Management Information Systems / MIS planning systems part of the internal control of a business by management accounting to solve business problems, (5) Executive Information Systems / EIS system interactive web-based information, specifically intended for management to analyze data in detail, (6) Expert System / ES is intended as a provider of advice and aids in solving problems in certain areas of specialization, (7) Accounting Information System / AIS is a system which will process & process input in the form of transaction data into financial information, (8) Electronic Data Interchange / EDI is a method for exchanging business data or transactions electronically via computer networks and the internet.

3. Discussion Result

Management accounting information system is processing input to produce output to achieve the main objectives, namely: providing information used in calculating service costs; product and other management purposes, to provide information used in planning, controlling, evaluating and continuous improvement; to provide useful information in decision making (Hansen, 2000). This management accounting information is very useful in helping solve problems, evaluate performance, and is used within the scope of management to make decisions. Factors that influence environmental change are as follows: customer orientation, cross-environmental perspective, global competition, total quality management, time as a competitive element, advances in information technology,

This automation is carried out to increase the quantity and speed of information, managers take advantage of this system because managers choose a complex system in order to access data and sort data and analyze it quickly and efficiently. In addition, this system must also be supported by reliable tools. The second is the availability of adequate tools such as computers, software and graphic packages that make it easier for users. Personal computers function to process input data and produce output in the form of data or information according to the wishes of the user while software is the basis for computer needs in order to be able to well operated and graphics pack. Management accounting is now more flexible in responding to managerial activities to calculate more complex production costs,

Management accounting must be able to face the challenges of environmental change at this time so that it can produce information according to changes in manufacturing technology, information technology systems and global competition. In addition, the management accounting system must be able to adapt to these technological advances because these technological advances require companies to improve company performance appraisal criteria to achieve the best goals. With these company performance appraisal criteria, companies require companies to present reliable, relevant, timely information, easy to understand and tested in the context of management decision making.

Management accounting should pay attention to the concept of management and appropriate accounting so that it can present financial information appropriately and can be useful for management to plan, supervise, make decisions and allocate the most economical resources. By applying the capabilities of management accounting to face the challenges that exist in information technology, it is management accounting that is able to adjust information technology according to the company's capacity. Information technology can also provide benefits and support for management to be able to compete in this globalization era.

Companies that are left behind in implementing this information technology will find it difficult to communicate or collaborate with other companies besides that companies also cannot compete with companies that have implemented information technology in their companies, besides companies that have implemented information technology do not want to cooperate with companies that have not implementing information technology so that companies must consider the exact development of information technology and adjust the level of company development with the available hardware and software.

4. Discussion

The development of information technology on the one hand benefits management accounting. But on the other hand, it can cause some problems. Even information technology is one of the causes of business pressure on organizations. The problems that arise as a result of the development of information technology are as follows (1) To implement information technology in companies requires a large cost. (2) The development of information technology requires an increasing number of skills possessed by employees or workers in the organization. Therefore, additional education and training is needed to increase the knowledge and skills of employees or workers. The development of information technology also allows the loss of job opportunities, especially for lower-level employees, because the information technology can carry out their duties. Information technology only creates new job opportunities for experts or individuals who are truly qualified. (3) On the other hand, there are those who think that the development of information technology can cause waste, because it requires a large amount of money to procure sophisticated equipment needed and to provide training for employees to improve their knowledge and expertise.

To be able to have expertise and abilities about information technology, organizational members need to get additional education and training as well as provision of relevant skills. In addition, before the management of the organization implements new information technology, they must consider the costs required and the benefits to be obtained (cost - benefit analysis). Information technology will be applied if the benefits obtained by using information technology are greater than the costs incurred for implementing information technology. This is also known as the value of information technology. Therefore, management accountants need to consider it well before making a decision. Security must always be improved, to avoid misuse of information technology. For example, by storing a computer in a safe place, it can only be used by certain interested persons, using passwords, and creating an access control matrix.

5. Conclusion

Management accounting information system is the accession of inputs so as to produce output to achieve the main objectives, namely: providing information used in calculating service costs; products and other management objectives, to provide information used in the ongoing planning, control, evaluation and improvement; to provide useful information in decision making (Hansen,2000). By applying the capabilities of accounting management can face the challenges that exist in information technology, accounting management is able to adjust information technology in accordance with the capacity of the company. Companies that miss out on applying this information technology will be difficult to communicate or cooperate with other companies besides that the company is also unable to compete with companies that have implemented information technology in their companies, in addition companies that have implemented information technology do not want to cooperate with companies that have not implemented information technology so that the company should consider the development of information technology and adjust the level of development of the company with the available hardware and software.

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