THE ADOPTION OF ACCOUNTING INFORMATION SYSTEM AMONG PUBLIC ACCOUNTANT IN TRIPOLI OF LIBYA

KHALIL MESBAH ABDULJALIL

UNIVERSITI UTARA MALAYSIA
2009

THE ADOPTION OF ACCOUNTING INFORMATION SYSTEM AMONG PUBLIC ACCOUNTANT IN TRIPOLI OF LIBYA

A thesis submitted to the Postgraduate Studies College of Business
In partial fulfillment of the requirements for the degree
Master of Science (International Accounting)
Universiti Utara Malaysia

By

KHALIL MESBAH ABDULJALIL
(801715)

2009

Declaration

I declare that all the work described in this dissertation was undertaken by myself (unless otherwise acknowledged in the text) and that none of the work has been previously submitted for any academic degree. All sources of quoted information have been acknowledged through references.

KHALIL MESBAH ABDULJALIL
4 November 2009

POSTGRADUATE STUDIES OF COLLEGE OF BUSINESS
UNIVERSITI UTARA MALAYSIA

PERMISSION TO USE

In presenting this thesis in fulfillment of the requirements for the postgraduate degree from the Universiti Utara Malaysia, I agree that the Universiti Library may take it freely available for inspection. I further agree that the permission for copying of this thesis in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor or, in his absence, by the Dean of the Postgraduate studies of College of Business. It is understood that any copy or publication or use of this thesis or parts thereof for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the Universiti Utara Malaysia for any scholarly use which may be made of any material from my thesis. Request for permission to copy or make other use of material in this thesis in whole or in part should be addressed to:

Dean of the Postgraduate Studies of College of Business
Universiti Utara Malaysia
06010 UUM Sintok
Kedah Darul Aman
Malaysia

Abstract

The main objectives of this study are to investigate there is relationship between perceived usefulness, ease of use and AIS adoption. AIS based on the usefulness and ease of use is the measurement of the technology acceptance. Furthermore, the terms of the likely behavioral and performance changes of technology acceptance are expected to occur through performance applications to business functions of public sector organization in Tripoli of Libya. These changes should be measure through the level of acceptance of technology. At the end, this study has conclusively found answer to all research questions and research objectives and found evident to the hypothesis formulated. The research confirmed the relationship between perceived usefulness and ease of use contribute were positively related to AIS adoption among public sector organization. It provides estimates of the research model and suggests which components of the adoption item will get more successful in AIS adoption. The research models are being pursued in the adoption of technology performance to succeed. The implementation of the examination of AIS adoption presents an opportunity for a performing government to look at its existing programs, services, and processes. Once appropriate metrics have been identified, data collection and tracking processes are put in place, the bank can begin to adjust its practices and evaluate its technology performance over time. A continuous feedback loop is formed, in which the government can use measurement information to re-align initiatives as needed.

Keyword : AIS Adoption, Perceived Usefulness, Perceived Ease of Use.

Acknowledgement

I realize this thesis was done with the help a lot of wonderful and kind people. In the first place I would like to record my gratitude to **Mr. Shahmir Abdullah** for his supervision, advice, and guidance from the very early stage of this research as well as giving me extraordinary experiences through out the work. Above all and the most needed, he provided me unflinching encouragement and support in various ways.

Special thanks to my adorable for my parents. My parents deserve special mention for their inseparable support and prayers. **My father**, in the first place is the person who put the fundament my learning character, showing me the joy of intellectual pursuit ever since I was a child. **My mother**, is the one who sincerely raised me with her caring and gently love.

Also I would like to thanks for my brother, **Abdulhamid**, and all **my brothers** and **sisters** support for helped me to produce this thesis. Furthermore, to **my nephews**, **Mohamed** and **Sayfaldin** with their thoughtful support. Finally, I would like to thank for everybody who was important to the successful realization of thesis, as well as expressing my apology that I could not mention personally one by one.

TABLE OF CONTENTS

Declaration		**ii**
Permission to Use		**iii**
Abstract		**iv**
Acknowledgement		**v**
Table of Contents		**vi**
List of Tables		**viii**
List of Figures		**ix**
		Page
CHAPTER 1	**INTRODUCTION**	
1.1	Background of the Study	1
1.2	Problem Statement	4
1.3	Research Questions	6
1.4	Research Objectives	7
1.5	Significant of the Study	7
1.6	Scope of the Study	8
CHAPTER 2	**LITERATURE REVIEW**	
2.1	Introduction	9
2.2	Underpinning Theory to the Model	9
2.2.1	Theory of Planned Behavior	9
2.2.2	Technology Acceptance Model (TAM	15
2.2.3	Perceived Ease of Use of Accounting Information System	18
2.3	The Intention on Perceived Ease of Use and Perceived Usefulness toward Accounting Information System Adoption.	20
2.4	The Intention to use Adoption of Accounting Information System	21
CHAPTER 3	**RESEARCH METHODOLOGY**	
3.1	Introduction	24
3.2	Research Design	24
3.3	Research Framework	25
3.4	Hypotheses	26
3.5	Measurement of Variables	26
3.6	Population and Sample	27
3.7	Data Collection and Analysis Technique	27

CHAPTER 4	**RESEARCH FINDINGS**	
4.1	Introduction	29
4.2	Profiles of Respondents	29
4.3	Reliability of Measurements	32
4.4	Correlation Among Variables	35
4.5	Results of Hypothesis Testing	36
4.5.1	Results of Hypothesis Testing between Intention to Use AIS Adoption, and Perceived Usefulness	36
4.5.2	Results of Hypothesis Testing between Intention to Use AIS Adoption, and Perceived Ease of Use	38
4.5.3	Results of Hypothesis Testing between Intention to Use AIS Adoption, Perceived Usefulness, and Perceived Ease of Use	39
4.6	Summary	41
CHAPTER 5	**DISCUSSIONS, CONCLUSSIONS AND RECOMENDATIONS**	
5.1	Introduction	43
5.2	Discussions	44
5.2.1	Profiles of Technology Acceptance Level of AIS	44
5.2.2	Results of Hypotheses Testing	45
5.3	Conclusions	46
5.4	Recommendations	48
5.4.1	Recommendation to the Body of Knowledge	49
5.4.2	Recommendations to the Managerial Level	50
5.5	Limitations of the study	52
5.6	Suggestions for Future Research	53
REFERENCES		54
QUESTIONNAIRE		57
APPENDIX STATISTICAL DATA ANALYSIS		64

LIST OF TABLE

Table		Page
4.1a	Education of Respondents	29
4.1b	Utilize of AIS Adoption	30
4.1c	Sector of Government Services	30
4.1d	Number of Employee in Department	30
4.1e	Location of Services	30
4.1f	Gender of Respondents	31
4.1g	Application of AIS	30
4.1h	Job Level of Respondents	30
4.1j	Age of Respondents	31
4.2	Reliability Statistics of Perceived Usefulness	33
4.3	Item-Total Statistics of Perceived Usefulness	33
4.4	Reliability Statistics of Perceived Ease of Use	34
4.5	Item-Total Statistics of Perceived Ease of Use	34
4.6	Reliability Statistics of Intention to Use of AIS	34
4.7	Item-Total Statistics of Intention to Use of AIS	34
4.8	Correlations among Variables	35
4.9	Model Summary of Linear Regression between Intention to Use and Perceived Usefulness	36
4.10	ANOVA Table of Hypothesis 1	37
4.11	Coefficients Table of Hypothesis 1	37
4.12	Model Summary of Linear Regression between Perceived Ease of Use on Intention to Use AIS	38
4.13	ANOVA Table of Hypothesis 2	39
4.14	Coefficients Table of Hypothesis 2	39
4.15	Model Summary of Multiple Regression between Perceived Usefulness, Perceived Ease of Use on Intention to Use AIS Adoption	40
4.16	ANOVA Table of Multiple Regressions	40
4.17	Coefficients Table of Multiple Regressions	41

LIST OF FIGURE

Figure		Page
2.1	Theory of Planned Behavior	13
3.1	Research Framework: The Adoption of Accounting Information System among Public Accountant in Tripoli of Libya	25

CHAPTER 1

INTRODUCTION

1.1 Background of the Study

After a period of economic stagnation in the 1990s, development prospects in Libya have now considerably improved. Following the suspension of United Nations sanctions in 1999, the country has begun to benefit from resumed economic growth and a rise in foreign investment. Nonetheless, important development challenges remain. The renewed growth of the Libyan economy following the suspension of United Nations sanctions presents a valuable opportunity to influence positively Libya's development planning and management capacities. Economic diversification is an important need for development in Libya. However, growth in two areas of recognized potential has been disappointing. Accounting information system has been held back by a lack of accountant services, skills and capacity. Meanwhile development of accounting resources has been below the sectors' true potential, due in part to a lack of information and accurate planning.

Libya is the fifteenth biggest oil producer in the world with total proven oil reserves of 39 billion barrels according to Libyan officials, albeit a speculative figure which according to some geologists should be divided by two. However Libya retains an excellent potential for more oil discoveries, and only around 25% of Libya's area is covered by oil agreements. 35 IOCs are at present operating in Libya. Libyan oil production in 2007 reached 1.9 million bbl/d and the objective is 3 million bbl/d by

The contents of the thesis is for internal user only

REFERENCES

Agarwal, R., Ghosh, B., Banerjee, S., & Kishore, S. (2000). Ensuring WebSite Quality: A case study. (IEEE), 665-670.

Ajzen, I. (1991), "The Theory of Planned Behavior", Organizational Behavior and Human Decision Processes, Vol. 50, Iss. 2, 179-212.

Ajzen, I. (1985), "Constructing a TPB Questionnaire: Conceptual and Methodological Considerations"
Available: http://wwwunix.oit.umass.edu/~aizen/pdf/tpb.measurement.pdf [2005, July 13]

Ajzen, I. (2002), "Residual Effects of Past on Later Behavior: Habituation and Reasoned Action Perspectives", Personality and Social Psychology Review, Vol. 6, No. 2, 107-122.

Ambler, & William, S. (2004). The Object Primer: Agile Model Driven Development *with UML 2.*: Cambridge University Press.

Andrew, A. (1998). Computer reservation system and security of the system, (IEEE) 72-81.

Andrews, T., Curbera, F., Dolakia, H., J. Goland, Klein, J., Leymann, F., et al. (2003). Business Process Execution Language for Web Services.

Arch-int, S., & Batanovv, D. N. (2003). Development of industrial information systems on the Web using business components. *50*(Feb, 2), 231 – 250.

Atkinson, R. J. (1997). Toward a More Secure Internet. (IEEE Computer), 57-61.

Bandura, A. (1977), "Self-efficacy: toward a unifying theory of behavioral change", Psychological Review, Vol. 84 No. 2, 191-215.

Bandura, A. (1982), "Self-efficacy mechanism in human agency", American Psychologist, Vol. 37, 122-47.

Bemers-Lee, T. (1996). "WWW: Past, Present, and Future. (IEEE Software), 69-77.

Bieber, M., & Vitali, F. (1997). Toward Support for Hypermedia on the World Wide Web. (IEEE Computer), 62-70.

Bruno, G., & Agarwal, R. (1997). Modeling the Enterprise Engineering Environment. (IEEE Transactions on Engineering Management), 20-30.

Carrera, D., Guitart, J., Torres, J., Ayguadé, E., & Labarta, J. (2003). Complete Instrumentation Requirements for Performance Analysis of Web Based Technologies.

Castro, V. d., Marcos, E., & Cáceres, P. (2004). *A User Service Oriented Method to Model Web Information Systems.* Paper presented at the Proceedings of the 5th Conference on Web Information Systems Engineering.

Chonoles, Jesse, M., & Schardt, J. A. (2003). *UML 2 for Dummies.*: Wiley Publishing.

Coad, Peter, Lefebvre, E., & Luca, J. D. (1999). *Java Modeling In Color With UML: Enterprise Components and Process.*: Prentice Hall.

Davis, F.D. (1989), "Perceived usefulness, perceived easy of use, and user acceptance of information technology", MIS Quarterly, September, 319-40.

Davis, F. D., Bagozzi, R. P., & Warshaw, P. R. (1989). User acceptance of computer technology: A comparison of two theoretical models. Management Science, 35(8), 982-1003.

Davis, L. D., & Davis, D. F. (1990). The effect of training techniques and personal characteristics on training end-users of information systems. Journal of Management Information Systems, 7(2), 93-110.

Davis, S. A., & Bostrom, R. P. (1993). Training end users: An experimental investigation of the roles of the computer interface and training methods. MIS Quarterly, 17(1), 61-85.

Damien H and Matthew Warren (2003), Journal of Logistic Information Management 16,1. 64-73. Damien Hutchinson and Matthew Warren.

Febraban (2004), available at: www.febraban.com.br/Arquivo/Servicos/Dadosdosetor/ tecnologia_2005_dadossetor.asp (accessed April 15, 2006).

Fishbein, M. and Ajzen, I. (1975), Belief, Attitude, Intention, and Behavior: An Introduction to Theory and Research. MA: Addison-Wesley.

Harrison, A.W., Rainer, R.K. Jr (1992), "The influence of individual differences on skill in end-user computing", Journal of Management Information Systems, Vol. 9 No.1, 93-111.

Lederer, A.L., Maupin, D.J., Sena, M.P. and Zhuang, Y. (1998), "The role of ease of use, usefulness and attitude in the prediction of World Wide Web usage", Proceedings of the 1998 Association for Computing Machinery Special Interest Group on Computer Personnel Research Conference, 195-204.

March, S., & Smith, G. (1995). Design and Natural Science Research on Information Technology. 251-266.

Mathieson, K. (1991), "Predicting user intentions: comparing the technology acceptance model with the theory of planned behavior", Information Systems Research, Vol. 2 No. 3, 173-91.

Succi, M.J. and Walter, Z.D. (1999), "Theory of user acceptance of information technologies: an examination of health care professionals", Proceedings of the 32nd Hawaii International Conference on System Sciences (HICSS), 1-7.

Taylor, S. and Todd, P.A. (1995), "Understanding information technology usage: a test of competing models", Information Systems Research, Vol. 6 No. 2, 144-76.

Venkatesh, V. and Davis, F.D. (2000), "A theoretical extension of the technology acceptance model: four longitudinal field studies", Management Science, Vol. 45 No. 2, 186-204.

Venkatesh, V., Morris, M.G., Davis, G.B. and Davis, F.D. (2003), "User acceptance of information technology: toward a unified view", MIS Quarterly, Vol. 27 No. 2, 425-78.

Whittaker, J. A. (2000). What is Software Testing? And Why is it so hard. (IEEE Software), 70-79.