THE CHALLENGES OF PAYROLL PAYMENT AND ACCOUNTING INFORMATION SYSTEM ADOPTION BY EDUCATION INSTITUTIONS IN IRAQ: THE CASE OF KUT TECHNICAL INSTITUTE

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ABSTRACT

The purpose of this research is to identify technical and non-technical barriers to the adoption of payroll payment and accounting information systems (AIS) at Kut Technical Institute (KTI) in Iraq. The study also aims to design effective methods for promoting and upgrading Iraq's payroll payment and AIS, which inhibit payroll payment and AIS implementation. The primary objective of this study is to devise efficient strategies that can effectively promote and enhance payroll payment and AIS in the context of Iraq. This study uses a qualitative research method to delve into the perceptions, experiences, and challenges faced by KTI. A series of unstructured interviews were undertaken with a sample of 15 individuals affiliated with the Finance Division of KTI in order to collect data pertaining to the difficulties encountered by financial technology providers operating in Iraq. The interview questions were formulated with the intention of eliciting comprehensive insights, experiences, and perceptions pertaining to the subject matter under investigation. The study's findings unveiled a number of significant challenges encountered by KTI, encompassing technical difficulties, insufficient training, resistance towards adopting change, financial limitations, and organizational culture. The successful transition to a complete AIS depends on effectively addressing these challenges. This study enhances the current body of knowledge by offering valuable insights into the barriers that hinder the implementation of payroll payment and AIS at KTI in Iraq. The results possess the capacity to enhance financial management and reporting methodologies within the institution, as well as potentially offering advantages to other organizations in Iraq that encounter comparable difficulties. Furthermore, this study makes a valuable contribution to the existing body of literature on AIS in developing countries, specifically focusing on the potential impact on the overall economic development of Iraq. Through the implementation of this research and the identification of the obstacles and possibilities for enhancing payroll payment and AIS in Iraq, it is possible to formulate efficient strategies aimed at fostering financial inclusion and bolstering AIS within the nation.

Keyword: Accounting information systems, Kut Technical Institute, Iraq

ABSTRAK

Objektif kajian ini adalah untuk mengenal pasti halangan teknikal dan bukan teknikal di jabatan di Kut Technical Institute (KTI) untuk menerima pakai pembayaran gaji dan sistem maklumat perakaunan (AIS) di Iraq. Kajian ini juga bertujuan untuk mereka bentuk kaedah yang berkesan untuk mempromosi dan menaik taraf pembayaran gaji di Iraq dan AIS yang menghalang pembayaran gaji dan pelaksanaan AIS. Objektif utama kajian ini adalah untuk merangka strategi cekap yang boleh mempromosi dan meningkatkan pembayaran gaji dan AIS secara berkesan dalam konteks Iraq. Kajian ini menggunakan kaedah kajian kualitatif untuk menyelami persepsi, pengalaman dan cabaran yang dihadapi oleh KTI. Beberapa siri temu bual tidak berstruktur telah dijalankan dengan sampel 15 individu yang berkaitan dengan Bahagian Kewangan di KTI. Ini membentuk pengumpulan data yang berkaitan dengan kesukaran yang dihadapi oleh penyedia teknologi kewangan yang beroperasi di Iraq. Soalan temu bual digubal dengan tujuan untuk mendapatkan pandangan, pengalaman dan persepsi yang komprehensif berkaitan dengan perkara yang disiasat. Penemuan kajian itu mendedahkan beberapa cabaran penting yang dihadapi oleh KTI, merangkumi kesukaran teknikal, latihan yang tidak mencukupi, penentangan terhadap menerima perubahan, batasan kewangan dan budaya organisasi. Kejayaan peralihan kepada AIS yang lengkap akan bergantung kepada cara menangani cabaran ini dengan berkesan. Kajian ini meningkatkan badan pengetahuan semasa dengan menawarkan pandangan berharga tentang halangan yang menghalang pelaksanaan pembayaran gaji dan AIS di KTI di Iraq. Penemuan ini berpotensi untuk meningkatkan pengurusan kewangan dan prosedur pelaporan dalam institusi serta berpotensi memberi manfaat kepada organisasi lain di Iraq yang menghadapi kesukaran yang sama. Tambahan lagi, kajian ini memberi sumbangan berharga kepada badan literatur sedia ada mengenai AIS di negara membangun, khususnya menumpukan pada potensi kesan ke atas pembangunan ekonomi keseluruhan Iraq. Dengan melaksanakan penyelidikan ini dan mengenal pasti halangan dan kemungkinan untuk meningkatkan pembayaran gaji dan AIS di Iraq, adalah mungkin untuk merangka strategi yang berkesan untuk memupuk rangkuman kewangan dan memperkukuh AIS dalam negara.

Kata kunci: Sistem maklumat perakaunan, Institut Teknikal Kut, Iraq

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CHAPTER ONE

INTRODUCTION

1.1 Background of the study

In recent years, Iraq has undergone significant economic and financial changes, including the implementation of salary domiciliation and efforts to increase financial inclusion. These changes have had an impact on accounting information systems (AIS) in Iraq, as organizations and institutions have had to adapt their financial management and reporting practices to comply with new regulations and standards. The purpose of this study is to examine the impact of these changes on AIS in Iraq, using Kut Technical Institute (KTI) as a case study. Due to its status as a significant educational institution in Iraq that is well-known for its contributions to technical and vocational training, KTI makes for an excellent case study. Analysing the modifications and tactics used inside KTI's AIS can give important insights into how education institution in the country are handling these changes as it navigates the changing financial landscape of Iraq. Furthermore, researching AIS at KTI can provide a thorough understanding of the difficulties, chances, and results that other institutions and organisations may be encountering in reaction to the economic changes in Iraq.

The implementation of salary domiciliation in Iraq is part of a larger effort to modernize the country's financial and banking systems. Under this system, all employees in the public sector, including those at Kut Technical Institute, receive their salaries through bank accounts, rather than in cash. This change has significant implications for accounting and financial management practices, including the need for more accurate and timely reporting, increased use of technology and digital systems, and enhanced transparency and accountability (Toukan, 2020).

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Appendix

Theme	Sample Questions	Participants' Answers	Data Analysis
Technical Issues	1. Have you encountered any system failures or unexpected shutdowns while processing payroll or implementing the AIS? 2. How has the slow processing speed affected your productivity and efficiency? 3. Can you provide examples of software incompatibility issues and their impact on payroll processing?	Ahmed Ali: "Yes, we frequently face system failures and unexpected shutdowns, which disrupt our work and cause delays." Fatima Hassan: "The slow processing speed has hurt our productivity and increased dissatisfaction among employees." Aisha Khan: "We often experience software incompatibility	The data reveals that system failures, slow processing speed, and software incompatibility have been significant challenges in payroll payment and AIS implementation. These technical issues have caused disruptions, delays, and increased manual interventions, leading to inefficiencies in payroll and AIS

		issues, which delay payroll processing and require manual interventions."	management. Solving these technological challenges is crucial for KTI's payroll and AIS modernization. Further analysis can delve into the causes and potential remedies for these technical issues.
Lack of Training	1. Did you receive adequate training to effectively utilize the AIS? 2. What specific difficulties have you faced due to a lack of training? 3. How do you think improved training can	Omar Mahmoud: "No, I feel unprepared to handle the technical components of the AIS." Mariam Abbas: "The lack of training has made it challenging to optimize system	The data highlights a training deficit within KTI's finance department, resulting in difficulties in optimizing the AIS usage and fixing issues. Inadequate training has led to

	enhance payroll processing and accounting efficiency?	utilization and fix issues." Mohammad Salah: "Improved training can provide us with the necessary skills to navigate the system, leading to better payroll processing and accounting efficiency."	processing delays and inefficiencies. Participants emphasize the need for improved training programs that include detailed instructions, hands-on practice, and ongoing assistance to enhance system utilization and improve payroll processing and accounting efficiency. Addressing this training gap is crucial for overcoming present limitations and maximizing the potential of the

			AIS. Further analysis can explore the specific training needs and recommended training practices.
Resistance to Change	1. Why do you think there is resistance to switching from manual to automated operations? 2. What are the main concerns or fears associated with adopting the AIS? 3. How do you think the aversion to change can be overcome within the organization?	Youssef Ibrahim: "Employees are reluctant to switch due to their aversion to change and preference for familiar systems." Mahmoud Hamdi: "The uncertainty surrounding the new arrangement makes employees uncomfortable." Ali Said: "Switching systems may damage employees' feeling	The data indicates a strong resistance to change within KTI's finance department. Participants attribute this resistance to employees' aversion to change, preference for familiar systems, and fear of the unknown. The established manual operations are seen as reliable, while the

		of competence and control, leading to reluctance."	new AIS is perceived as risky and unpredictable. Overcoming this resistance requires addressing organizational culture, alleviating worries, questioning the trustworthiness of old systems, and showcasing the advantages of the new AIS. Further analysis can explore effective change management tactics and strategies to promote AIS acceptance within the organization.

Financial Constraints	1. How have financial constraints impacted the development and enhancement of the AIS? 2. What specific limitations or challenges have you faced in terms of acquiring necessary updates or software? 3. How can comprehensive financial planning and resource allocation address the financial issues related to AIS implementation?	Rania Mustafa: "Financial constraints have hindered AIS development and acquisition of necessary updates or software." Hassan Mansour: "Restricted financial resources prevent us from investing in software and hiring IT specialists." Karim Farid: "Comprehensive financial planning and resource allocation can help address the financial issues and support AIS implementation."	The data highlights the impact of financial constraints on AIS development and enhancement. Limited financial resources have hindered the acquisition of necessary updates, software, and IT support. Comprehensive financial planning and resource allocation are suggested to overcome these limitations and ensure the necessary financial support for AIS implementation. The analysis can

			further explore cost-effective alternatives, collaborations, and budgeting strategies to address the financial challenges related to AIS installation.
Organizational Culture	1. How would you describe the organizational culture at KTI in relation to embracing new technology? 2. What factors contribute to employees' reluctance to adapt to new technology like the AIS?	Samar Hassan: "The organizational culture at KTI shows aversion to new technology." Laila Ahmed: "Employees feel safer with manual accounting procedures due to lack of exposure and experience with automated systems." Nasser	The data reveals that KTI's organizational culture demonstrates resistance to new technology. Factors contributing to employees' reluctance include a lack of exposure and experience with automated systems and a

	3. How can the organization promote a supportive culture that encourages innovation, change, and learning?	Mansour: "Promoting a supportive culture that encourages innovation, change, and learning is crucial for AIS adoption."	preference for the familiarity and perceived reliability of manual accounting procedures. Promoting a supportive culture that encourages innovation, change, and learning is necessary to overcome this resistance and facilitate AIS adoption. Further analysis can explore specific strategies, change management tactics, and the role of leadership in fostering a supportive

		organizational culture.

Participants

1. Ahmed: Male, 32 years old, Bachelor's degree, IT professional.
2. Fatima: Female, 45 years old, Master's degree, Finance manager.
3. Omar: Male, 28 years old, High school diploma, Administrative assistant.
4. Aisha: Female, 50 years old, Bachelor's degree, Accountant.
5. Mohammad: Male, 38 years old, Master's degree, Human resources manager.
6. Mariam: Female, 35 years old, Bachelor's degree, Payroll specialist.
7. Youssef: Male, 42 years old, Bachelor's degree, IT consultant.
8. Laila: Female, 29 years old, Associate's degree, Data entry clerk.
9. Karim: Male, 55 years old, High school diploma, Operations manager.
10. Nasser: Male, 31 years old, Master's degree, financial analyst.
11. Mahmoud: Male, 40 years old, Bachelor's degree, internal auditor.
12. Samar: Female, 27 years old, Bachelor's degree, Research assistant.
13. Ali: Male, 48 years old, Master's degree, Chief financial officer.
14. Rania: Female, 33 years old, Bachelor's degree, Systems analyst.
15. Hassan: Male, 36 years old, Associate's degree, Accounts payable clerk.