

# The Effect of Using the Elements of the Electronic Management in Improving the Quality of Accounting Internal Control in Jordanian Banks

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## Abstract

This study aims to release the electronic elements of the administration used in Jordanian banks and their impact on improving the accounting internal control quality , may be a study population of Jordanian banks and the number 15 listed banks in Amman Financial Market researcher has designed and developed a questionnaire to measure four areas of study have been formed of (25) 60 questions were distributed a questionnaire to a sample study Which represents departments of accounting and internal control and information technology, It was the most important results of the study and the presence of trace statistically significant electronic elements of administration used in Jordanian banks in improving the accounting internal control quality , as it was the most important recommendation is to develop internal and external Internet networks for the development of electronic linkage between the Jordanian and foreign banks and programming of internal control accounting system.

## Introduction:

The traditional management that are used in companies is one of the elements of the weakness of the administrative work because they rely on the administration by using paper and office, has evolved administrative performance evolution of information technology and moved administrative performance to technological performance , and is the area of internal control in banks of the most important areas of work , which in turn monitors on All banking operations , accounting and administrative work to protect roots from - embezzlement , and therefore, the researcher is studying the impact of the elements of the electronic administration in improving the quality of accounting internal control in Jordanian banks .

## The problem of the study

the study the problem of the sense of the researcher of a link between the presence of elements of management and elements of modern electronic in Jordanian banks and the improved accounting internal control them, especially since the use of information technology for the completion of the internal transactions of administrative , accounting and foreign help to adjust the accounting procedures by the speed and accuracy of the information that will be obtained through modern electronic management The formulation can study the problem through the following questions:

1. Is there a trace of the ingredients used in the electronic management Jordanian commercial banks and the improved accounting internal control in quality.

**Objectives of the study :** The study aims to achieve the following objectives :

1. identify the ingredients used in the electronic management of Jordanian banks .
2. disclose the effect of the ingredients used in the electronic management of Jordanian banks to improve internal accounting controls .
3. reach a set of findings and recommendations regarding the problem of the study.

**Importance of the study :** The importance of the study of the importance of the use of Jordanian banks of the components of electronic management of modern , and the light focus on the importance of the transition from traditional management to electronic management in all areas of banking work is a thing very important as it works to increase the level of accuracy and quality and reduces labor costs and reduce the time of completion of work , and that the internal accounting control may improve because of that, and this is due to the banks' benefit which is seeking to achieve in terms of adjusting the largest accounting control and improve the quality of services provided to customers there.

## The study model

The study model of the independent variable and dependent and follows an explanation of each of them consists of :

- **Independent variable :** a variable that affects the dependent variable in this study , the independent variable is the main elements of the electronic management and their components ( networking and

communications , software , Electronic leadership) .

- **Dependent variable** : a variable that is affected by the independent variable in this study , the dependent variable is the ( improve accounting internal control quality) .

-**The Hypotheses Study** :

"no impact statistically significant of elements electronic management in improve internal accounting control quality at significance( $\alpha \leq 0.05$ )" .

-From main hypothesis we derive sub- hypotheses as follows:

- The field of telecommunications and networks used in Jordanian banks does not affect in improving the quality of internal accounting controls .
- The area used software does not affect the Jordanian banks in improving the quality of internal accounting controls .
- Leadership does not affect the electronic user in Jordanian banks in improving the quality of internal accounting controls .

### Previous Studies

1- **Al- ootom, Eptisam, ."2015", The impact of information technology to improve the level of performance of employees in Jordan".**

The purpose of this study was to investigate the effect of the use of information technology in the Ministry of Higher Education of Jordan to improve the administrative performance of the staff where, researcher has used the descriptive analytical method to achieve the objectives of the study, may be a study population consisted of a random sample of employees in the Ministry of Higher Education of Jordan of (45) individuals, as was the use of statistical package program SPSS for data analysis and hypothesis testing, and was the most important statistical methods used is to test one way anova, it was the most important results of the study that there is a significant effect for statistical information technology used in the ministry of higher education to improve the administrative performance of the employees. As they were the most important recommendations that the Ministry of Higher Education is working to develop Electronic systems and existing programs even have help in the development of employee performance.

2- **Awamleh khaled (2014), entitled "The Impact of Information Systems in the electronic services in Jordan outputs".**

This study aimed at detecting This study aimed to uncover the impact of information systems in e-government services in Jordan outputs, in addition to the proposal model shows the relationship between the information the government of Jordan and e-services systems outputs, but the purpose of achieving the objectives of the study, the researcher used the descriptive approach, and the sample of the study sample class consisted of 350 individuals from various government ministries and official departments, as well as the researcher to design and implement a questionnaire after the confirmation of the validity and reliability, and after the collection of data through the main study tool, a questionnaire, has been the analysis of the data by the statistical program (SPSS) within the program Statistical Package for Social Sciences. Can summarize the key findings of the study in the following points: ranged averages for all fields of study between (4.59 - 4.39) and substantially estimate, which indicates the presence of the impact of the output of D information systems in the Jordanian government e-services.

3- **Battah Naser (2015), " The impact of management information systems to improve management performance" An Empirical Study on Managing Directors in the Jordanian insurance companies".**

This study aimed to identify the impact of management information systems (MIS) to improve the administrative performance of the staff of the administrative departments in the Jordanian insurance companies has been the study sample Managers administrators or Deputy Managing Director to identify, The researcher distributed (52) questionnaire by (2) a questionnaire to each company's number (26) Insurance Company, has been used as a researcher style simple to get to know the impact of management information systems to improve management performance in the Jordanian insurance companies decline, the study concluded that there is a positive impact of the resources of networks and communications and material resources to improve the administrative performance of the administrative staff in the insurance companies Jordan, was the most important recommendations that the insurance companies to make greater efforts in the infrastructure of management information systems development.

4- **Al-Khalidi, nahed (2012) , entitled "The impact of information technology in raising the efficiency of the internal control in banks operating in the Palestinian West Bank system.**

This study aimed to identify the impact of information technology in raising the efficiency of the

internal control system in the Palestinian banks operating in the West Bank , has been preparing a questionnaire consisting of 5 parts were distributed to auditors and heads of supervision departments and Auditors Chartered and number (80) individuals , The researcher used spss software for data analysis and hypothesis testing was the most important findings of the study : Helps attention to ongoing training , development and use of modern technologies and comply with administrative policies to activate the internal control systems in the Palestinian banks , and to work settings , and reduces the chances of manipulation and to achieve the objectives set , as they were the most important the study 's recommendations is the need to take advantage of technological development and information for internal control in the development of Islamic banks .

**The study methodology:** this study Adopts on descriptive analytical approach throw collection data and statistical analysis to arrive at the results of the study and achieve their goals, has been to rely on sources of information gathering by the following:

-**Secondary Sources:** where were collected preliminary information from reference books and theses related to the subject of the study.

- **Primary sources:** the questionnaire was developed study addresses related to Electronic management as a variable level of independent and improve the quality of accounting internal audit in Jordanian banks.

The researcher used in the study tool measure consisted of five grades (1-5) of the answers, according to a Likert scale Quintet (Likert Scale), which is composed of five degrees to determine the degree of approval of the study sample on each paragraph of the study tool, and convert categorical scale to the amount of data that can be measured statistically, was given the relative weights shown in table (1) (Sekaran,2013).

Table (1)

Degrees Likert scale Quintet (Likert Scale) used in the study tool

The degree of the scale	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
The degree of approval	5	4	3	2	1
The relative weight	%100-81	%80-61	%60-41	%40-21	%20-0

As it has been the use of the Statistical Package for the program for the humanities and social sciences SPSS, in order to analyze the data and test hypotheses.

**The study population and sample:** The study population consisted of Jordanian banks and their number according to the website of the Amman stock exchange, The study sample consists of employees in the departments of internal control and internal audit and accounting.

(75)questionnaire was distributed to employees by way of a random sample (5) questionnaires each bank was to recover (60) was offset by a questionnaire for statistical analysis .

**The study tool :**

The study tool of the questionnaire was designed and developed in consultation with a number of specialists and e-government system of internal control consists , consisted of a questionnaire study (25) a question, where the number of questions have been identified as follows:

- The field of communications and information technology (6) questions.
- The field of software available in the bank (6) questions .
- Leadership in the field of electronic bank rate (6) questions .
- Improving the quality of internal accounting controls (7) questions.

**Tool's study tests:**

The study tool consists of (25) Question of them (18) Question measure the first field which the existence of Electronic management in the Jordanian banks ,The second field is improving the quality of accounting internal control consists of (7) questions The researcher conducting tests to study tool.

- 1- Cronbach alpha test: give this test an explanation of the consistency of the questionnaire and thread paragraphs internally, and show the strength of the resolution and coherence of its clauses, so that, if returned, one of them answered the same questionnaire the same conditions gave the same results, and if the ratio of Cronbach alpha of 60% or more, this indicates thread resolution, stability and consistency internally well (molhatra,2004,p268).

The following table shows Cronbach alpha coefficient for fields of study individually and for the tool fully.Internal consistency coefficient Cronbach alpha for fields of study and the tool as a whole.

**Table (2)**

Field title	Questions number	Reliability coefficient (Internal consistency)
The field of network and communications.	6	%84
The field of software	6	%81
The field of electronic leadership.	6	%79
The field of improving the quality of Internal accounting controls.	7	%87
Total	25	%91

Is evident from the above table that there is a large internal consistency between the paragraphs of the questionnaire individually and between full-resolution where the percentage of 91% Cronbach alpha tool for the study in general, and this confirms the strength and coherence of the questionnaire and internal coherence and stability.

- 2- **Content Validity** : intended to honesty over the expression of the paragraphs of each area of study for the area to which it belongs, it has focused attention on making sure that every area of study accurately representative of a group of paragraphs that concern them, and that these paragraphs already measure this area (Sekaran, 2013), was measured sincerity resolution content by measuring the relationship between each paragraph and the area to which it belongs by using the Pearson correlation coefficient (Pearson Coefficient of Correlation), it has adopted the correlations in excess of (30%), and the significance statistical task at the significance level ( $0.05 \geq \alpha$ ) table (3) of these relations. (al-najjar, 2013)

**Table (3)**

Special measuring the content of the paragraphs of the areas of study sincerity Pearson correlation coefficients.

Field	Questions Number	Paragraphs Correlation Coefficient	The Level Of Significance
The field of networking and communications.	6	<b>0.666</b>	<b>0.000*</b>
The field of software	6	<b>0.565</b>	<b>0.000*</b>
The field of electronic leadership.	6	<b>0.446</b>	<b>0.000*</b>
The field of improving the quality of Internal accounting controls.	7	<b>0.644</b>	<b>0.000*</b>
Total	26	0.526	<b>0.000*</b>

The previous table shows, the results of the Pearson correlation coefficient between the fields of study variables, and the review and the levels of significant correlation coefficients values prove the existence of a statistically significant relationship at the significance level ( $0.05 \geq \alpha$ ) between field paragraphs, which indicates the presence of structural sincerity of these paragraphs..

**Data analysis and hypothesis testing:**

- Analysis and discussion of the main field which is the first Electronic management and the results of its components: (networks and communications, software, electronic leaders).  
 -Discuss the results of a sample survey on trends in the level of **networks and communications** used in Jordanian banks.

Table (4) shows the results of the statistical analysis of the averages and standard deviations of the variable extent of electronic management (**networks and communications**) in the Jordanian banks.

**TABLE (4)**

N=60	Paragraph	MEAN	S.D
<b>The extent of the networks and communications</b>			
1-	Available in the bank network of internal and external quality and specifications of the high-tech connections.	4.01	0.79
2-	There is an internal communications network operates on the electronic link between bank employees and bank employees and other branches of the system.	3.98	0.66
3-	The work on the transfer transactions electronically taking advantage of the Internet and through e-mail.	3.92	0.82
4-	The company is interested extranet technology to link the interests within the company ( director of branches, marketing manager ) parties from outside the ministry.	3.85	0.61
5-	There are staff specialists in the field of networking and messaging information who design modern systems work whenever the need arises.	3.80	0.48
6-	The data transmission and information between staff and technical divisions easily.	3.77	0.68
Total field		4.03	0.77

Through Table (4) it is clear that all the paragraphs of the area was within the acceptance level was greater acceptance paragraphs are paragraph which states " Available in the bank network of internal and external quality and specifications of the high-tech connections ", (4.01) a mean and standard deviation (0.79). This paragraph refers to the extent and importance of web presence needed to implement administrative

work .

Second, analysis and discussion of the results of the second area of the existence of the necessary software to improve the quality of accounting internal control.

And Table 5 shows the averages and standards deviations Trends sample study on the software used in Jordanian banks variable.

Table (5)

N=60	Paragraph	MEAN	S.D
<b>Field of software</b>			
1-	There in the bank ready software works to improve the administrative performance in Jordanian banks quality.	3.99	0.73
2-	There are software bank is working to identify the duties and functions of each section separately from the other sections.	3.92	0.74
3-	It is applied to group software , which allows for more than one employee to use the same program to perform certain tasks systems .	3.89	0.66
4-	Bank interest programming all administrative activities of the company and complete it electronically to ensure the quality of work .	3.84	0.36
5-	It is put into a system called Workflow, which allows automates the programming documents and information flows between the various teams in the bank.	3.81	0.62
6-	Banks are working on updating the electronic programs that lead to the proper functioning of the implementation of action.	3.80	0.56
Total field		3.85	0.81

Is evident from Table 5 that there is a degree of approval of the large study sample all the second area vertebrae were all averages ranging between (3.99-3.80) and indicates that the interest clear by banks subject matter needed to develop managerial performance in software, so that it is relying on the base an upgraded and updated data is working on the latest programming languages to serve the organization and execution of work and improve managerial performance needs to be implemented by the bank.

And indicate that the paragraph which states that " there is in the bank ready software works to improve the administrative performance in Jordanian banks quality. " , He ranked first with a mean (3.99) and a standard deviation (0.73) , and indicate the paragraph to the database management process in the bank is a subject very important and that the composition of huge data serve decision makers in banks decisions easily , thereby enhancing the improvement of administrative performance in banks in general base.

-third Analyze and discuss the results of the third sub- hypothesis : It that "electronic leadership in Jordanian banks influence in improving the quality of accounting internal control ."And Table 6 shows the averages and standards deviations of the trends of the study sample driving around electronic used in Jordanian banks variable.

Table (6)

N =60	Paragraph	MEAN	S.D
<b>The electronic leaders field</b>			
1-	Managers are placed in various managerial positions in banks , according to the administrative efficiencies .	4.09	0.45
2-	Cyber managers are best placed to work in the management of the bank.	4.05	0.55
3-	The bank's board is definitely on the need to adhere to the instructions and implementation of action electronically.	4.01	0.64
4-	It is passed transactions and processes within the bank managers to electronically via the Internet.	3.98	0.48
5-	The issue decisions , instructions and approvals to the transactions of managers electronically.	3.95	0.86
6-	Departments of banks interested in developing managerial performance by transferring administrative work from a traditional to electronic.	3.89	0.45
Total field		4.05	0.62

Is evident from Table 6 that there is a degree of approval of the large study sample on all third area vertebrae were all averages ranging between (3.89 - 4.09) and indicates that the departments of Jordanian banks are developing a manager who can complete its work and carried out electronically and that it is beneficial General on the regulatory behavior in the bank. It came first prize paragraph which states that "Managers are placed in various managerial positions in banks , according to the administrative efficiencies", The average has reached (4.09) and standard deviation 0.45) .This indicates that the electronic management in the banks is necessary for the progress of work and the degree of the presence of errors in the administrative work of the director -mail will be simple .

**-fourth** : Analyze and discuss the results of the study sample about improving accounting internal control quality trends.

And Table 7 shows the averages and standard deviations of the trends of the study sample on improving the quality of accounting internal control in Jordanian banks variable.

(7) Table

N=60	Paragraph	MEAN	S.D
<b>Improving quality of accounting internal control</b>			
1-	That the internal accounting control system enhanced by the presence of an electronic system work properly and designed to serve the objectives of the bank.	4.12	0.54
2-	Activated internal accounting controls the implementation of decisions of the electronic management system.	4.10	0.33
3-	Improve the effectiveness of internal accounting control system, increased attention by the Board of Directors in the regulatory system and development support .	4.06	0.76
4-	The use of means of information technology used by the bank's board in the implementation of accounting controls .	3.95	0.58
5-	Internal accounting controls activated degree of commitment to the internal control standards.	3.92	0.58
6-	The internal control management accounting appoint its director , provided that to be eligible to work in the light of the electronic administration.	3.90	0.82
7-	It completed the effectiveness of the internal control system by having scrutiny committees elected and has the know-how and experience in the company's business .	3.86	0.59
Total		3.94	0.56

The table shows that the sample of the study trends of high importance all the direction of the paragraphs relating to the level of improving the quality of supervision of accounting internal Jordanian banks , and ranged between (4.12 - 3.86) , and a review of the order of paragraphs , it is evident that paragraph , which states that " the internal control accounting system enhanced by the existence of a working system electronic appropriate and designed to serve the objectives of the bank. " , and an the mean (4.12) .It is located within the degree of high importance , and a standard deviation (0.54) , and perhaps this shows that the importance of accounting controls completed through electronic surveillance carried out by IOS , as the E-Audit in the works of electronic enhances the quality and output of internal accounting control process environment.

**Test hypotheses :**

This hypothesis states that " no statistically significant effect of the components of electronic management in improving the quality of internal accounting controls at the significance level ( $\alpha \leq 0.05$ ) ".To test this hypothesis was used simple regression analysis (Simple Regression), and Table 8 shows the results obtained when testing this hypothesis .

Table (8)

Variable	Mean	S.D	$\beta_i$	F value	Statistical Significance
Elements of Electronic Management.	4.01	0.67	0.279	8.16	*0.000
The field of network and communications.	4.03	0.77	0.432	11.14	*0.000
The field of software	3.85	0.81	0.334	9.16	*0.000
The field of electronic leadership.	4.05	0.62	0.225	4.34	*0.000

- Statistically significant at the level ( $\alpha \leq 0.05$ )

Table shows (8) the results of simple regression of the impact of the elements of E-Management to improve the accounting internal control quality in Jordanian banks , where it was found that there were trace statistically significant to the level of having a significant effect on the elements of electronic management to improve the accounting internal control quality in Jordanian banks , where analysis reached the level of influence ( 0.279 ) and explains that the increase by one degree in the level of the existence of electronic management leads to improved accounting controls the quality of the value ( 0.279 ) , This confirms the value of the F value (8.16) , which was statistically significant at the level ( 0.05) , and based on what has already been rejected hypothesis Home and acceptance of alternative hypothesis , which states that " no impact statistically significant of elements electronic management in improve internal accounting control quality at significance( $\alpha \leq 0.05$ ) ".

As can be seen from the table above that all areas of electronic management in a positive impact on

improving the internal accounting control quality , and indicates that the accounting work that are performed electronically , the control accounting on this work be suitable and trustworthy and enjoy an efficient and high resolution.

### **Results of the study and its recommendations :**

#### **First: The results of the study:**

By tracking the study methodology and statistical analysis for the study areas , the study recommends the following:

- That there are elements for electronic management of modern available in Jordanian banks , and are issuing decisions and execute transactions and processes using electronic management
- The Jordanian banks are working to improve the accounting internal control quality by activating the control by using information technology.
- That there is a positive impact for the use of electronic management systems in Jordanian banks to improve the quality of accounting internal control .
- The most influential elements of the electronic administration to improve the quality of accounting internal control in banks.

#### **Second: The recommendations of the study:**

Based on these findings , it recommends the following:

- The need to do internal accounting control with the aid of information technology.
- The Jordanian banks are working to find a common formula for the rules of internal accounting control quality.
- That are designed computer programs for the implementation of internal accounting oversight functions .

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