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# Management accounting information systems quality's impact on banking's excellent corporate governance and banking performance in Indonesia

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## ABSTRACT

This study aims to examine the impact of MAISQ on both GCG and banking performance within Indonesian banks. This research aims to address the low GCG practices in Indonesia compared to neighboring countries and investigate ways to enhance MAISQ in general, thereby enhancing Indonesian GCG and enhancing banking performance. Using SEM PLS, this research tested data gathered from 770 respondents from 260 Indonesian private banks. The respondents that make up the sample are marketing managers, accounting managers, and customer service representatives. This present study has analyzed the interrelationship amongst MAISQ and GCG on the performance of banking institutions. The present study finds that GCG has a significant positive effect on bank performance. Improved MAISQ leads to improved GCG practices for better banking performance. A satisfactory is fundamental in the practice of GCG for better banking performance. Thus, Indonesian banks are urged to enhance their management accounting systems toward improved governance and superior financial performance. Banks are encouraged to invest in sophisticated MAISQ toward better GCG practices. Policymakers are encouraged to encourage such a transition through regulations, incentives, and implementation of training programs to achieve the highest benefit from improved MAISQ.

**Contribution/Originality:** This investigation contributes to the growing body of research in the field of management accounting information systems, especially regarding good corporate governance and financial performance. No research has been conducted linking effects between three variables together. By contributing to the behavioral accounting literature, this research aims to verify the applicability of Resource-Based Theory (RBT).

## 1. INTRODUCTION

The GCG of the country's banking in developing countries is still very much in need of improvement. Indonesia continues to lag significantly behind other countries, including those in its immediate vicinity, indicating a persistent weakness in the GCG of banking institutions. In traditional banking, the asset side and liabilities of the bank's balance sheet indicate risks. By selling deposits, the bank generates cash that it then lends to borrowers for investments. The utilization of funds and bank sources is inherently out of sync. For instance, banks offer depositors requests deposits that they can withdraw at any time without warning. However, banks primarily use these funds to fund investors' long-term projects, which are difficult to quickly liquidate without losing a significant portion of their value.

This difference in maturity could ultimately lead to a troubled bank. Banks are vital intermediaries in the economic system by playing intermediary roles between creditors and debtors. The bank also provides guarantees for creditors and debtors. Banks guarantee the repayment of deposits to creditors, accompanied by incentives to attract investments. Effective management of financial information (accounting) is crucial for managing the main banking activities related to creditors and debtors. This management process, known as management accounting information systems quality (MAISQ), provides executives with valuable information for decision-making and management processes. MAISQ will influence the realization of effective governance (GCG). Several studies have shown that the influence of MAISQ on the structure of corporate governance and the conditions of changes in MAISQ have a considerable impact on the governance structure. Improved management accounting information systems can contribute to better banking governance by providing higher-quality information, ultimately leading to enhanced performance (Galileoni & Lestari, 2017).

## 2. LITERATURE

### *2.1. Grand Theory: Resource Based Theory (RBT)*

The core idea of Resource-Based Theory is that the foundation of a firm's competitive edge lies in its distinctive and valuable resource base. In the banking sector, MAISQ and GCG are critical resources contributing to sustained success. To achieve a competitive edge, these resources must be valuable, rare, difficult to imitate, and non-substitutable (VRIN), according to RBT. Chae, Yang, Olson, and Sheu (2014) employed RBT to investigate the relationship between the management accounting information systems quality in the form of information technology (IT) capabilities and organizational performance. Horngren, Datar, and Rajan (2018); Barney (1991) and Organisation for Economic Co-operation and Development (OECD) (2015) show that RBT provides a framework for understanding how MAIS and GCG are essential components of a firm's competitive edge strategy and sustained financial success. By investing in robust MAIS and implementing strong GCG practices, companies can position themselves for sustainable growth and value creation.

### *2.2. Management Accounting Information Systems Quality (MAISQ)*

MAISQ are structured frameworks that employ various techniques to collect, process, manage, report, and retrieve financial data. These systems empower managers to make informed decisions (Baabdullah, Alalwan, Rana, Kizgin, & Patil, 2019). Quality of Management Accounting Information Systems is an internal structure that provides management with the accounting information necessary to plan, run, calculate, and organize business activities (Esmeray, 2016).

Information from management accounting has two purposes: to promote efficiency by giving management meaningful information to plan and regulate operations and to increase accountability by making information available to external users so they may assess cash flow and organizational performance (Chalu & Kessy, 2015).

### *2.3. GCG in Banking*

GCG lessens the "control rights" assigned to managers by shareholders and creditors, increasing the likelihood that managers will prioritize investments in projects that produce an opportunity with a favorable present value. Thus, transparency and fairness should be the cornerstones of the strategic alliance within committees and executives, ensuring equitable treatment of all stakeholders (Al-Faki, 2006). A global rush to implement bank governance principles and introduce investor confidence-boosting regulations ensued following the financial crisis. Developing economies reliant on external capital for investment particularly benefit from robust governance practices.

An effective public service, dependable legal systems, and a government that is accountable to its citizens are all examples of good governance. Maintaining the synergy of beneficial interactions between domains allows for the management of a strong, accountable, and effective government (state, public, private, and community). According to the Organization for Economic Cooperation and Development (OECD), the three pillars of fundamental aspects are interrelated and necessary to achieve effective governance. These are as follows: 1. Government, environmental, economic, and public management are more transparent. 2. Participation is the practical application of democracy, characterized by human rights, press freedom, and the public's right to express their thoughts and wishes. 3. Responsibility is the duty to communicate with the trustee, respond to his or her inquiries, and take responsibility for any successes or failures until the trustee is satisfied; otherwise, sanctions will be applied.

The division between ownership and management companies leads to problems with corporate governance, commonly referred to as agency issues. The OECD Corporate Governance Guidelines, developed by the organization for economic cooperation and development (OECD), include the following: 1. Transparency (information disclosure), particularly in the deliberation for solutions and in the open expression of important and pertinent facts about the organization. 2. Accountability (accountability), clarity of the company's roles, systems, and procedures, and accountability, so that the company's organs may manage it successfully. 3. Responsibility (accountability), specifically conformance (compliance), essentially refers to the adherence of a business to established standards, laws, and regulations. It ensures that the business operates within legal and ethical boundaries. 4. Independence (autonomy), or a nation where a professionally managed business operates in violation of applicable laws, regulations, and sound business practices while under pressure and influenced by conflicts of interest. 5. Equal and fair treatment of all stakeholders in enforcing their rights, which rise in accordance with applicable agreements and legislation The management of businesses that strive to achieve the following objectives embodies the concepts of corporate governance as previously outlined: 1. A General Shareholders' Meeting 2. Accessibility and Transparency 3. The presence of impartial commissioners 4. Size of the Board of Commissioners (5) The Audit Committee 6. Ownership arrangement.

### *2.4. Banking Performance*

All areas of business study have employed the notion of organizational performance, which is significant and constantly expanding. Defining and measuring organizational performance comprehensively remains elusive. While a consensus among academics leans towards integrating efficiency and effectiveness as core components, the broader concept encompasses both operational and financial outcomes (Santos & Brito, 2012).

### *2.5. Management Accounting Information Systems Quality's Impact on Banking Good Corporate Governance and Banking Performance*

Mashkour and Abbas (2018) emphasize the idea of the connection between management accounting information systems and excellent corporate governance, provided that this connection is advantageous to both parties. According to the author, MAISQ has an impact on the outcomes of GCG by reducing imbalances that may occur during the organization's accounting process and, which they adopt for disclosure because they are dedicated to the principles of GCG. An accounting information system is required to address the primary foundation upon which various governance norms rest. In this context, it's crucial to highlight that the output of the management accounting information systems provides accounting information that is grounded in the veracity, objectivity, integrity, and accuracy of financial statements. This information enables high-level governance by highlighting its foundational elements, guiding principles, and mechanisms. Advances in management accounting information systems have become an integral need for almost all enterprise organizations, both government and private, that play a role in providing support for improving the efficiency and effectiveness of performance and growth. Thus, formulating the research hypothesis:

*$H_1$: MAISQ affects the GCG in Banking.*

*$H_2$: MAISQ affects on Banking Performance.*

### *2.6. The Good Corporate Governance's Impact on Banking Performance*

Researchers found a negative correlation between board size and corporation's or bank's performance (Eisenberg, Sundgren, & Wells, 1998). Similar research has shown that smaller boards are more efficient and may even be advantageous because they are simpler to coordinate on. Large board sizes are more efficient than tiny board sizes. According to research, the composition of the board affects and regulates monitoring actions. A larger board is anticipated to better oversee management and enhance the operation of the bank or corporation (Hermalin & Weisbach, 2003).

The audit committee is a crucial element in executing Good Corporate Governance (GCG), as outlined by FCGI (2001). Established by the Committee, it supervises the corporation's management and processes in accordance with applicable laws, regulations, and ethical standards with the Decree of the Chairman of Bapepam Number: 29 / PM / 2004. According to Xie, Davidson, and DaDalt (2003) audit committees play a significant role in management control. In that research, the sample company's independent audit committee had an average size of 5 members, ranging from 2 to 12. The size of the audit committee determines how much influence it has over the company; a larger audit committee is anticipated to maintain a bank with higher performance. This study examined the impact of independent audit committee members on the performance of a company or bank. A clear positive association exists between the performance of an organization and the effectiveness of its independent audit committee. The presence of an independent audit committee is expected to enhance company performance. However, it requires the audit committee to be open, consistent with the audit charter, and have an annual program supported by regular meetings. Audit committees typically convene three to four times annually to discharge their responsibilities, including oversight of financial reporting systems. Regular audit committee meetings are crucial for enhancing the committee's effectiveness. Increased meeting frequency is expected to positively impact the audit committee's performance. Members possessing financial reporting and auditing expertise are instrumental in providing essential support to external auditors. Audit committee members require a strong foundation in accounting and auditing to effectively mediate disputes between management and external auditors. Disagreements between these parties can significantly impact a company's performance (Alijoyo, 2003; FCGI, 2001).

From the description above so formulated hypothesis:

*$H_3$: GCG affect Banking Performance.*

### *2.7. The Management Accounting Information Systems Quality's Impact on Banking Performance Mediated by Good Corporate Governance*

A competent management accounting information system, according to them, can result in good financial management (transparent, accountable, and participatory). As is the case, research indicates a strong correlation between accounting information quality and the effectiveness of corporate governance, highlighting the pivotal role of accounting information in the governance process (Abdallah, 2013; Bushman & Smith, 2001; Byard, Li, & Weintrop, 2006).

An independent audit committee member evaluates a company's or bank's performance as part of corporate governance. According to the findings of their study, the performance of the organization is positively impacted by the independent audit committee's members. An independent audit committee is intended to improve the company's performance.

From the description above, a hypothesis is formulated:

*$H_4$: MAISQ affects banking performance through GCG.*

## 3. METHODOLOGY

This research adopted a research design using a survey methodology to examine the perceptions of Indonesian banking employees regarding 250 marketing managers, 260 accounting managers, and 260 customer service managers. With a total of 770 respondents from 260 private banks. Using SEM PLS to test the influence between management accounting information system quality, GCG in banking and banking performance.

### *3.1. Variable Measurement*

Uyar, Gungormus, and Kuzey (2017) draw the Management Accounting Information System. Quality (MAISQ) is that system that provides managers with the necessary financial and operational information to aid in effective planning, control, and decision-making activities within an organization. The system is crucial in ensuring good practices in corporate governance through the provision of timely, accurate, and relevant information. The study identified the following principal dimensions and indicators:

1. Bookkeeping System (BK): refers to the efficiency of the system in recording financial transactions, hence ensuring accuracy and reliability.

   BK 1 A company establishes comprehensive policies and procedures to standardize the recording of accounting transactions.

   BK 2 Transaction recording and verification duties are assigned to different staff members to ensure segregation of duties.

   BK 3 Documents typically require signatures from both the preparer and the recipient to validate their authenticity and acceptance.

   BK 4 Clear procedures outline the authorized use of existing accounts.
2. Financial Reporting (FR) assesses the capability of the system to generate financial statements that adhere to established standards and provide transparency for stakeholders.

   Compliance with Financial Standards (SA): Takes into consideration the system's compliance with national or international accounting regulations, such as Indonesian Financial Accounting Standards.

   FR 1 The statement indicates that businesses often prepare financial reports beyond the mandatory legal requirements.

   FR 2 Comprehensive internal financial analysis reports are prepared annually to inform strategic decision-making.

   FR 3 Management utilizes financial statement data to assess and evaluate organizational performance.
3. Standard Accounting (SA) refers to using standard accounting in preparation financial statements.

   SA 1 By adhering to Indonesian financial accounting standards (SAK), companies ensure consistency, comparability, and reliability in their financial reporting.

   SA 2 Indonesian Financial Reporting Standards guide the preparation of financial statements.
4. Budget System (BS): Evaluates the function of the system in facilitating efficient budget formulation, oversight, and distribution of resources within the organization.

   BS1 Having a distinct budgeting unit facilitates enhanced enterprise planning and control capabilities.

   BS 2 The operational budget is routinely crafted and adjusted as needed.

   BS 3 The operating budget is used in retrieval and managerial decisions.

Good Corporate Governance (GCG), as articulated by Uyar et al. (2017) encompasses the system of regulations, practices, and methodologies by which a corporation is managed and governed. GCG emphasizes the duties of the board of directors and executive management to uphold transparency, accountability, fairness, and effectiveness in the pursuit of the organization's long-term goals. Its purpose is to harmonize the interests of diverse stakeholders, such as shareholders, management, customers, suppliers, financiers, governmental entities, and the community at large.

Uyar et al. (2017) outlined the dimensions of good corporate governance (GCG).

The framework of Good Corporate Governance (GCG) presented by Uyar et al. (2017) can be categorized into several essential dimensions and indicators, which are assessed through a systematic questionnaire. These dimensions consist of:

Transparency and Information Sharing:

CG1: The organization regularly informs its employees about its medium- and long-term strategic plans.

CG2: Medium- and long-term plans cascade the strategic direction of the company.

CG12: Meeting discussions are documented for reference and accountability.

Risk management and continuity:

CG3: The exit of essential personnel does not interfere with business functions.

CG7: To guarantee leadership continuity, each senior executive has developed a succession plans.

Effective communication and collaboration:

CG4: Productive meetings are held in which everyone discusses relevant issues collectively.

CG8: To ensure concentration and effectiveness, meetings follow a predetermined agenda.

Internal Auditing and Accountability:

CG5: Internal audits involve department heads and specialists, ensuring objectivity and inclusivity in assessments.

CG9: A written code of conduct governs organizational processes and interdepartmental relationships.

Organizational structure and decision-making:

CG6: A concise and documented account of the roles, rights, and responsibilities of employees is provided.

CG10: The company has a system of predetermination regarding organizational decisions.

CG11: Every position in the company has a documented description.

Equity within Human Resource Management:

CG13: There is a fair remuneration policy to ensure equitable remuneration. CG14: Personnel are selected based on objective criteria to ensure fairness. CG15: Assessment of employee performance is done fairly, using objective criteria. CG16: The selection of employees is in line with the requirements of the position. CG17: Performance evaluations are based on explicit and recorded criteria. These dimensions are the basic domains of evaluation that appraise the quality of corporate governance practices within organizations with a view to ensuring that principles fostering sustainability and accountability are complied with.

Banking Performance is increasing the synergy of every stakeholder in the banking industry to be ready to provide the best response in neobank or open banking transformation readiness.

1. Efficacy: E1, Implementation of fast, easy, and convenient bank management
2. Efficiency: E2, The process of change takes place with optimal financial resources, time, and labor
3. Effectiveness, E3, Achievement of the performance index set by the overall management of the bank's development process
4. Elegance, E4, Achievement of the change resistance index for employees of this bank company
5. Ethicality, E5, The management process is morally and ethically acceptable to stakeholders.

### *3.2. Data Analysis*

Data analysis using SEM PLS (Hair, Risher, Sarstedt, & Ringle, 2019) to test influence between all indicators of management accounting information systems quality, good corporate governance and banking performance. The analysis includes a total of 770 respondents from 260 private banks.

### *3.3. Research Methods and Research Design*

The research method is a quantitative method using statistics descriptive and statistical inference with 3 hypotheses and with a research design explorative. The Figure 1 describes the research design and the result of SEM PLS.

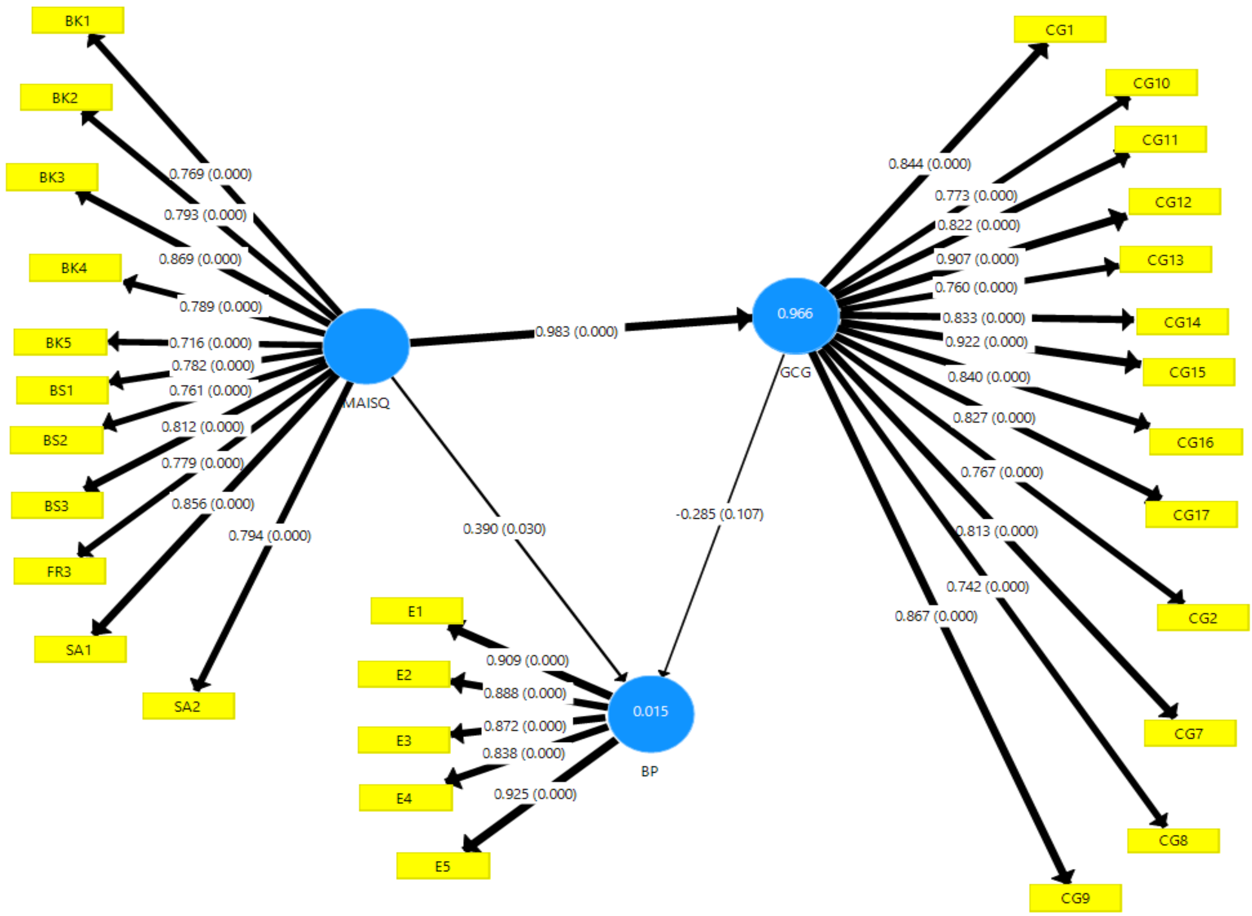


**Figure 1.** Conceptual model in smart PLS.

**Note:** MAISQ: Management accounting information systems quality.
GCG: Good corporate governance.
BP: Banking performance.

## 4. RESULTS

With respondents, 57% were men, 43% were women and the majority were 36-40 years old 39%. Most auditors had substantial work experience, with 42% in the 11-15 year range. Notably, 34% of respondents held customer service positions.

Table 1 Respondents describe composition of gender, ages, education, experience and position of all sample of respondents

**Table 1.** Respondents.

| Description | Total n=770 | (%) |
|---|---|---|
| Sex | | |
| Man | 440 | 57% |
| Woman | 330 | 43% |
| Years old | | |
| 23-30 years old | 75 | 10% |
| 31-35 years old | 200 | 26% |
| 36-40 years old | 300 | 39% |
| 41-45 years old | 125 | 16% |
| 46-50 years old | 70 | 9% |
| Education degree | | |
| Bachelor degree | 475 | 62% |
| Master's degree | 295 | 38% |
| Experience | | |
| 3-9 years | 300 | 39% |
| 10-15 years | 320 | 42% |

| Description | Total n=770 | (%) |
|---|---|---|
| 16-20 years | 100 | 13% |
| 21-25 years | 50 | 6% |
| Position | | |
| Marketing manager | 250 | 33% |
| Accounting manager | 260 | 34% |
| Customer service | 260 | 34% |

### *4.1. Validity and Reliability*

Table 2 presents descriptive statistics, including mean and standard deviation. The study assessed the instrument's validity by examining discriminant and convergent validity. Discriminant validity confirms that the construct is distinct from other constructs, meaning it accurately measures the intended concept. The results, shown in Table 3, indicate that the square root of the Average Variance Extracted (AVE) for each construct is larger than its correlation with other constructs, satisfying the distinction between constructs criterion. Factor loading evaluate the consistency between measures (Table 2).

**Table 2.** Descriptive stats. and factor loadings.

| Variables | Indicators | Sample means | Standard deviation | Factor loadings | P-value |
|---|---|---|---|---|---|
| MAISQ | BK1 | 0.770 | 0.015 | 0.769 | 0.000 |
| | BK2 | 0.793 | 0.020 | 0.793 | 0.000 |
| | BK3 | 0.870 | 0.013 | 0.869 | 0.000 |
| | BK4 | 0.790 | 0.012 | 0.769 | 0.000 |
| | BK5 | 0.718 | 0.024 | 0.716 | 0.000 |
| | BS1 | 0.783 | 0.020 | 0.782 | 0.000 |
| | BS2 | 0.762 | 0.016 | 0.761 | 0.000 |
| | BS3 | 0.812 | 0.019 | 0.812 | 0.000 |
| | FR3 | 0.779 | 0.011 | 0.779 | 0.000 |
| | SA 1 | 0.856 | 0.013 | 0.856 | 0.000 |
| | SA 2 | 0.795 | 0.016 | 0.844 | 0.000 |
| Good corporate governance | CG1 | 0.845 | 0.016 | 0.773 | 0.000 |
| | CG10 | 0.774 | 0.016 | 0.822 | 0.000 |
| | CG11 | 0.821 | 0.019 | 0.907 | 0.000 |
| | CG12 | 0.907 | 0.010 | 0.760 | 0.000 |
| | CG13 | 0.761 | 0.018 | 0.833 | 0.000 |
| | CG14 | 0.833 | 0.018 | 0.922 | 0.000 |
| | CG15 | 0.922 | 0.008 | 0.840 | 0.000 |
| | CG16 | 0.841 | 0.010 | 0.827 | 0.000 |
| | CG17 | 0.829 | 0.017 | 0.767 | 0.000 |
| | CG2 | 0.769 | 0.017 | 0.813 | 0.000 |
| | CG7 | 0.814 | 0.021 | 0.742 | 0.000 |
| | CG8 | 0.742 | 0.020 | 0.867 | 0.000 |
| | CG9 | 0.868 | 0.012 | 0.844 | 0.000 |
| Banking performance | E1 | 0.903 | 0.034 | 0.909 | 0.000 |
| | E2 | 0.883 | 0.041 | 0.888 | 0.000 |
| | E3 | 0.873 | 0.035 | 0.872 | 0.000 |
| | E4 | 0.827 | 0.061 | 0.838 | 0.000 |

**Table 3.** Discriminant validity.

| Fornell-Larcker criterion | Banking performance | Good corporate governance | Management information systems quality |
|---|---|---|---|
| Banking performance | 0.887 | **- (No relation in matrix)** | **- (No relation in matrix)** |
| Good corporate governance | 0.098 | 0.826 | **- (No relation in matrix)** |
| Management information systems quality | 0.110 | 0.983 | 0.794 |

**Table 4.** Convergent validity and reliability.

| Variable | Average variance extracted (AVE) | Cronbach's alpha | Composite reliability |
|---|---|---|---|
| Banking performance | 0.786 | 0.932 | 0.948 |
| Good corporate governance | 0.682 | 0.961 | 0.965 |
| Management accounting information systems quality | 0.630 | 0.941 | 0.949 |

From Table 4, it shows that Cronbach's alpha and composite reliability values are above 0.90 and AVE values are above 0.5; the data of research respondents is valid and reliable.

### *4.2. Hypotheses Analysis*

The R2 value was 96.6%. This finding that Management Accounting Information Systems Quality (96.6%) can explain Good Corporate Governance. Other variables outside the model explained remaining 3.4 %. Tests on the f2 were carried out to see how much the construction contributed to the R2 value. An f2 value of 0.02 is considered small, 0.15 is considered medium, and 0.35 is considered large. The f2 value of Good Corporate Governance affect banking performance was 0.03 (p-value:0.488), and the f2 value of management accounting information systems quality affecting banking performance was 0.05 (p-value:0.344), the f2 value of management accounting information affect Good Corporate Governance was 28,413 (p-value: 0.000). Table 5 displays the results of the hypothesis testing.

**Table 5.** Hypotheses results.

| Model | Coefficient | T-statistics | p-value | Result |
|---|---|---|---|---|
| MAISQ -> GCG | 0.983 | 479.843 | 0.000** | H1 supported |
| MAISQ -> BP | 0.390 | 2.058 | 0.040* | H2 supported |
| GCG -> BP | -0.285 | 1.518 | 0.130 | H3 unsupported |
| MAISQ -> GCG -> BP | -0.280 | 1.518 | 0.130 | H4 unsupported |

**Note:** $^{**}p < 0.01$ $^{*}p < 0.05$.

The results indicate that Hypothesis 1 (H1) was supported with a coefficient of 0.983 and a p-value of 0.040. Hypothesis 3 (H3) was initially unsupported with a coefficient of -0.285 and a p-value of 0.130. However, further analysis revealed support for H3 with a beta coefficient of 0.390 and a p-value of 0.000. Hypothesis 4 (H4) was not supported, as indicated by a beta coefficient of -0.280 and a p-value of 0.130.

## 5. DISCUSSION

This research showed Management Information Accounting Systems Quality has a strong positive influence on Good Corporate Governance in Private Banks because good implementation of Management Accounting Information Systems Quality in bookkeeping, budget systems, financial reporting, and standard accounting has an impact on improving Good Corporate Governance. Private banks are the leaders of implementation technology in business. The management in private banking has to be good at updating technology in business and accounting and reporting financial statements in implementation, improving good corporate governance and banking performance. This aligns with previous research by Nguyen, Nguyen, and Duong (2023); Abdallah (2013); Byard et al. (2006) and Bushman and Smith (2001) that showed a significant influence between Management Accounting Information System Quality and GCG and banking performance.

But implementation of Good Corporate Governance not impact improving Banking Performance significantly, Good Corporate Governance has a negative relation to Banking Performance but not significantly because factors in GCG like transparency, accountability, responsibility, and fairness are good enough but not optimal in implementation training and compliance, so it does not impact banking performance.

## 6. CONCLUSION AND CONTRIBUTIONS

### *6.1. Study Findings and Conclusion*

This study focuses on the relationships that exist among the qualities of the Management Accounting Information Systems, Good Corporate Governance, and Banking Performance.

#### *6.1.1. Key Findings*

- H1 Supported: MAISQ has a positive and significant effect on GCG (β = 0.983). This aligns with previous research demonstrating that high-quality accounting information systems support good governance practices.
  Tools like bookkeeping, financial reporting, accounting standards, and budgeting systems contribute to strong GCG.
- H2 Not Supported: Surprisingly, GCG does not have a significant positive effect on BP. This is consistent with Fanandi and Asfiah (2022) suggesting that GCG implementation in Indonesian banking might not be optimal. The positive impact could be hindered by factors such as incomplete transparency, accountability, and independence.
- H3 Supported: MAISQ has a positive and significant effect on BP. This aligns with the idea that good financial management practices (transparency, accountability) lead to better performance. High-quality accounting information is crucial for effective decision-making and financial management.
- H4 Not Supported: The mediating effect of GCG between MAISQ and BP is not supported. This contradicts previous research suggesting that good governance practices act as a channel for the positive influence of AIS quality on performance.

#### *6.1.2. Overall*

- The research highlights the importance of high-quality MAIS for achieving good corporate governance in the banking sector.
- The lack of significant impact of GCG on BP suggests potential shortcomings in GCG implementation practices in Indonesian banking.
- While MAISQ has a direct positive impact on BP, the mediating role of GCG appears to be less evident in this case.

#### *6.1.3. Further Research*

- Investigate the specific reasons behind the lack of a strong GCG-BP relationship in Indonesian banking.
- Explore alternative mediating variables that could explain the link between MAISQ and BP.

This study provides valuable insights for banks in Indonesia. It emphasizes the need to:

- Invest in MAISQ to improve and support good governance practices.
- Address potential weaknesses in GCG implementation to maximize its positive impact on performance.

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**Institutional Review Board Statement:** The Ethical Committee of the LPPM Maranatha Christian University, Indonesia has granted approval for this study on 8 August 2022 (Ref. No. 4178).
**Transparency:** The authors state that the manuscript is honest, truthful, and transparent, that no key aspects of the investigation have been omitted, and that any differences from the study as planned have been clarified. This study followed all writing ethics.
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## Research questionnaire

**Table 1A.** Quality management accounting information system- 29 indicators questionnaire.

| No. | Management accounting information system evaluate the following statement taking into account theapplication. In your company. BK: Bookkeeping systemFR: Financial reporting SA: Indonesian financial accounting standards BS: Budget system | STS (No need for any) | TS (None) | Neutral (Plan exists) | S (There/Is/Is not mandatory) | SS (Existing/Mandatory) |
|---|---|---|---|---|---|---|
| BK 1 | A company establishes comprehensive policies and procedures to standardize the recording of accounting transactions. | | | | | |
| BK 2 | Transaction recording and verification duties are assigned to different staff members to ensure segregation of duties. | | | | | |
| BK 3 | Documents typically require signatures from both the preparer and the recipient to validate their authenticity and acceptance. | | | | | |
| BK 4 | Clear procedures outline the authorized use of existing accounts. | | | | | |
| FR 1 | The statement indicates that businesses often prepare financial reports beyond the mandatory legal requirements. | | | | | |
| FR 2 | Comprehensive internal financial analysis reports are prepared annually to inform strategic decision-making. | | | | | |
| FR 3 | Management utilizes financial statement data to assess and evaluate organizational performance. | | | | | |
| SA 1 | By adhering to Indonesian financial accounting standards (SAK), companies ensure consistency, comparability, and reliability in their financial reporting. | | | | | |
| SA 2 | Indonesian Financial Reporting Standards guide the preparation of financial statements. | | | | | |
| BS1 | Having a distinct budgeting unit facilitates enhanced enterprise planning and control capabilities. | | | | | |
| BS 2 | The operational budget is routinely crafted and adjusted as needed. | | | | | |
| BS 3 | The operating budget is used in retrieval. managerial decisions. | | | | | |

**Source:** Uyar et al. (2017).

**Table 2A.** Good corporate governance questionnaire.

| No. | Good corporate governance (GCG) in general Evaluate the following statement taking into account.application in your company. | STS (No need forany) | TS (None | Neutral (Plan exists) | S (There/Is/Is not mandatory) | SS (Existing/Mandatory) |
|---|---|---|---|---|---|---|
| CG1 | Employees are informed about the corporation's medium and sustained plans. | | | | | |
| CG2 | Employees are informed about the company's strategic direction through the communication of medium and long-term plans. | | | | | |
| CG3 | The departure of individuals does not endanger business operations | | | | | |
| CG4 | We (The bank company) have productive meetings where everyone has the same things/Issues to discuss together. | | | | | |
| CG5 | In internal audits, in addition to our family members also including department heads and specialists in the assessment process | | | | | |
| CG6 | A description of the employee's job, rights and responsibilities is written | | | | | |
| CG7 | We (Bank company) have a succession plan for every top manager | | | | | |
| CG8 | Meetings have a planned agenda | | | | | |
| CG9 | We (The bank company) have a written code of conduct specifically for the organizational process and for the relationship among the department. | | | | | |
| CG10 | We (The bank company) have a predetermined system for decision making | | | | | |
| CG11 | We (The bank company) have written job descriptions for each position. | | | | | |
| CG12 | We (The bank company) always record the matters discussed in our meeting meetings. | | | | | |
| CG13 | There is a fair remuneration policy of the company | | | | | |
| CG14 | Objective criteria are used in personnel selection | | | | | |
| CG15 | Everyone's performance is judged fairly | | | | | |
| CG16 | Selection of employees is carried out based on the requirements of the position | | | | | |
| CG17 | Everyone's performance is judged on clear and written rules. | | | | | |

**Source:** Uyar et al. (2017).

**Table 3A.** Banking performance questionnaire.

| No. | Banking performance (BP)<br>E1: Efficacy | STS | TS | Neutral | S | SS |
|---|---|---|---|---|---|---|
| | E2: Efficiency<br>E3: Effectiveness<br>E4: Elegance<br>E5: Ethicality | (No need for any) | (None | (Plan exists) | (There/Is/Is not mandatory) | (Existing/Mandatory) |
| E1 | Implementation of fast, easy and convenient bank management | | | | | |
| E2 | The process of change takes place with optimal financial resources, time and labor | | | | | |
| E3 | Achievement of the performance index set by the overall management the bank's development process | | | | | |
| E4 | Achievement of the change resistance index for employees of this bank company | | | | | |
| E5 | The management process is morally and ethically acceptable to stakeholders. | | | | | |

**Source:** Prasetyo, Soetomo, and Mashudi (2021).