

UNIVERSITI TEKNOLOGI MARA

**THE INTERVENING IMPACT OF
MAS EFFECTIVENESS ON THE
RELATIONSHIP BETWEEN
CONTINGENT VARIABLES AND
ORGANIZATION PERFORMANCE:
A STUDY OF LIBYAN BANKING
AND PETROLEUM ORGANIZATIONS**

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Thesis submitted in fulfilment
of the requirements for the degree of
Doctor of Philosophy

Faculty of Accountancy

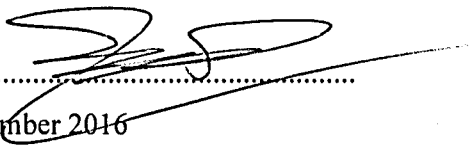
September 2016

AUTHOR'S DECLARATION

I declare that the work in this thesis was carried out in accordance with the regulations of Universiti Teknologi MARA. It is original and is the result of my own work, unless otherwise indicated or acknowledge as referenced work. This thesis has not been submitted to any other academic institution or non-academic institute for any degree or qualification.

I, hereby, acknowledge that I have been supplied with the Academic Rules and Regulations for Post Graduate, Univeristi Teknologi MARA, regulating the conduct of my study and research.

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ABSTRACT

This study is undertaken with the purpose of examining the relationship between management accounting system effectiveness (MASE) and organization performance (OP). Specifically the research seeks to figure out what are the benefits derived from MAS that OP could have from what expected to be the main influences in MASE. Moreover, the research concentrates on MASE that resulted from contingent factors, organizational coordination and control requirements (OCCR) and information quality IQ. In particular, examine the effect of MASE arising from OCCR and IQ on OP with regard to individual impact (INIM) in developing countries' concept, the case of Libya. More specifically, IQ as one of the MAS requirement and OCCR which consist of information interdependence (INFIN), formalization (FO) and information inter-organization (INFORG) are the selected contingent variables, with MASE modelled as intervening mechanism between these contingent variables, and OP. This study also looks for evidences about the effectiveness of suitability of MAS' information from system users' perspective (perceptions of MAS's end users such as CEOs). Previous researchers have realized the contribution of information technology (IT) in improving the individual performance chiefly in terms of productivity and effectiveness (Iivari, 2005a). The study is beneficial and significant because it supports the need to consider individual and environmental factors together. The expected outcome of the research is that MASE that rose from the impact of the contingent variables has a direct positive impact on OP. Also the relation between system effectiveness and performance may effected by INIM. In addition, using users who work in companies that are working in a developing country, Libya, and have adopted sophisticated systems, those systems help exchange information between departments and other companies electronically as the population of this study is a useful for this research because of the fundamental changes that Libyan economic have especially after the lifting of the embargo on Libya which took place April 1999 when the UN Security Council had suspended the sanctions imposed on Libya and by 2003 the sanctions was terminated. This change has created a good environment for researchers to conduct studies because, recently, some of the current organizations have adopted advanced systems such as communication, banking and oil and gas companies (Twati, 2008, Leftesi, 2008) , and hence the existence of the knowledge that individuals gained to evaluate these systems after they have got practical experience in both advanced and traditional systems. A quantitative approach was chosen for this study using items from previous studies. The result shows significant mediating effect of MAS effectiveness on the relationship between the chosen contingent variables and organization performance and the comprehensive measurement contributed in this study shows a satisfied result. However individual impact shows weak moderating impact and the end user satisfaction and MAS usefulness show different impact on organization performance. In conclusion, this study is seeking to develop the above by relaying on an existent established knowledge of the literature that studied both AIS and MAS's variables (contingency perspective) and tools (Nicolaou, 2000, Chenhall and Morris, 1986, Rom and Rohde, 2007) and the contribution of this study was clearly recognised.

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In the name of Allah, Most Gracious, Most Merciful. Praise and peace be upon His beloved Prophet Mohammad S.A.W., his family and his companions from whom, and by the will of Allah we escape darkness into enlightenment.

It is important to note that reward in Islam is contingent upon the effort and not the achievement as the prophet said: Whosoever puts an effort and succeeds have two rewards and whosoever puts an effort and fails has one reward. (Reported by Abu Dawud)

With this thesis, the long journey of my PhD studies in Malaysia has come to an end. I reflect on the years that I spent for this dissertation; I recall all of the enthusiasm, challenges, successes, and frustrations that I went through. They were all about being part of a journey that required self-determination, curiosity, and patience.

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TABLE OF CONTENTS

	Page
CONFIRMATION BY PANEL OF EXAMINERS	i
AUTHOR'S DECLARATION	ii
ABSTRACT	iii
ACKNOWLEDGEMENTS	iv
TABLE OF CONTENTS	v
LIST OF TABLE	xi
LIST OF FIGURES	xiv
LIST OF ABBREVIATIONS	xvi
CHAPTER ONE: INTRODUCTION	1
1.1 Background of The Study	1
1.2 Problem Statement	5
1.3 Research Questions	8
1.4 Research Aims and Objectives	9
1.5 Significance of Study	9
1.6 Scope and Limitation of The Study	10
1.7 Definition of Terms	10
1.7.1 Management Accounting System Effectiveness	10
1.7.2 Information Quality:	11
1.7.3 Organizational Coordination and Control Requirements:	11
1.7.4 Individual Impact:	11
1.7.5 Organization Performance:	12
1.8 Organization of the study:	12
CHAPTER TWO: LITERATURE REVIEW	15
2.1 Introduction	15
2.2 Brief history of management Accounting System Effectiveness	16
2.3 Management Accounting System Effectiveness (MASE)	21