



Information Management' and Semi Information's Effects on a Company's Future

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DESCRIPTION

This work intends to create and assess a model that seeks to quantify the effects of Internal Control System Quality, Non-Financial Information Quality, and Accounting Information System Quality on business success. With information gathered from the management of 381 Portuguese enterprises, this approach is empirically evaluated. We analyse the causal connections between several constructs using structural equation modelling. The findings demonstrate that the effectiveness of information and control systems (accounting and internal control) has a direct impact on the quality of non-financial information and an indirect impact on successful decision-making. The findings also show that while quality non-financial information indirectly influences decision-making success, it does not directly affect non-financial performance. The exploratory factors are significant in explaining 62% of the variance in the organizations' non-financial performance. Prior studies have mostly concentrated on the reliability of financial information and financial performance. The success of businesses is first demonstrated empirically in this study by the positive effects that information and control systems have on the transparency and value-relevance of non-financial information.

Companies nowadays must quickly react to the rapidly transforming business environment. Due to the abundance of data that managers are exposed to in this setting, they must transform it into knowledge that is useful for making decisions. Because managers and other stakeholders depend on information systems to create usable and high-quality information, information systems are crucial to business management. The most current research emphasizes the significance of taking a wide range of non-financial factors into account when making decisions, in addition to financial data. Numerous studies emphasize the relationship between financial and non-financial information. For instance, researchers using a sample of cellular phone companies came to the conclusion that the non-financial information they examined is value-relevant both on its own and in addition to the financial information,

and that the financial information is value-relevant after the inclusion of both. In actuality, non-financial information affects managers' decision-making behavior.

The accounting information system, a computer-based system that strengthens organizational control, needs to be adjusted to the organizational requirements for communication and control of information, according to research in the disciplines of accounting and decision-making. An important source of accounting information that aids in the management and control of elements within a company's economic-financial domain is an accounting information system, which is defined as a system that gathers and processes data in terms of money. The efficacy of decision management and control in organizations is largely dependent on the accounting information systems, which are regarded as significant organizational mechanisms. In addition to providing traditional accounting controls, an accounting information system "provides financial information that is important to monitor and manage organizational resources." According to the research, a strong internal control system can help an accounting information system preserve its qualitative characteristics. The International Standards on Auditing state that an internal control system should form the cornerstone of every company's development strategy and aid in effectively organizing and managing all of its operations. Additionally, internal control helps provide accurate financial data that accurately depicts how a company actually conducts business.

According to earlier research, the effectiveness of internal controls and accounting information systems are two factors that influence the quality of accounting information, which in turn affects decision-making and corporate success. Evidence suggests that the effectiveness of the internal control system affects decision-making success both directly and indirectly through the value of the accounting data. It was shown that the effectiveness of internal controls has a direct impact on the accuracy of financial information and a secondary impact on the success of decision-making. Emphasize the value of information other than

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financial information. Non-financial information has actually drawn more and more attention in recent years from academics and organizations since it can affect a company's success.

No research evaluating the significance of information and control systems for the Non-Financial Information Quality and the contributions of this variable to business success have been

found. The current findings provide "first-hand" evidence that the quality of information and control systems enhances the non-financial information quality, which in turn helps Portuguese businesses succeed. Successful decision-making and subsequent Non-financial Performance are discussed, with a focus on its determinants, and the test's hypotheses are laid out.