

## **IMPACT OF ACCOUNTING INFORMATION SYSTEM (AIS) ON ORGANIZATIONAL PERFORMANCE. A STUDY OF SMES IN THE SOUTHERN PROVINCE, SRI LANKA**

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### **Abstract**

In recent times, the business environment has been constantly changing due to rapid technological changes. In this scenario, the composite and impulsive business dynamics play a significant role of Accounting Information System (AIS) as the major driver of the economic and business discourse. To determine the effect of AIS on organization performance globally, many studies have been conducted. However in the Sri Lankan context, this is less researched. Therefore, the purpose of this research is to investigate the impact of accounting information system (AIS) on organizational performance of southern province Sri Lanka. Three AIS components—accounting knowledge (AK), management support (MS), and record keeping performance (RKP) have been chosen for the right reasons with the help of literature. This research has used all the small and medium enterprises in Southern Province, Sri Lanka, as the population, which was approximately more than 800 enterprises (SMEs) in Southern Province, Sri Lanka. and 100 companies were selected as the sample for the study. A structured questionnaire has been utilized to collect data from 100 respondents working in the Southern Province of Sri Lanka, SMEs who were previously selected through convenience sampling. In this study, multiple correlation and regression analysis are used to analyze the data. According to the findings, AK and RKP have a strong positive relationship with organizational performance, while MS has a moderately favorable relationship with the reported profitability of those SMEs. The findings of this study will be useful for accountants or finance managers to ease the collection, analysis, and preparation of financial statements and reports to be presented. This research will help them understand what an accounting information system is as well as how to follow the process of designing one. The results are expected to be beneficial for further research in wider scope in future.

**Keywords:** *Accounting Information System, Organizational performance, Accounting Knowledge, Record keeping performance, Management support*