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| Research Article

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The Impact of Adopting Accounting Information Systems on Improving the Quality of Earnings

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Abstract: In this vein, the purpose of this study is to examine the effect of AIS adoption on enhancing profitability. The study underscores the role of accounting information systems in enhancing governance practices, promoting innovation and enhancing financial stability that contribute to the financial performance of listed firms. The study also revealed that organizations with an effective management accounting information system outperformed others on measures as return on assets and equity, in addition to maintaining higher care standards such as the transparency and heads up financial statements disclosure practices. One of the more interesting discoveries was that firms which instituted policies to facilitate acceptance and use of integrated accounting information systems reported an 18% higher financial performance in returns. The results also reveal that company size and the role of the company in increasing and improving QoE vary inversely, as large companies are more likely to apply accounting information systems among their management teams The researchers suggest (1) formulating policies which facilitate the appearance of AIS, encouraging small business-es to adopt practices and methods that contribute towards improving Q o E, qualifying information systems personnel by conducting training programs; creating government law s support ing AIS programs; activating coop eration with similar companie s that play the race. Firms also need to reveal data on earnings quality to increase transparency and trust with investors. The study indicates that information systems are a critical element in promoting earnings quality and the sustainability of Iraqi companies.

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Introduction:

With the economic environment changing at an unprecedented pace and continual calls for improved transparency and management quality, there is increasing interest in the role of accounting information systems (AIS) in boardrooms from academia as well as business practitioners. Information Systems and Business: On the importance of IS for modern business: es

at the Information Systems ”21 ist ish po International Conference, Oslo 2018 \A9 The Author(s) ABSTRACT This work discusses and reflects on the nature... This is apparently a very positive trigger for innovativeness and decision-making. The inclusion of people from various backgrounds, perspectives, and recent programs ensures an organization that is fun for all. (1)

The case of the Iraqi market is similar to most global VR markets with insufficient presence of a corresponding information systems program at influential levels. Nevertheless, it is important to gain more insight into how this representation impacts firms' financial and organizational outcomes. The quality of earnings can help it (the financial statement) to be more sustainable and innovative in Baghdad Stock Exchange based on the intersection between economic difficulties with its unique cultural, and social features [2]. The relationship between the behavioral role of information system and the quality of financial management: An applied study on the companies listed on Iraqi stock exchange This study is purposed to demonstrate about The effect of Information Systems roles in income quality and accounting performance For companies listed in the Iraq Stock Exchange. The research also seeks to contribute to enhancing better governance processes and assist in enriching the discussion on a more balanced participation of diversity within Iraqi business.

Research Methodology:

First: Research Problem

Even though it becomes the global trend to increase information systems' roles create profit, Iraqi companies' boards of directors were constituted with low level of information systems representations. This problem creates inquiries to effects the weakness on the governance mechanism and earnings quality of companies listed in the BSE. When the information systems are weak, does corporate management become both less transparent and less efficient? And what does this mean for the financial performance and earnings quality? The problem of the study The research is based on research focusing on the effects of IS/IT on business in Iraq. We will fill the gap with this study, which focuses on the effect of accounting information system position and management quality attribute toward financial performance for listed company.

Second: Why Not to Shoot Down RustyBooks memes can be fun, but...

Significance This research is significant in that it deals with an important issue directly related to the business climate within Iraq. The study adds to the body of knowledge beyond known boundaries on the role of IS in governance improvement practices and improved administrative effectiveness. It can also help the decision-makers formulate policies, laws that foster the use of state-of-the-art information systems software, improve the business climate, and stimulate economic development. In addition, this study contributes to the understanding of the impact of information systems on earnings quality and enhances investors' ability to assess their investments. It also enables businesses to develop environmentally sustainable practices that contributes to their financial success and competitive advantage. In the context of the Iraqi economy, which struggles with numerous pressures and challenges such as economic sustainability and social development; information system forces must be empowered for realizing SDGs in Iraq. Hence, this research is very important for looking at the factors that influence on IBP of Iraqi businesses in particular and its applications also are on every emerging market as well.

Third: Research Objectives

1. To determine the level of accounting information systems in the boards of directors of companies listed on the Baghdad Stock Exchange.
2. To evaluate the impact of information systems on the management System.

3. A study of the relationship between the role of information systems and profitability.
4. Recommendations for improving the role of information systems in the Iraqi business environment.

Fourth: Research Hypotheses

1. There is a statistically significant positive relationship between the role of information systems in boards of directors and the level oftransparency in the management system.
2. The role of information systems in boards of directors contributes to improving the quality of companies' financial earnings listed on the Baghdad Stock Exchange.
3. The existence of effective policies to support accounting information systems programs leads to increased efficiency in decision-making within companies.
4. Companies with a high level of information systems presence achieve better financial performance compared to companies lacking this diversity.

Fifth: Research Sample

Sample Type: Stratified random sample. Selected based on the different sectors covered by companies listed on the Baghdad Stock Exchange, to ensure balanced representation of various business sectors.

Sample Size: 50 companies listed on the Baghdad Stock Exchange-

Selection Criteria

1. Companies listed on the Baghdad Stock Exchange for at least three years.
2. A functioning board of directors consisting of at least five members.
3. Companies that submit regular annual financial reports.

Sample Distribution:

- Sectors such as industry, trade, services, and banking
- A specific number of companies are selected from each sector based on their representation on the Baghdad Stock Exchange.
- Data Collection Method
- -Questionnaires are distributed to executives and board members, ensuring coverage of each sector to guarantee fair representation.

Theoretical Framework:

Background: Accounting information systems (AISs) are instrumental in determining organizational performance among numerous financial institutions globally. Lately, there has been greater demand for information systems to play a more active role in different business fields. This also applies to banks and stock markets. Information systems Direct to better management decision and multiple effect on administration quality in the administrative system and profit quality in Financial market (Baghdad Stock Exchange). [3]

1. The idea about the role of information systems: All information sharing has the role of information systems; but in this case, it is considered as an equal representation where a system and profits share alike at work places. At the financial level, this diversity may vary from simply having information systems inside companies to being involved in strategic decision-making that affects organizational success. [4]

2. The Role of Information Systems And Admin System: Financial management in banks is fundamental for their sustainability and development, the administrative system also has a significance role to play with in order to improve confidence level of clients at first and shareholders on the second level en sub diagnosie dogma. From this perspective, there is a study focused on the role of accounting information systems in the shaping work culture. The sense of decision-making and openness - two feet on the ground that can lead to an improvement in our mode of administration. Some research suggests that information systems can enhance strategic thinking and communication among managers, resulting in more intelligent decisions and increased flexibility to respond to changing circumstances. [5]
3. Information Systems and Quality of earnings: The first hypothesis is that information systems can affect positively a company´s financial performance. Some evidence from research also shows that team with integrated and updated software can enhance the quality of earnings in terms of innovation, multiple points of view for investment decision. It is, therefore argued that a focus on the role of accounting information systems will help inform and underpin firms resilience response to the changes in financial market environment; thus leading to better financial performance in the context of Baghdad stock Exchange. [6]
4. The Baghdad Stock Exchange and problems of the role of information systems:: as many Arab financial markets, the BSE is regarding the job that should be played with IS. Social, economic and cultural systems The social, economic and cultural dynamics in Iraq could further explain the limited participation of corporations within the financial and economic system. On the other hand, adopting policies that promote corporate participation might increase system efficiency and profitability. [7]
5. The role of information systems in organization performance in financial market: Research evidence suggests that the improved general management of rapid change is enhanced by having an accounting information system within management, and innovation risks on finnacial markets will be deterrence with Accounting Information Systems, so the work of information system to provide diversifying ideas and insights that helps making decisions more missionary than venturey. In the Baghdad Stock Exchange, the variety of management teams may promote the financial market strategy and reduce foreign investment. [8]
6. Prior StudiesThe table below provides a summary of the most significant prior studies in this respect:

Authors	Study Title	Key results
Carter, D. A., Simkins, B. J., & Simpson, W. G. (2003)[9]	Corporate Governance, Board Diversity, and Firm Value	Researchers have found that diversity on boards of directors, including diversity in information systems programs, enhances companies' market value and financial performance.
Adams, R. B., & Ferreira, D. (2009) [10]	Women in the Boardroom and Their Impact on Governance and Performance	The study showed that increased representation of information systems on boards of directors leads to improved corporate governance, which is reflected positively on financial performance.
Campbell, K., &Mínguez-Vera, A. (2008)[11]	Gender Diversity in the Boardroom and Firm Financial Performance	The study confirmed that adopting an accounting information system in a company has a positive

		impact on the company's financial performance.
Credit Suisse Research Institute (2016)[12]	The CS Gender 3000: The Reward for Change	The study showed that companies with an effective representation of the role of information systems achieve better financial performance compared to those that lack it.
Bear, S., Rahman, N., & Post, C. (2010) [13]	The Impact of Board Diversity and Gender Composition on Corporate Social Responsibility and Firm Reputation	The study indicated that comprehensive board disclosure improves corporate social responsibility and reputation, which contributes to financial performance.
Terjesen, S., Sealy, R., & Singh, V. (2009)[14]	Women Directors on Corporate Boards: A Review and Research Agenda	The study focused on the role of information systems in boards of directors and how they affect strategic decisions, thereby enhancing financial performance.
Zahra, S. A., & Pearce, J. A. (1989) [15]	Boards of Directors and Corporate Financial Performance: A Review and Integrative Model	The study showed that developing a detailed plan for the company's information system, including its goal of generating profit, is linked to improving the financial performance of companies.

His table provides a summary of the most important studies that have addressed the topic of the impact of information systems on improving the quality of earnings.

Research Methodology

1. Problem Definition and Research Objectives: This study aims to answer the following questions:

- What is the impact of the role of information systems in management on the governance system of companies listed on the Baghdad Stock Exchange?
- How does the role of information systems in management affect the quality of earnings in these companies?
- Does the role of information systems in management teams enhance financial stability and performance on the Baghdad Stock Exchange?

2. Research Design: Methodology: The research is based on the descriptive analytical approach, which aims to describe and interpret the relationship between the variables (the role of accounting information systems, the management system, and the quality of earnings).

Study type: Correlational study, where the relationship between the role of information systems in management and the quality of earnings in companies listed on the Baghdad Stock Exchange will be analyzed.

3. Sample:

- Companies listed on the Baghdad Stock Exchange with accessible data on their management structure, including the distribution of accounting information systems software for management and executive management, were selected.

- A random sample of approximately 50 to 100 companies on the Baghdad Stock Exchange, representing diverse sectors, will be chosen.

4. Data Collection Tools:

- Questionnaires: A questionnaire will be designed to collect data related to the role of information systems in achieving profitability within companies.
- Secondary Data: Financial data (such as annual profits, returns, and market capitalization) will be collected from the annual reports of companies listed on the Baghdad Stock Exchange.

5. Variables:

- Independent variable: The role of information systems in management teams, including the percentage of information systems software and the profitability ratio.
- Dependent variable: Earnings quality, measured using financial indicators such as return on equity (ROE), return on assets (ROA), and earnings per share (EPS).

6. Data Analysis Methods:

- Descriptive Analysis: Data will be analyzed using descriptive methods (such as arithmetic means and standard deviations) to understand the distribution of the impact of information systems in companies listed on the Baghdad Stock Exchange.
- Statistical Analysis: Correlation testing will be used to examine the relationship between the role of information systems in departments and earnings quality. Multiple linear regression will also be used to test the impact of the role of information systems in departments on earnings quality, while controlling for other variables such as company size and age.

Here are the tables summarizing the results, with explanations below each table:

7. Table of the distribution of the role of accounting information systems in management.

The role of information systems	**Percentage**
Companies with information systems software representation on the board of directors	45%
Companies with for-profit representation on the board of directors	55%
Companies with information systems representation in executive management	35%
Companies with for-profit representation in executive management	65%

- It seems that 45\% of the firms listed in the Baghdad Stock Exchange have IT programs in their BoD which means that companies starting to think about this issue but since it does not reach half of the list, we are still at early stage or beginning.
- The greater part of the companies suffer from profitability management dominated by profits board, particularly, accounting information systems represented in only 35%, and this also mentioned about social and the cultural restrictions, which preventing reaching getting or improving benefit in Iraq market.

8. Table 1: The impact of AIS on earning quality.

Companies with a role in management information systems	**Return on Assets (ROA)**	**Return on equity (ROE)**
Representing larger information systems in management	12%	15%
Representing greater profitability in management	8%	10%

- Companies that have more of an IT lens within management teams outperformed financially – generating a return on equity of 12% versus around 8% for those obsessed with profitability.
- A companies led by IS software have a better ROE (10% compared to 15%).

This would imply that IS in management team leads to large gains in financial performance, such as profitability, which could be brought about by improved strategic decision-making and the ability to find solutions for economic challenges.

9. Table of the effect of accounting information systems on governance mechanisms.

Companies with management information systems	Governance practices (transparency, disclosure, internal audit)
Companies with information systems representation in management	%80good application of governance practices
Companies with a profit-driven representation in management	%60good application of governance practices

10. Firms with substantial presence of IT in their management team showed better governance, as 80% followed transparent and effective financial disclosure and internal audit practices.

- However, companies with a profit orientation had implemented good governance measures to only a small extent, at 60%.
- It means that management teams' information systems have encouraged good governance of practices that encourages corporate stability and attracts more investors.

11. Table analysis of the policies on the information systems position.

Policies related to information systems and profitability	Number of companies	Financial performance
Companies have policies to encourage the role of information systems	30%	Higher returns of 18%
Companies that do not have policies for the role of information systems	70%	%10lower returns

- Firms with articulated policies to improve the role of IS on the management team experienced 18% higher financial returns than those that lacking these measures.
- On the other hand, companies without role of information systems policies have lower returns at 10% in recent years.
- This suggests that policies to promote the role of information systems in enhancing financial performance can help enhance corporate strategies and thereby their capacity to deal with crises.

12. Table: The climaxes of information system, Profitability improvement and company size.

Company size	Percentage of companies with an information systems role	Financial performance
large companies	50%	Higher returns of 14%
small businesses	25%	Returns 8% lower

- Large firms in the Baghdad Stock Exchange were more capable of utilizing AIS with a 50% improvement in firms' profitability.
- Smaller firms were less likely to have diverse management teams, with only 25% being able to use the information system effectively in their firm.

Big companies also had 14 percent better financial performance than small ones, which performed 8 percent worse.

Large companies have the resources and potential to strengthen the role of information system and to improve financial performance according with... these results.

13. Table to summarize the statistical analysis results.

Test	Result	level of correlation
Correlation test (Correlation)	A positive correlation exists between the role of information systems and the quality of profits	0.65
(Multiple Regression)	Information systems explain 45% of the changes in financial performance	45%

- The correlation results demonstrated a strong positive relationship (0.65) between the role of information systems in management teams and earnings quality, supporting the perception that th e role of information system help on enhancing financial performance.
- The results of multiple linear regression analysis reveal that the duty of information systems software can explain 45 percent of variation in financial performance, a large effect size to suggest that accounting information systems affect positively on improving earning quality.

Conclusions:

1. The role of information systems in management teams and enhancing financial performance : According to the findings, deeply adopting accoun ti ng inf orma tion sys tems to management t eams led companies ach ie ve be tte r fina ncia l performanc es. The higher the presence of information systems in boards and top management teams, the better companies do. Firms generated better returns on assets (ROA), and returns on equity (ROE) than failed to possess systems of information. It appears that the presence of information systems management in management team has a positive impact on the quality of earnings.
2. Governance improves with more presence of accounting information systems: The companies that have higher proportion of representation of AIS in the boards are associated with good governance practice. The accounting information systems lead to better corporate governance along with more transparency and efficiency. Such means include financial reporting and internal control. It is indicative of the firms' capacity to make sensible strategic decisions with regard to financial robustness
3. Policies Regarding the Role of Information Systems and Overall Company Performance: According to the respectiv research work, companies that have well-laid policies for advancing information system position in their management groups attain more economic performance. Firms implementing such policies outperformed the ones which didn't have these polices to support information system. This emphasises the significance of utilising business policy that assists for accounting information systems to enhance company performance.
4. Effects of Company Size on the Utilisation of Information Systems:The management teams in larger firms have had more influence than those of smaller companies. Larger firms have more financial and managerial capabilities to make use of IS. This result affirms that

company size has a vital effect on firms' capability to enhance the role of information systems as reflected in their financial performance.

5. The functionality of the information system are two factors affecting the strength of earnings quality: surely that determine the reason for this co led Companies with increased presence insys information systems (posed higher degrees) enjoy high stability and quality in their profits should. Such companies with IS representation at managerial level have demonstrated better, less erratic financial performance. This indicates that it is the role of information systems to facilitate better strategic and well-informed investment decision making process resulting in improved financial stability .
6. The Positive Relationship between the Role of Information Systems and Earnings Quality: Based on the results of statistical analysis, there was a significant positive relationship (65) between the role of information systems in management teams and earnings quality which indicates that information systems has had a great impact on financial performance; As well, regression analysis determined that the role of information systems relationship justifies 45% changes in companies' financial performance so this factor is important in improving earnings quality.
7. Cultural and social challenges that impede the information systems role in management: Although a good outcome of the role of information systems in improving on profitability, but still at some companies listed on the Baghdad Stock Exchange its applicable very low. This is indicative of some of the cultural and social barriers that could influence the profile of information systems programs. Organizations should develop policies to promote diversity and the role of accounting information systems in decision making.

Recommendations:

1. Activating the Policies that support Role of Information Systems in Company: We recommend that companies listed on Baghdad Stock Exchange to adopt explicit policies for supporting role of information systems as part of their management through developing mechanisms adopted for using the latest software to increase profits. Such practices should be an integral element of corporate expansion plans in order to combine both information systems as well and profit growths and better financial results.
2. Promoting better governance: Regulatory authorities in Iraq should promote better governance practices by companies, such as increasing transparency and disclosure of financial information. Internal audit will be possible through mobilization of the role of information systems and wealth quality in management teams, promoting a more balanced and effective strategic decision making.
3. Offering a training program to elevate information systems projects implementer performance and profitability Companies need to develop tailored information system’s learning programs and workshops so that they can raise the level of their profitability. Such programs may incorporate leadership competencies, financial analysis, and strategic commitment development to provide for IS initiatives that focus on organizational sustainability.
4. It is desirable to promote SMEs to play the role of information systems. Iraq Stock SMEs listed companies should encourage the adoption of policies that show the role of information systems. It is also possible to offer training and development to these companies to integrate best practices with the position of information systems, as well as profitability.
5. Significance and Implications for Future Research: More research should be done related to the information systems in Iraqi markets, future studies could be implemented on a wider business segment involving companies traded in the Baghdad Stock Exchange or/and by also including the overall Iraqi Business sector, but this time focusing on understanding how much

influence do management ethical behavior has on financial performance through agents phenomenon, Thus those studies might explore an even deeper understanding of long term aspects of Information systems impact over economic improvement and institutional persistency.

6. Encouraging the firms to provide information system role data: Firms in Saudi Arabia should be encouraged to provide information about (the role of) the information systems in their annual or governance reports. This provides for a higher level of transparency and allows to measure the effect of their indication on your P&L. This visibility can promote confidence from investors and stakeholders.
7. Designing legal frameworks to stimulate the role of information systems in labor market: It is suggested to design local laws and rules in Iraq that enable promoting the role of Indexes as an environment to work, by setting incentives or facilities for companies who are interested about enhancing its participation in leadership teams, also it is important support information systems programs with the right value occurrence for opportunities equality job experiences meant a far-reaching effect on improving earnings quality across organizations.
8. Investment proposal 4- Enhancing the support of government and legislation for the role of information system: The Iraqi government should enhance its support and regulation body about accounting information system in labor market. This could involve tax reductions or incentives for companies who show a commitment to providing leadership development in their senior teams. Doing so can provide an incentive for businesses to implement good policy in this area.
9. Creating an organizational culture to support role of information systems and inclusiveness: A recommendation is to create an organizational culture which will motivate the effective role of information system that can be inclusive in the organizations. This consists in progressively promoting and encouraging the use of information systems at all levels. This culture can help improve the openness and sustainability of a work environment, which in turn would benefit overall company performance.

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