



## The Impact of Strategic Leadership Program as ODI on the Usage Accounting Information System and Financial Performance

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### Abstract

This study aimed to examine the impact of Strategic Leadership Program (SLP) as organization development interventions (ODI) on the Usage Accounting Information System and Financial Performance. Strategic Leadership Program (SLP) designed as intervention programs, implemented to enhance Strategic Leadership Mindset (SLM) in Optics Groups, one of the market leader of eyeglasses industry in Indonesia. In this research the programs consist of four themes to enhance the strategic leadership index. The themes includes: (1) The roles of leadership; (2) Value Chain; (3) Human Capital and (4) Four Types of Cultures.

The data analyzed and confirm that the SLP as ODI has succeeded to bring the improvement of SLM of the leaders which created an impact on the level of accounting information system usage and financial performance. Additionally, the monthly survey show concomitant finding on employee satisfaction and competitive advantage index that the intervention did not only solve the financial problems but also improve the non-financial performance because of the effect of accounting information system usage.

**Keywords:** Strategic Leadership Program; Strategic Leadership Mindset; Organization Development Interventions; Usage Accounting Information System; Financial Performance.

### 1. INTRODUCTION

Good leadership is essential to business and organizations. Leadership is an important factor for making an organization successful. However, in this age, where there is a metamorphosis from the local environment to a global one, good leadership only is not enough anymore (Rowe, 2001). Organization needs strategic leadership. This condition happens because the changes are revolutionary, not evolutionary in nature. Strategic leadership is the leader who can express and spread long haul vision and oversee the daily organization activities with the precondition of enthusiasm for detail (Rowe, 2001). Strategic leadership is distinct from two alternative famous leadership approach is managerial and visionary leadership. Managerial leaders mainly emphasize the regular movement of the institution and inadequacy an applicable long-term vision for success and development. Conversely, visionary leaders are mainly future-oriented and eager to change and improve. These leaders construct their decision and activities in light of their confidence and values and attempt to share their kind of the coveted vision among others in the organization.

While managerial leaders focus on the past perspective, visionary leaders focus more on creating the future. Visionary leaders principal skill for fulfilling goals is on their ability to influence/inspire followers, by sharing and understanding why the vision is important. Visionary leaders operate around their values, and they develop a close relationship with the employee and their network to promote the sustainability performance of the organization. This type of leaders also state a convincing vision and then motivate, stimulate and enliven members to achieve it. Strategic leaders tends to produce a synergy between managerial leaders and visionary leaders. This means that, the strategic leaders is the combination between growth and controlling perspective, or between short and long-term paradigm.

## **2. EYEGASSES INDUSTRY**

Based on to the Ketchum Leadership Communication Monitor(2015), internationally there is a changing of how people view eyeglasses, from the image of being just a vision amendment tool to becoming a key fashion accessory. It means, the development of eyeglasses is identified with vision and eye wellbeing as well as life style trends. Innovative materials for lenses and frames have consequence in the various fresh sketch as with improving aesthetic appeal, style, and quality. Eyeglasses are more used as a facial auxiliary and a suitable article for a wide variety of outfits, and for highlighting the personality of eyeglasses. Furthermore, according to the data from Ketchum Leadership Communication Monitor(2015), the global market for eyeglasses will keep growing 3.70%. In sales value, it will reach US\$130 billion by 2018. In the Asia Pacific itself, the growth is more, according to international Euromonitor it will be 7%. On the other hand, Transparency Market Research predicted in the future, that the Asia-pacific would grow 8%.

It can't be denied that one of the factors that influences performance in eyeglasses industry is leadership. Leadership is becoming the issue in any level and any industry. Any level means that whether in local, regional or a global context. Any industry means, every industry includes the eyeglasses industry. As mentioned before good leadership is essential to business performance. That's the reason why leadership is a prominent field of research in the university for the last ten years. There has been multiple research result too in the Western and also Asia countries.

One of the industries in Indonesia in which there is a lot of competition is the eyeglasses industry. These arguments are supported by the difference in the number of optics between current condition and 50 years ago. According to the data of The Indonesia Optical Association (2013), 50 years ago there were 11 optics in Indonesia, compared to data in 2012, when more than 10,000 brand optics. Also, currently, there are only 30 million Indonesian people using eyeglasses, which should be 80 million using eyeglasses. In the Indonesia context, longer working hours and the development of the digital society are bringing about an expansion in the quantity of individuals experiencing eye issue, with a developing number of buyers requiring eyeglasses. Be that as it may, as in the worldwide, viewpoint, the advancement of eyeglasses is identified with vision and eye well being as well as for fashion and lifestyle. As a result, sales of eyeglasses continued to grow during 2015.

In Indonesia, the demand for contact lenses, such as clear lenses, cosmetic lenses, and color lenses was very strong during 2015. Contact lenses are widely sold throughout the country, especially through optical goods stores. Also, the constant launch of new and innovative contact lenses has helped to stimulate demand among consumers, especially young people, who closely follow trends and always want to look different. Therefore, many consumers are switching from eyeglasses to contact lenses in a bid to appear more stylish. The Asian Leadership Index Report(2014) and Ketchum Leadership Communication Monitor(2015) mentioned that Indonesia is one of the countries that still needs to improve the leadership quality index in the future in order enhance the business organization performance. The researchers in those report believe that a Strategic Leadership Programenable the organization in eyeglasses industry answering the issue of leadership quality improvement.

## **3. LITERATURE REVIEW**

### **3.1 Leadership**

Gary Yukl (2006) defines leadership as "the process of influencing others to understand and agree about what needs to be done and how to do it, and the process of facilitating individual and collective efforts to accomplish shared objectives." Peter Northouse (2010) defines also leadership as "a process whereby an individual influences a group of individuals to achieve a common goal." These two definitions suggest several components central to the phenomenon of leadership. Overall, two studies highlight the leadership as follows: (a) Leadership is a process, (b) leadership involves influencing others, (c) leadership happens within the context of a group, (d) leadership involves goal attainment, and (e) these goals are shared by leaders and their followers. Effective leadership, management, and supervision are critical factors to the success of any organization. There are numerous different styles, approaches, models and theories about leadership which can be employed to lead and manage groups in a variety of situations so that the objectives of the organization are achieved, and change is effected where necessary to ensure the future of the organization.

For quite a long time, leadership theories have been the wellspring of various studies. All those various studies have attempted to characterise what enables authentic leaders to stand separated from the mass. Thus, there the same number of studies has been done by researchers, analysts, and educators that have contemplated and at last published their leadership theory. Theories are commonly categorized by which aspect is believed to define the leader the most. The most widespread ones are Great Man Theory, Trait Theory, Behavioural Theories, Contingency Theories, Transactional Theories and Transformational Theories until Strategic Leadership.

### **3.2 Strategic leadership**

Strategic leadership theory has developed from the first theory of Hambrick and Mason in 1984 to an investigation of not only the tools in which the dominant alliance impacts company results but also the image and social construction of top level management (Ireland and Hitt, 2005). Furthermore, Ireland and Hitt (2005) said that there is a core difference

between the terms leadership and strategic leadership. Leadership theory applies to leaders at any level in the company, while strategic leadership theory applies to the investigation of the people at the top of the company.

Ireland and Hitt (2005) define strategic leadership as a person's capability to predict, envision, sustain elasticity, have a strategic mindset, and work with others to commence improvement that will produce a sustainability future for the company. When strategic leadership processes are hard for rivals to understand or to copy, the firm has to produce a competitive advantage. Because the result of superior competitive advantage is the general purpose of all organizations, this view argues that in an ever-changing complicated business environment, strategic leaders may be a source of competitive advantage. Ireland and Hitt (2005) have recognized six elements of strategic leadership that will lead to improved company performance: determining the organization's vision, exploiting and maintaining core competencies, building human capital, enduring an effective institution culture, emphasizing ethical practices, and setting balanced institutioncontrols. Six traits of strategic leadership:

1. Determining the organization's objective. The initial element of strategic leadership is composed of determining the organization's objective.
2. Exploiting and Maintaining Core Competencies. Strategic leaders exploit and maintain core competencies.
3. Developing Human Capital. Strategic leaders are effective at improving human capital. Human capital relates to the understanding, expertise, and capabilities of the organization's employees.
4. Sustaining an Effective Organizational Culture. Strategic leaders uphold an effective firm culture.
5. Emphasizing Ethical Practices. Strategic leadership includes the emphasis on ethical performance.
6. Establishing Balanced Organizational Controls. There are two types of internal controls: strategic and financial. Strategic controls are completed through information exchanges that assist in the development of strategies, whereas financial controls are completed through setting goals and standard such as achievements of targets. Strategic leaders must set up balanced company controls by incorporating the two variables to enable employees to continue to be flexible and innovative.

In addition to accomplishing the above components strategic leaders must balance the short-term requirements of their firms while guaranteeing a future competitive position. Rowe (2001) defines strategic leadership as "the ability to influence others to initiate daily decisions that improve the long-term performance of the firm, while at the same time keeping its short-term financial firmness." This type of leadership is an elaboration between visionary leadership and managerial leadership. Strategic leaders concentrate on both the daily activities and the longterm strategic focus of the organization.



**Fig1: The Mapping of Strategic Leadership (Rowe, 2001)**

As can be seen from the above figure Rowe (2001) describes the positioning of the strategic leader as between a visionary leader and a managerial leader. Furthermore, Rowe (2001) said that most managers exercise managerial leadership. Managerial leaders are sensitive to the past. It is different with a visionary leader who is concerned with insuring the future of an organization through the development and management of people.

Strategic Leadership in this study defines as the ability of leaders to influence members to initiate daily decisions that improve the long-term performance of the firm, while at the same time keeping its short-term financial firmness. Therefore, strategic leadership is an elaboration between visionary leadership (long-term perspective) and managerial leadership (short-term perspective). Strategic leadership identified by using six traits: The degree of leader roles in determining the Firm's Purpose or Vision, The degree of leader roles in exploiting and maintaining Core Competencies, The degree of leader roles in developing human capital, The degree of leader roles in sustaining an effective organizational culture, The degree of leader roles emphasizing ethical practices, The degree of leader roles in establishing balanced organizational controls. Those six traits used to analyze the enhancement of strategic leadership mindset of the leaders after the Strategic Leadership Program implemented. Strategic Leadership Mindset is defines as the perspective that enable leaders in the organization to balance their visionary leadership skill (long-term perspective) and managerial leadership skill (short-term perspective) which is covered in all those six strategic leadership traits/qualities. The score of the traits measurement known as strategic leadership index. Therefore the strategic leadership index is compared before and after the implementation of strategic leadership program. Strategic Leadership Program (SLP) designed as intervention programs/activities, implemented to enhance strategic leadership mindset. In this research the programs consist of four themes to enhance the strategic leadership index. The themes in this SLP includes: (1) The roles of leadership; (2) Value Chain; (3) Human Capital and (4) Four Types of Cultures.



**Fig 2: The connection between SLM, Traits, Index and SLP**

### 3.3 Usage of Accounting Information System

The first impact of strategic leadership intervention towards the usage of accounting information systems. Therefore the second theory to be discussed here is about the accounting information systems. According to Romney (2009), Accounting Information System (AIS) is a system to collect record and process the data to generate information for decision making. Moreover, Romney argues that "Accounting Information Systems (AIS) is not a variable that stands alone. Associated and related subsystems are the basis of accounting information systems". Furthermore, Hall (2008) defined the usage of AIS as the company's ability to carry out an AIS to provide accounting information for internal and external partners. Hall also divides the degree of usage AIS into three subsystems.

1. A transaction processing system (TPS) that is central to the overall functioning of the information system. TPS is useful for recording the financial transaction.
2. Secondly, the Financial Reporting System (FRS) covers the input from TPS and converts into the report and communicates the information primarily to external users. The outcome of this system includes a report for owners, creditors and also fiscal persons.
3. Thirdly, Management Reporting System (MRS). Indeed, management reporting since long ago has been identified as an important component of a firm's internal monitoring performance. An MRS that guides management focus to issues on a timely basis encourages effective management and thus helps to enhance the firm's goals.

Moreover, Turban (2007) explains the usage of information systems that can be transmitted to various parties concerned and transmitted to every level of management. The levels include:

1. Operational level. At the operational level, the information system used for operating activities records daily activities (for day-to-day operation). An information system with computerized support will be able to improve the storage and speed of data transmissions, and the data will be more secure.
2. Managerial level. At the managerial level, the utilization of the information systems for decision making. Support with computerized systems will lead to accurate and timely information, a therefore accuracy of decision is affected.

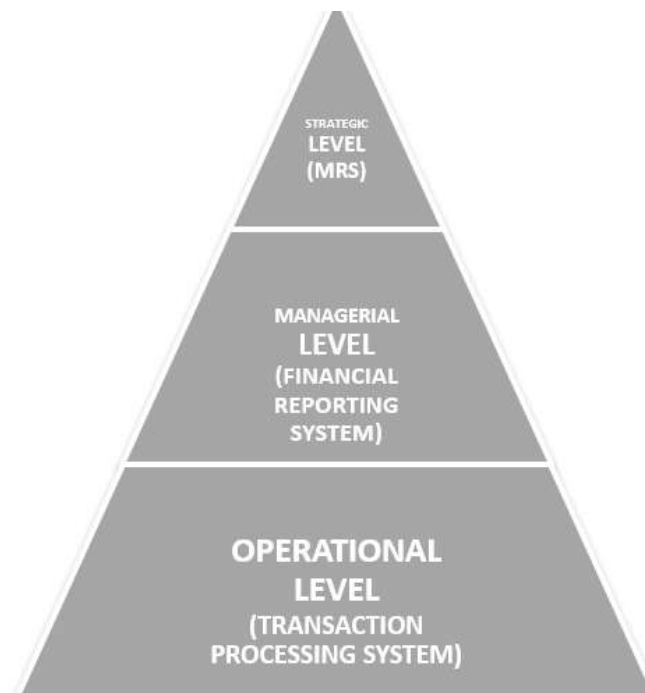
3. Strategic level. At this level, the utilization of information system is for the formulation of corporate strategy. Formulating a strategy is needed to supply accurate information regarding fundamental conditions, such as the competitive positioning or sustainability performance. Particularly in the dynamic environment, the information will be change quickly.

### 3.4 Strategic leadership's mindset effect on Accounting Information System

Based on Laudon and Laudon (2012), the usage of information systems in the business organization is complex and determined by many factors, such as structure, business process, politics, culture, environment and leadership. The strategic leadership mindset is one of many factors that determine the usage of information systems, in this case in the field of accounting. Furthermore, Robert Anthony (2007) a leading writer on organizational control, suggested what has become a widely used hierarchy, classifying the information used at different management levels: strategic planning (top level), managerial decision making (middle level) and operational control (operational level).

Strategic planning level means, how accounting information system influence the process of deciding on objectives of the organization, on changes in these objectives, on the resources to attain these objectives, and on the policies that are to govern the acquisition, use and disposition of these resources. While managerial decision making is influenced by the accounting information system on the process by which managers assure that resources are obtained and used effectively and efficiently in the accomplishment of the organization's objective. It is sometimes called tactics or tactical planning. Last but not least, is the operational control, which is influenced by the accounting information system on the process of assuring that specific tasks are carried out effectively and efficiently. Therefore, once organizations use the right mindset, they can identify the accounting information requirements and describe the different types of information systems used for strategic planning (top level), managerial decision making (middle level) and operational control. It means that the accounting information needs at all levels of the organisation.

Furthermore, the elaboration of thinking from Hall (2011); Turban (2007) and Anthony (2007) in the "Usage of Accounting Information System" issue can be visualized as the following model. Therefore, as a strategic leadership mindset exists in the organization, the usage of the accounting information system can be expected not only at the operational level but also on the strategic level.



**Fig 3: Accounting Information System Usage Level (Hall, 2011 and Turban, 2007)**

The picture describes how the lowest level of accounting information systems usage is for processing the transaction. On the second level, the usage will be on the company's financial processing system. Finally, on the highest level, the accounting information systems usage will be for a strategic level. Many companies only use their information system on the operational level. The strategic leadership mindset will help the organization leveraging their accounting information system until they reach a strategic level. Carr (2003) said that as information system's power has grown, its strategic importance has diminished. The way the organization approaches information system implementation need to change dramatically.

### 3.5 Strategic leadership’s mindset effect on Financial Performance

The second impact of strategic leadership intervention will be on the financial results. Performance can be defined as the achievements of the company in a given period which reflects the level of health of the company. Performance measurement is data analysis and control for the organization. Assessment of performance is employed by corporations to make enhancements on their activities to be more superior compared to other firms. This study focuses on physical inventory balance only as part of financial performance measurement. Physical inventory is a process where an organization physical counts its entire inventory. The problem in Optics Group exist when the difference between the recording balance and physical balance is minus. Therefore the minus balance can reduce the profit margin of an organization. For example, in the recording balance of inventory A is 100 million. However, the physical balance said it is 80 million. Therefore the minus balance of 20 million will reduce the profit margin by assigned 20 million into the COGS (Cost of Goods Sold). In the end, when the COGS is bigger, therefore the profit margin will be lower. The following figure is the comparison result.

Table1. The example of comparison of profit margin		
	Before Physical Inventory	After Physical Inventory
Sales	1.000.000.000	1.000.000.000
COGS	300.000.000	320.000.000
Profit Margin	700.000.000	680.000.000

In the organization, this is happening because the leaders/managers tend to use short-term perspectives. They see the marketing division as more important than the accounting division, therefore most of the time financial recording is sacrificed to expedite the sales process. The consequence, there is an issue in the validity of inventory recording because of the lack of discipline of inventory recording transaction. SILO issue also is the factor that creates the minus stock-adjustment issue. It means that SILO perspective between accounting and sales division. The resulting form this SILO perspective is the employee and manager are putting the division before the organization as a whole.

Hambrick and Mason (1984) proposed Upper Echelon Theory, suggesting that organizations are reflections of top managers mindset. Mindset consists of the values and beliefs of the leader who will frame how that issues are interpreted and acted upon. This theory leads to another development from Hambrick and Finkelstein (1987) which suggests that the mindset from the manager will determine the strategic choices and organizational outcomes.

Furthermore, Ussahawanitchakit (2011) found that strategic leadership mindset uses antecedents of firm performance. Thus firms with more strategic leadership mindset are likely to achieve superior corporate performance and gain better firm survival in the competitive environment and dynamic environments. Since, according to Boal and Schultz (2007), firms with greater strategic leadership tend to provide more innovative activities and have an ability to develop, focus and enable their structure, human, social capital, and capabilities to meet real-time opportunities and threats.

### 3.6 Strategic Leadership Program (SLP)

Brown (2011) notes that there are many strategies, methods, and techniques for intervening during the action phase of an OD program. Cummings and Worley (2009) define organization development as a system-wide application and transfer of behavioral science knowledge to the planned development improvement, and reinforcement of the strategies, structures, and processes that lead to organization effectiveness. Furthermore, Cummings and Worley (2009) found that there are four categories or strategies in an OD intervention: Strategic issues, Technological and structural issues, Human resources issues and Human process issues. This study deals with a Human Process Intervention since the intervention is related to leadership. Brown (2011) observes that an OD intervention encompasses the range of actions designed to improve the health or functioning of the client system.

The intervention in Optics Group called as Strategic Leadership Program (SLP). The SLP designed as intervention programs/activities, implemented to enhance strategic leadership index. In this research the SLP consist of four themes, which includes: (1) The roles of leadership; (2) Value Chain; (3) Human Capital and (4) Four Types of Cultures. Ireland and Hitt (2005) have recognized six strategic leadership traits/qualities in order to define Strategic Leadership Mindset (SLM). Therefore the objective of this SLP as OD intervention is to enhance the SLM which is measured by the strategic leadership index. Strategic leadership index is translated from strategic leadership traits. Further mapping of those Strategic Leadership traits and themes of training-coaching can be seeing on the following table and explanation.

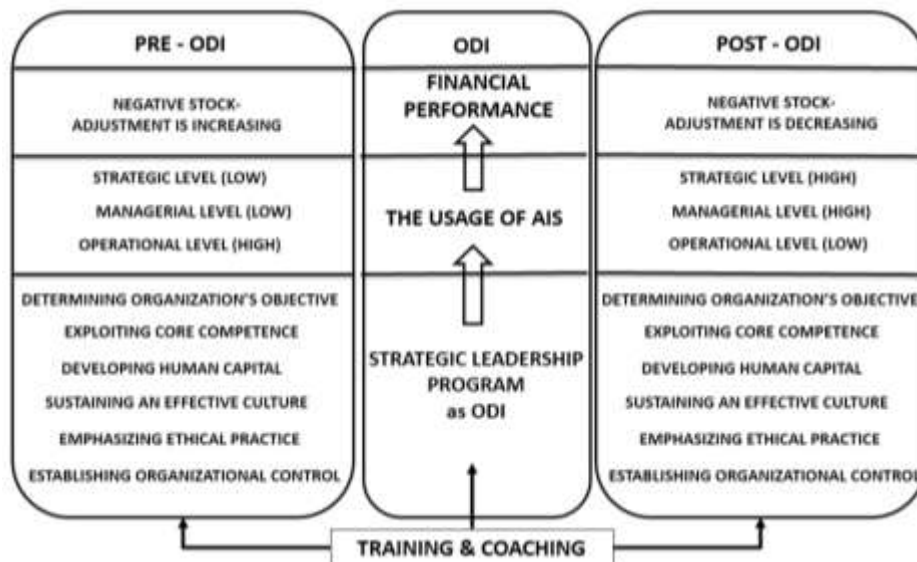
**Table 2. Mapping of Strategic Leadership Traits and SLP**

Method	Strategic Leadership Program: Training & Coaching Themes/Topics			
	The Roles of Leadership	Value Chain (Porter)	Human Capital (Bontis)	4 Types Cultures (Cameron)
Topic of Training & Coaching				
Participants	Leaders Employees	Leaders	Leaders	Leaders
<b>Traits of Strategic Leadership:</b>				
1. Determining the organization's objective	✓			
2. Exploiting and Maintaining Core Competencies		✓		
3. Developing Human Capital			✓	
4. Sustaining an Effective Organizational Culture				✓
5. Emphasizing Ethical Practices	✓			
6. Establishing Balanced Organizational Controls	✓			

### 3.7 The Action Research Model

This action research framework shown in the following figure is the researcher's mental map which moves the organization from "where it is" to "where it wants to be".

- The pre-ODI. The real condition that captured the current situation at Optics Group and was described by the leaders is that the company needs to be developed to achieve better financial performance, is a very useful finding for the owner in the dynamic face change and fierce competition.
- The OD Intervention Stage. Strategic Leadership Program as an OD intervention is considered able to provide solutions to overcome the problems in the company. The OD intervention stage shows implementation activities of Strategic Leadership Program, which consists of four themes: The Roles of Leadership, Value Chain, Human Capital and Four Types of Cultures.
- The post-ODI. Following the OD intervention, the organization experience an increase in financial performance after the leader in the organization is more strategic in their leadership. The increasing financial performance is shown by reducing the negative physical balance and increase the profit.



**Fig 4: Action research Model**

The following is the hypothesis that the researcher formulated according to ellaboration, the challenge and potential for change in SLP Program as ODI in this study.

*H1o: There is no significance difference of the Strategic Leadership Mindset (SLM) of the Optics Groups leaders before and after implementation of organizational development intervention (ODI).*

H1a: There is a significant difference in Strategic Leadership Mindset (SLM) of the Optics Groups leaders before and after implementation of organizational development intervention (ODI).

H2o: There is no significance difference of the usage of accounting information system of the Optics Groups before and after implementation of organizational development intervention (ODI).

H2a: There is a significant difference in the usage of accounting information system of the Optics Groups before and after implementation of the organizational development intervention (ODI).

H3o: There is no significant impacts from Strategic Leadership Program (SLP) to the usage of accounting information systems of Optics Group

H3a: There is a significant impact from Strategic Leadership Program (SLP) to the usage of accounting information systems of Optics Group

#### 4. METHODOLOGY

Qualitative and quantitative approaches complement each other in this study. A qualitative method is primarily exploratory research. It is used to gain an understanding of underlying reasons, opinions, and motivations. The focal system or the company under consideration in this study is Optics Group. The group employs about 108 people. Optics Group offers a range of fashion, luxury, sports and performance eyeglasses. The group primarily operates in Blitar city, but also has a branch in another city. The study has been done in Optics group, which consists of the following shops:

- 3 Premium Optics Shops (differentiation strategy), distributed in 3 cities: blitar1, kediri1 and tulungagung1 (TA1).
- 3 Standard Optics Shop (low-cost strategy), distributed in 3 cities: blitar2, kediri2 and tulungagung2 (TA2).

The number of employees as respondents is 62 from 108 of a total permanent employee. The subjects for this survey is permanent employees who are currently working.

#### 5. DISCUSSION

The objective of this intervention is to increase the mindset and roles of leaders regarding the Strategic Leadership traits in Optics Group. Therefore researcher expects that the Strategic Leadership Program intervention will enhance the usage of Accounting Information System (AIS). Therefore, based on previous discussion, there are four themes of training and coaching that will deliver to the Optics Group as part of Strategic Leadership program. The following table showing the summary of intervention outcome and response based on the four themes of strategic leadership program and coaching.

**Table 3. Summary of OD intervention "Strategic Leadership Program"**

Themes	Response of Optics Groups	Strategic Outcome
The Roles of Leadership in Organization	<ul style="list-style-type: none"> <li>• In this training, the managers feel that the roles of leaders in every organization are important.</li> <li>• Every manager agreed to follow up the training by doing their "homework" using the coaching item questions</li> <li>• <i>"Indeed, leadership is needed to manage change and sustain support organization objective."</i></li> </ul>	<ul style="list-style-type: none"> <li>• Managers have more understanding about the vision and objective of the organization</li> <li>• The managers learned to involves the emphasis of ethical practices in workplace</li> <li>• The managers balance between strategic and financial control</li> </ul>
Value-Chain Framework that shapes Organization Core Competencies	<ul style="list-style-type: none"> <li>• all managers can be focused on the activity that delivers the core competency during their limited time</li> <li>• Survey of core competency and the ways for improvement. The questionnaire distributed to 129 customers in six branches</li> </ul>	<ul style="list-style-type: none"> <li>• The managers learn about the Value-Chain framework from Michael Porter (1980)</li> <li>• The managers use the value-chain framework to exploit and maintain core competencies</li> </ul>
Developing of Human Capital	<ul style="list-style-type: none"> <li>• Employees can't be viewed only from the short-term perspective which is a cost, but the organization needs to see from the long-term vision which is as human capital.</li> <li>• After the training, all managers agreed to</li> </ul>	<ul style="list-style-type: none"> <li>• Give the understanding to the managers regarding the concept of human capital</li> <li>• Equipped the leaders for an effective way to develop human capital in their branch and division.</li> </ul>



	<p>follow up the program by measuring the employee satisfaction</p> <ul style="list-style-type: none"> <li>• <i>" I just realizing that HR isn't just recruiting."</i></li> </ul>	
Four Types Cultures that Shape the Competitiveness	<ul style="list-style-type: none"> <li>• Managers understand better about their Optics Group organization culture and also their subordinate</li> <li>• After the training, all managers follow up the topic by measure the culture index of their branch</li> <li>• <i>"We start by becoming more aware of our culture, and this important to make us more focus and have a good self-awareness."</i></li> </ul>	<ul style="list-style-type: none"> <li>• Managers learn about four types of culture developed by Cameroon and Quinn.</li> <li>• Those understanding will help the managers to shape the firm's shared cultures in ways that allow the firm to be more competitive</li> </ul>

After applying Strategic Leadership at Optics Group, the researcher evaluate the appropriateness of Strategic Leadership Program as OD Intervention. Therefore, the researcher once again administrated the same questionnaire to the same group of respondents who participated in the pre-ODI survey. The effect of Strategic Leadership as OD Intervention between Pre-ODI and Post-ODI described through hypotheses testing and analyzed as variable-by-variable and using Paired-Sample t-test.

Table 4. The difference of ODI between Pre-ODI and Post-ODI on Strategic Leadership Mindset					
Dimension	Paired difference		t	Sig.	Decision
	Mean	Std.Deviation			
SL Pre ODI – Post-ODI	-0,254839	0,264685	-7,581093	0,000000	Reject Ho

Table above shows the result of the effect of OD intervention on Strategic Leadership Program. The significant value in this table is equal to 0,00 which less than 0,05 significance level of two-tailed, the alternative hypothesis is accepted, and the null hypothesis is rejected. This output provides a 95% confidence interval for the mean difference. Therefore, the researcher would conclude there is a significant difference among the respondents regarding their Strategic Leadership Index in Optics Group.

Beside analysis the difference of Strategic Leadership Index as a whole (Optics Groups), the researcher also did the variation analysis into every six branches, include the head-office which is known as Administration office. This breakdown analysis needs to be done, therefore the information will be more valuable. Based on the testing that has been done in six branches, founded that all branches except in both Kediri city branches has a the difference of Strategic Leadership Index.

Table 5. The difference of ODI between Pre-ODI and Post-ODI on Accounting Information Systems					
Dimension	Paired difference		t	Sig.	Decision
	Mean	Std.Deviation			
AIS Pre ODI – Post ODI	-0,182258	0,222890	-6,438601	0,000000	Reject Ho

Table above shows the result of the effect of OD intervention on Accounting Information System. The significant value in this table is equal to 0,00 which less than 0,05 significance level of two-tailed, the alternative hypothesis is accepted, and the null hypothesis is rejected. This output provides a 95% confidence interval for the mean difference. Therefore, the researcher would conclude there is a significant difference among the respondents regarding their Accounting Information System Usage index in Optics Group.

Same like Strategic Leadership Index analysis, the difference of the usage of accounting systems analysis also breakdown into every six branches, include the head-office which is known as Administration office. All branches except in Kediri1 city branches has a the difference of the usage of accounting systems.

The researcher also used simple regression analysis tool to test for the significant influence of changes. Strategic Leadership on the Usage of Accounting Information Systems. The measurement result shows that changes in the variables of Strategic Leadership have a significant impact on the Usage of Accounting Information Systems. The result evidenced by the F value is 30,618, which is significant at  $p < 0,05$ . Therefore can be concluded that the model regression is significantly better prediction of the usage of accounting information.

### Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,581 <sup>a</sup>	,338	,327	,43662

a. Predictors: (Constant), SL

### ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5,837	1	5,837	30,618	,000 <sup>b</sup>
	Residual	11,438	60	,191		
	Total	17,275	61			

a. Dependent Variable: AIS

b. Predictors: (Constant), SL

Beside from the F value, we can also see the coefficient significance of the correlation for both variables. Since the significance is below 0,05, it can conclude that Strategic Leadership makes a significant contribution to the usage of Accounting Information Systems. Based on the result of simple regression analysis, the theoretical framework in this study can be proven. Hence the null hypothesis is rejected.

### Finding on Financial Impact of Strategic Leadership

This part presents the analysis of financial and non-financial performance. Regarding financial results, there were significant decrease of minus stock-adjustment during physical inventory count. The impact of trends of minus stock-adjustment going to increases the profits, when the organization development program was in effect. The following table indicates that the decreasing of minus balance from physical inventory on the monthly count. In accounting treatment, when the gap of stock become minus it will reduce the profit by increasing the COGS. Organization records show that 42% of the total cost came from COGS.

**Table6. The trend of physical inventory count balance 2016**

No	Branch/ Store	March	June (Pre-ODI)	Sep (ODI)	End of Dec (Post ODI)
1	Blitar1 Store	-20,417,500 ↓	-10,200,500 ↓	9,355,000 ↑	-321,000↓
2	Blitar2 Store	-20,085,000 ↓	10,150,500 ↑	-8,355,000 ↓	-350,000 ↓
3	Tulung Agung1 Store	-30,600,500 ↓	-5,000,000 ↓	<b>-9,000,500↑</b>	-225,000 ↓
4	Tulung Agung2 Store	-20,400,500 ↓	-20,200,000 ↓	-12,000,000 ↓	-800,000 ↓
5	Kediri1 Store	-100,700,500↓	<b>-180,550,500↑</b>	-130,500,000↓	-4,800,500↓
6	Kediri2 Store	-20,200,500 ↓	-10,750,000 ↓	-9,700,000 ↓	-792,500↓
7	Head Office (Admin)	-10,262,500↓	-10,050,000 ↓	-9,500,000 ↓	-130,000 ↓
8	Total	-204,590,500	-226,600,500	-169,700,500	-7,419,000

Beside from secondary data, the researcher found it is also helpful to compare open-questions comments between prior and after the intervention. The following is the comments from managers after the intervention program. The manager's respondents emphasized that they benefitted from participating in the intervention activities:

- "You know, when you walk into a hall you can hear a 'buzz'... and the 'buzz' was positive... the general feeling of the people was very positive. There were a positive feeling and excitement amongst the people".
- "It was excellent in my opinion... it was fantastic. We couldn't have asked for anything better... this thing pumped life back into the initiative... We couldn't have had anything better in my opinion".

- *"It felt good to participate in something like this. I often feel that we are just sitting in our offices, doing our job, but we don't communicate between division with the people around us..."*
- *"In a monthly meeting caused others to air their views and to give their all and speak the truth. All managers give input, their opinions were heard... it was written down... and they could see that something is happening to what they suggested"*
- *"This intervention gave me an excellent perspective on what the program was about and the purpose of the program."*
- *"As the leader, this was the first time it was communicated well to my members. People could see and understand what it was about".*
- *"I am very sure that if we didn't have this intervention, we would still have struggled on like before..."*

In the coaching activity, the researcher with the managers follow up the training with identifying and measure of three Strategic Leadership Index. The impact of coaching activity on those strategic leadership part can also be seen on the following non-financial performance.

- Trait "Exploiting and Maintaining Core Competencies," follow up by measure the competitive advantage index and customer satisfaction index regarding the competitive advantage.
- Trait "Developing Human Capital," follow up by measure employee satisfaction index.
- Trait "Sustaining an Effective Organizational Culture," follow up by measure culture index.

Data regarding those index compiled as valuable information for the management of Optics Group. It seems the trends increased and had already quite high for the current several months. The organization can be considered quite successful in their Strategic Leadership Program as ODI. However, Optics Groups also can try to overcome concerning the low-score-item of the competitive advantage index, especially in Kediri Store. As mentioned before, there is a significant changing in this store regarding the changing of the manager. As the Strategic Leadership Program (SLP) continuously implemented, it will improve culture index in the future.

## 6. CONCLUSION

Using SLP (Strategic Leadership Program) as a training, discussion, and coaching activities in four themes the ODI progressed well and got positive responses from both employees and managers. The Strategic Leadership Program OD intervention has succeeded in bringing change to the mindset, attitude, and behavior of the company managers and employees. In the post ODI, the researcher continued to monitor and direct the results of the implementation of the OD intervention through discussion with the owner which were done simultaneously with coaching to the organization managers. This served to maintain two-way communication between the organization and the researcher.

From post ODI results the researcher found that Strategic Leadership Program (SLP) was generate appropriate and effective to make the changes in the focal system. The results of the hypothetical test showed that they was a significant increase in a Strategic Leadership Mindset and Accounting Information System Usage. Further, it was also proved that there was significant influence from Strategic Leadership to Accounting information System Usage. This was followed by a monthly survey of employee satisfaction, competitive advantage index, stock-opname performance. It means that the intervention did not only solve the problems of financial problems but also improved the non-financial performance because of the effect of accounting information system usage.

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Dr Tarigan currently working as a senior lecturer at Faculty of Economics, Petra Christian University, Indonesia. He is also doing his professional works as a business consultant. His research interest includes managerial accounting, financial management, and accounting behavior.

Dr Kraus is an experienced executive and consultant in strategic business change. His focus is on overcoming barriers to new technologies. He has been a faculty member of several universities including the University of Massachusetts and Yale University. He also worked for 6 years at General Electric implementing new technology and strategic business change.