

Chapter 1

Introduction

1.1 Background

Facing the globalization era, information need is one of the business resources. Information is needed by companies as a vital resource for the going concern of contemporary business organization. The information need is felt by companies that run in any aspects to be able to win the competition which getting harder and harder. The bigger the company, the bigger is the need of relevant, timeliness, accurate, and complete information. Company should be able to defend its going concern in the world business competition which getting tighter.

The age development makes technology getting more sophisticated and advanced in many aspects, whether in service companies, trading companies, and also manufacturing companies. Ability of a company in facing this era determines the going concern of the company itself whether it can hold out in this tight world business competition. Company should be able to develop and wider its market segment to get maximum profit.

System that is used in a company is a measurement indicator of the company performance. The system itself is various. Company would adapt the system that is used in the company with the need of the users whether from the company's internal or external. The bigger and more complex the company is, that means the system in that company will give more valuable benefit. A good system can be functioned to direct; connect; give result; and give relevant, timeliness, accurate, and complete information from various functions in the company. That information system

supports the operational activities of a company to be able to do its activities optimally. The purposes of this information system are to support the management directory function, support the management decision taking, and support the company's daily operations. Therefore, a good and sufficient information system is really needed by a company in getting useful information.

One of the information systems that are needed by company is Accounting Information System (AIS), because AIS is designed to change accounting data into information. Company that has a fast development is certainly using computers in its daily operating activities to create a good accounting information system. The existence of computer in accounting information system as the tool of data processing is a very supportive factor in financial reporting. Application of computerized accounting information system will give more value to the management side.

Information that is resulted from AIS is needed in payroll activities. Payroll AIS which functioned independently can produce useful information where at last can give good management decisions. Payroll processing is actually a bit same with purchase system in which an organization purchases labor rather than raw materials or finished goods. Payroll system has an important role in the company since it takes control over all of the activities related with salaries and wages. Therefore, carefulness and accurate information are really needed in conducting the system.

PT HOBBY SENTOSA is a company that runs in textile industry. When the interview was conducted directly, could be known that PT HOBBY SENTOSA has applied accounting information system in payroll. But, there are some problem indications in the implementation process which related with payroll accounting information system. The company often experienced unbalance cash outflow which

was caused by the delayed payroll flow and salaries dispatch which was not on time. Another problem is there are no appropriate segregation of duties in the payroll department in this company. Those problems are the reasons for me to do a research about the payroll system of the company.

From the summary above, thus will be made a research with the title of The Analysis and Design of Payroll System in PT HOBBY SENTOSA

1.2 Scope

Considering the scope of information system is so wide, it is needed to determine the scope that will be researched. In this thesis, the scope of the research is limited to Analysis and Design of Payroll Accounting Information System in PT HOBBY SENTOSA.

1.3 Aims and Benefits

Aims

The aims that are wished to be achieved in this research is to know the effectiveness of the company's payroll system and to know any problems that disturbed the effectiveness of the company's payroll system. After doing some interviews to the company's employees, the aims are more specified which are: to know the cause of the delayed payroll flow and salaries dispatch, to make a better segregation of duties in the payroll system, and to create amelioration design of the payroll accounting information system in PT HOBBY SENTOSA.

Benefits

The benefits of research consist of practical benefit and theoretical benefit. Practical benefit is useful for the writer, company, and readers. The research is useful for the writer to be able to apply the knowledge and theories that have been gotten from the college to the practice that is related with accounting information system especially in payroll procedure. The research is useful for the company because it can give information to the company as the consideration sources and useful suggestion in solving problems to be able to fix the weaknesses that occurred in the activities of payroll, since it can increase knowledge by receiving experiences in valuating accounting information system that is being used by the company and also able to compare the theory about accounting information system from the university and the company's information system itself.

Theoretical benefit is so the result of this research can be used as a reference to develop more by the other researchers, can support accounting information system knowledge so that it can be useful for the concerned parties, and as a suggestion source for the company operation in the future.

1.4 Research Methodology

Research methodology is methodology that is used in research to determine if the research is scientific or not. The object of this research is payroll accounting information system in PT HOBBY SENTOSA. The research is done to the effectiveness level and efficiency from the payroll accounting information system to maintain a good performance in the company.

A good research needs good data. Therefore, it is needed to have good and right data collection techniques so that the research can give accurate data result which in accordance with the requirement.

Research is activity to get or to produce very important data to support problem settlement accurately. Data that is collected also have to be a good data, which is a trustable data, on time, and can give images of the problem in comprehensive.

According to its characteristic, data can be divided into two, which are qualitative data and quantitative data. Data that are collected or has been resulted to evaluate the payroll accounting information system in this research is qualitative data.

According to the way to collect the data, data can be divided into two, which are: primary data and secondary data. Primary data is data that is gotten or being collected directly with a person itself through its object, whereas secondary data is data that is gotten in a form of the result which has been collected by others.

The data collection is done through the research to PT HOBBY SENTOSA directly, so that the data that are collected constitute as primary data. Data collection technique that is used to collect the relevant and important data and information are library research and field research.

Library research is a research that is done by studying the literature or relevant reading sources with the problem that is being researched in a purpose to get a thinking platform that has scientific characteristic, as well as some theories as a platform to identify problems. Field research is done by making direct observation to PT HOBBY SENTOSA to get the required data and information as well as to know a clearer company objective image about the implementation of the company in real.

Field research that is done to PT HOBBY SENTOSA is: observation and interview. Observation is done by watching and observing directly the company activities in accounting information system and the internal control of the company.

After that, comparing the information propriety that are gotten especially those which related with payroll accounting information system in use to get clearer image about the problem that is researched. Whereas interview is a data collection technique that is done by making direct interview to the General Manager of PT HOBBY SENTOSA. Data that are gotten from the General Manager are: the history and development of the company, organizational structure, company job descriptions, company activities, payroll accounting information system, procedure of the payroll activities and transaction as well as documents that are related with payroll activities.

The research is done by using study case method. Study case method is a method which is only focus to one company only and not comparing with other companies.

Before identifying those problems, the available data should be processed first. In this research, the data collection technique that is used is data analysis method. Data that have been collected are analyzed by comparing data from the company with theories from books.

1.5 Thesis Structure

Thesis structure is designed in purpose to give flexibility and short understanding to readers to be able to understand as well as to get image about the thesis content. The process of writing of this thesis is divided into five chapters where in the outline is described as the following:

CHAPTER 1: INTRODUCTION

This chapter describes about the thesis background, problem identification, scope, aims and benefits, and also research methodology.

CHAPTER 2: THEORETICAL FOUNDATION

This chapter describes about book contemplation which is theories that underlying the research such as theory about accounting information system, theory about organizational structure, and the framework that underlying this research.

CHAPTER 3: COMPANY PROFILE

This chapter describes about the history of the company, business activities and development of the company, organizational structure, company's policy and procedures, and also existing problem in the company.

CHAPTER 4: FINDINGS AND DISCUSSION

This chapter consists of the main thing about the research objective, find any weaknesses, discuss the weaknesses, and relate them with the theory that had been written in chapter 2.

CHAPTER5: CONCLUSION AND RECOMMENDATION

In this chapter, is stated briefly conclusion that is gotten from the research that has been done and discussed in the previous chapters as well as good recommendations to be implemented and is hoped can be useful for the company development in the future.