

Received: May 2023 Accepted: June 2023  
DOI: <https://doi.org/10.58262/ks.v11i2.229>

## The Impact of Electronic Accounting on Financial Performance of Insurance Companies listed in Amman Stock Exchange (Analytical Study)

Al-Fasfus Fuad Suleiman<sup>1\*</sup>, Husni K. Al-Shattarat<sup>2</sup>, Mohyedin Hamza<sup>3</sup>, Saed Mohammad Aldaraweesh<sup>4</sup>

### Abstract

*The objective of this study was to assess how electronic accounting affected the financial results of insurance companies that were listed on the Amman Stock Exchange. To assess the degree of electronic accounting implementation, an analytical-descriptive methodology was employed, utilizing a 17-item questionnaire. Financial managers and accountants in the target companies were given 155 questionnaires; 107 valid responses, or 69% of the sample, were received. Using metrics like return on equity, return on assets, and earnings per share, the financial performance of twenty insurance companies was evaluated. The results showed that insurance companies listed on the Amman Stock Exchange had embraced electronic accounting procedures on a large scale. It was clear that electronic accounting had a statistically significant impact on financial performance, exceeding the significance threshold of  $\alpha \leq 0.05$ . According to the study, insurance companies should make investments in ongoing, specialized training programs to improve the accuracy and caliber of their accounting procedures, which will ultimately improve their financial performance.*

**Keywords:** *Electronic Accounting, Financial Performance, Insurance Companies, Jordan.*

### 1. Introduction

The majority of accounting issues at the time, including the standardization of financial transactions, the expansion of investments and international transactions, and the role of international accounting, were resolved by the establishment of accounting principles in the middle of the 20th century. Unfortunately, because traditional accounting methods could not keep up with the explosive growth of global commerce, they were replaced by more rapid communication and information technologies. As a result, the majority of businesses turned to electronic accounting, which uses computers and communication networks to accomplish accounting tasks. In order to improve the accuracy and suitability of accounting information in light of the current state of information development, the International Federation of Accountants (IFAC) released a set of accounting principles for the electronic environment (Thabit, 2016).

---

1 Al-Fasfus Fuad Suleiman \* [0000-0001-7647-5123], Department of Accounting Sciences, Zarqa University, Email: [al\\_fasfus@zu.edu.jo](mailto:al_fasfus@zu.edu.jo)

2 Husni K. Al-Shattarat [0000-0001-6448-5666], Department of Accounting Sciences, Zarqa University, Email: [hshattarat@zu.edu.jo](mailto:hshattarat@zu.edu.jo)

3 Mohyedin Hamza [0000-0002-0612-2442], Department of Accounting Sciences, Zarqa University, Email: [mhamza@zu.edu.jo](mailto:mhamza@zu.edu.jo)

4 Saed Mohammad Aldaraweesh [0009-0001-8119-2870], Zarqa University, (Researcher), Email: [darawishsaed@gmail.com](mailto:darawishsaed@gmail.com)

\*Corresponding Author: Email: [al\\_fasfus@zu.edu.jo](mailto:al_fasfus@zu.edu.jo)

Financial performance, which is seen as a critical dividing line between good and bad work, has developed into one of the most appealing terms used to describe the outcome of labor and active efforts to maximize owners' wealth during that time and up to the present. This is due to the possibility that financial performance outcomes could negatively impact businesses and their ability to continue operating. Therefore, it is undeniable that a company's financial performance is a crucial factor in determining its success, particularly in the current environment given the shifting local and global competitive landscape as well as the growing opportunities to participate in international markets and economic blocs (Mohamed, 2019). In order to ascertain the effect of electronic accounting on the financial performance of insurance companies listed on the Amman Stock Exchange, this study is being conducted.

### **1.1 Problem Statement and Questions of Study**

The COVID-19 pandemic and the worldwide economic downturn have led to a notable spike in insurance costs for Jordanian insurance companies, thereby impacting their financial performance. Jordanian insurance companies need to look into other options and use contemporary IT in order to get past these obstacles. This entails incorporating less expensive but very powerful tools into day-to-day operations, like switching from antiquated paper-based accounting systems to cutting-edge electronic ones. The financial performance and long-term viability of these insurance companies are significantly impacted by this calculated move. By offering insightful analysis and practical suggestions, the study seeks to address this crucial juncture and enable Jordanian insurance companies to fully utilize electronic accounting systems, improving their financial performance and securing their place in the constantly changing global financial landscape. In addition to improving their financial results, this will secure their place in the constantly changing global financial scene.

Is there a statistically significant impact of using electronic accounting on the financial performance of insurance companies listed on Amman Stock Exchange?

In order to answer the previous main question, the following sub-questions were asked:

1. Is there a statistically significant impact of using electronic accounting on the return on assets (ROA) of insurance companies listed on Amman Stock Exchange?
2. Is there a statistically significant impact of using electronic accounting on the return on equity (REA) of insurance companies listed on Amman Stock Exchange?
3. Is there a statistically significant impact of using electronic accounting on the earning per share (EPS) of insurance companies listed on Amman Stock Exchange?

### **1.2 Significance of Study**

This study highlights the insurance companies listed on the Amman Stock Exchange's readiness to embrace digital transformation by offering a thorough understanding of their electronic accounting practices. It also highlights the strong link between financial performance and electronic accounting practices, which is helpful information for upper management and decision-makers. They can use this information to make well-informed strategic decisions that will improve the financial standing of their company. The report serves as a catalyst for improvement, urging executives in the insurance sector to take advantage of electronic accounting systems in a proactive manner to strengthen their companies against the dynamic challenges of the contemporary financial environment.

## **2. Theoretical Framework**

Financial transactions are recorded, processed, and analyzed using computerized systems called electronic accounting systems. For businesses to make well-informed business decisions, they supply them with timely and accurate financial information. In the end, decision-making quality is influenced by the caliber of financial data produced by these systems, which bears on financial performance. Decisions are made more quickly and intelligently when departments can collaborate and communicate more easily thanks to easy access to financial data. Due to their ability to automate manual processes and boost efficiency, EA systems can also help organizations cut costs. Through training and development initiatives, user competence—which is necessary for accurate and timely financial reporting—may be increased. Organizational culture has an impact on the adoption and utilization of electronic accounting systems. Businesses where adopting new technologies and innovation is valued

### **2.1 The Concept of Electronic Accounting**

Because of the shift in the accountant's professional role, electronic accounting emerged at the start of the third millennium as one of the modern terms and concepts in information technology. This field of study has grown quickly. Thus, the automation of accounting and its total conversion to the computer, which can be implemented today with very little effort, resulted from the rapid technological advancement in the fields of information technology, communication networks, and computers (Wahhab, 2020).

Furthermore, it can be defined as the process of gathering, classifying, and retrieving accounting data that is arranged digitally within a database and is dependent on both internal and external communication networks. This process ensures that accounting data flows between system components and is quickly retrieved when needed (Khudir, 2016). On the other hand, electronic accounting was defined by (Ghaffar et al., 2019) as tracking down internal and external accounting issues, recording and documenting those occurrences, and giving beneficiaries access to a summary of information via an electronic environment.

### **2.2 Accounting Information Security**

The ability of an electronic accounting system used in an organization to protect user data, including that of clients and employees, as well as their privacy and confidentiality with regard to personal information, is known as accounting information security (Al-Nsour et al., 2021). Additionally, it helps maintain the organization's information wealth by supporting the upkeep of the organization's database in particular and the surrounding environment generally. It also helps to meet the privacy requirements in the electronic accounting business environment. On the other hand, safety, savings, confidentiality, reliability, authorization, and non-denial are among the principles that make up the electronic accounting information security dimension (Abdul Latif et al., 2019; Amara, 2018; Thabet, 2020). Additionally, according to Khalid and Kot (2021) "the processing of accounting information refers to all the operations that are performed on inputs originating from the environment in order to transform them into outputs."

Therefore, a number of factors, such as completeness, accuracy, timeliness, evaluation, arrangement, and stability, govern how electronic accounting information is processed (Haddadi et al., 2019; Amara, 2018; Thabet, 2016; Bou Fara'a, 2010).

### **2.3 The Concept of Financial Performance**

A company's financial performance is a critical component of its operations and accomplishments, as it demonstrates its capacity and ability to meet its objectives. It establishes the degree of accomplishment and resource usage and is a reflection of the business's all-encompassing operations. In accounting settings, financial performance is crucial because it shows how well management uses available resources to achieve objectives. It serves as a broad gauge for businesses over time and facilitates comparisons with other businesses of a like kind (Muhammad, 2021). The significance of financial performance in accounting environments is emphasized by (Almagtome & Abbas, 2020). It can also be described as a system that facilitates the efficient mobilization and best use of the institution's resources, lowering expenses and increasing returns (Masoudi, 2015).

**The financial performance indicators are as follows:**

- Return on Assets (ROA)
- Return on Equity (REA)
- Earnings Per Share (EPS)

### **2.4 Literatures Review and Hypothesis Development**

To begin with, Al-Musawi's study from 2021 produced a number of findings, the most notable of which was that, particularly in the current competitive market, electronic accounting plays a significant role in rationalizing administrative decisions by providing accurate, timely, and highly credible information. According to Shams and Azraq's (2019) research, the financial performance of the Libyan banks that were the subject of the study and were listed on the Libyan capital market was unaffected by the implementation of electronic accounting information systems.

Similarly, Melhem's (2019) research findings demonstrated that both internal and external factors influence the financial performance as indicated by return on equity and return on assets. While Ahmed's study from 2021 revealed a number of findings, the most significant ones are as follows: there is a correlation between the use of electronic accounting and higher-quality financial statements released by the banks in the study sample; additionally, electronic accounting was found to have an impact on higher-quality financial statements represented in (basic and augmenting characteristics) for the stated accounting information in these statements. In 2020, Omware et al. found that there was a statistically significant relationship between the financial performance of listed commercial banks and the number of board members, independence, educational background, gender diversity, and racial composition of the board. In a similar vein, Oladejo and Yinus's 2020 study found that specific elements impacting the adoption of electronic accounting in a subset of banks included perceived ease of use, bank size, and the cost of implementing information and communication technology. Additionally, it was discovered that the use of electronic accounting improved the quality of financial reports produced by these banks, as well as accounting procedures and report timeliness. As such, a positive relationship between reinsurance operations and financial performance was revealed by Sognon's 2019 study, especially when it came to two important metrics: return on equity (ROE) and return on assets (ROA). Based on the above discussion and based on electronic accounting systems hypothesis, The main hypothesis

**H0:** *There is no statistically significant impact at the significance level ( $0.05 \geq \alpha$ ) of electronic accounting in its dimensions (accounting information security, and accounting information processing) on the financial performance dimensions (return on assets, return on equity, earnings per share) in insurance companies listed at the Amman Stock Exchange, and the following sub-hypotheses are derived from it:*

**H0.1:** *“There is no statistically significant impact at the significance level ( $0.05 \geq \alpha$ ) of electronic accounting in its dimensions (accounting information security, and accounting information processing) on the return on assets (ROA) in the insurance companies listed at the Amman Stock Exchange.”*

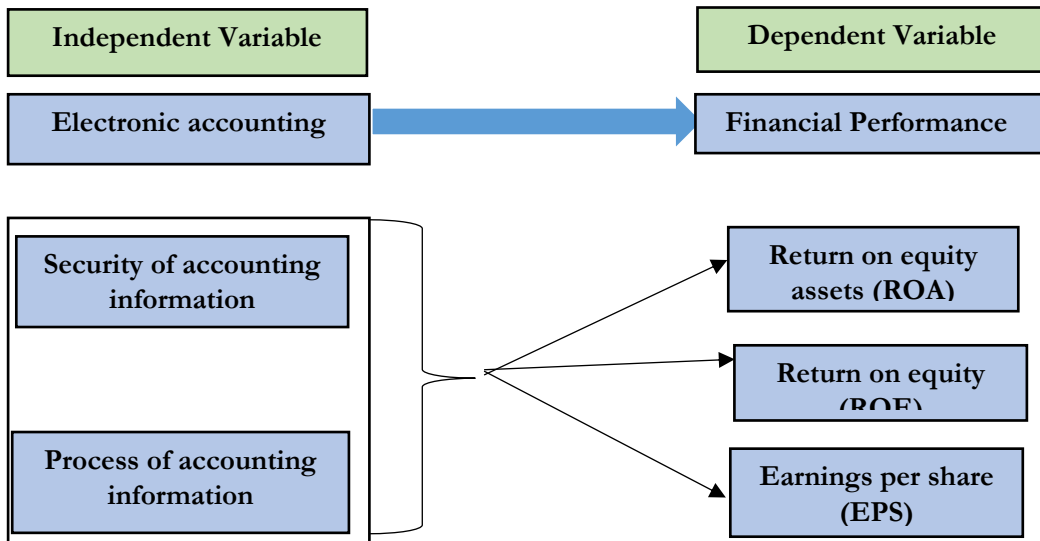
**H0.2:** *“There is no statistically significant impact at the significance level ( $0.05 \geq \alpha$ ) of electronic accounting with its dimensions (accounting information security and accounting information processing) on return on equity (REA) in insurance companies listed on the ASE.”*

**H0.3:** *“There is no statistically significant impact at the significance level ( $0.05 \geq \alpha$ ) of electronic accounting with its dimensions (accounting information security, and accounting information processing) on earnings per share (EPS) in insurance companies listed on the ASE.”*

### 1.3 Study Model

The researcher has created a unique model specifically for this study in order to fulfill the goal of identifying the influence of the independent variables on the dependent variable.

Figure No. (1) Shows the study model and its variables:



**Figure (1):** Study model

**Source:** prepared by the researcher based on previous studies.

## 2. Methodology of Study

This study's methodology is based on the analytical descriptive approach, which is based on accurately describing the phenomenon as it occurs in the given context and then examining the correlational relationships between the dependent variable (financial performance) and the independent variable (electronic accounting). Thus, in an effort to draw conclusions that advance and enhance reality, it is necessary to determine the impact of the independent variable on the dependent variable as well as the magnitude of this impact.

### **3.1 Study Population**

As the study relied on information from these companies' annual financial reports for the years 2015 to 2020, the population of the study consists of the (20) insurance companies listed on the Amman Stock Exchange. However, with regard to the sampling unit, the human resources department of the surveyed companies reported that nearly (257) financial managers and accountants work in these companies, which is how the study's questionnaire was distributed and the independent variable (electronic accounting) was measured.

### **3.2 Study Sample**

From the study population, the researchers took a simple random sample, whose size was the same as the population as a whole. In this study, the permitted margin of error is (0.05), as per the established table for calculating the necessary sample sizes (Sekaran & Bougie, 2016). Thus, in order to measure the independent variable (electronic accounting), the researcher gave the study sample members a total of fifteen hundred fifty-five electronic questionnaires that were prepared using Google Forms. Thus, out of the (116) questionnaires that were retrieved, (107) were deemed valid for analysis, accounting for (69%) of the study sample.

The study used a panel balanced data approach to measure financial performance, excluding companies subject to mergers, acquisitions, or liquidations. Companies included after 2015 were excluded due to the need for sufficient data and the researcher's inability to distribute questionnaires. The study focused on 20 companies with continuous data on return on assets, return on equity, and earnings per share from 2015 to 2020. No company's data was excluded due to previous conditions, and the study was conducted on companies with continuous data on these factors. The panel balanced data approach ensures the availability of sufficient data for the study's purposes.

### **3.3 Data Sources**

Books, scholarly sources and references, university studies, official annual reports published by Jordan's relevant authorities, and statistics serve as the data's primary sources. The questionnaire was used to gather data on the independent variable, electronic accounting, in order to meet the study's objectives. For the year 2015–2020, the annual financial reports of these Jordanian insurance companies listed at the Amman Stock Exchange were consulted in order to obtain data pertaining to the dependent variable (financial performance) for the dimensions (return on equity, earnings per share, and return on assets).

### **3.4 Study Tool (Questionnaire)**

To achieve the goals of the study and provide answers to its questions, the researchers created a questionnaire to collect data on the independent variable (electronic accounting). As a result, the study used the following studies as references when preparing its dimensions: studies by Al-Musawi (2021), Ahmed (2021), Oladejo & Yinus (2020), Haddadi et al. (2018), and Thabit (2016). In contrast, the Five Likert Scale was used in this study to gauge respondents' responses.

## **3. Study Results**

### **4.1 The correlation matrix among the study variables**

The study's Pearson's correlation factor was taken out in order to determine the kind of

correlation that existed between the variables. Table (1) presents the findings.

**Table (1)** The correlation matrix among the study variables

	Variable	1	2
1	Accounting Information Security	1	
2	Accounting Information Processing	0.789**	1

\* Correlation factor at the significance level 0.05  
 \*\* Correlation factor at the significance level 0.01

Table (1) shows that there is no problem with the independent variable dimensions' multiple linear correlations; the problem becomes apparent when the correlation exceeds 0.80. Therefore, it can be concluded that there are no problems with the sample's multiple high linear correlation (Benesty et al., 2009).

#### 4.2 Normal Distribution Test

The study hypotheses were tested using inferential statistics techniques, and the Shapiro-Wilk test was conducted to ensure the objectivity of the findings. This test requires a normal distribution of the study data in order to confirm that the study data are free of statistical problems that could have an adverse effect on the findings of testing the study hypotheses. The null hypothesis, on the other hand, is accepted because there is no statistically significant variance between the variable values' distribution and the normal distribution at the significance level ( $\alpha \leq 0.05$ ), indicating that the study variables' values follow the normal distribution (Razali & Wah, 2011), as shown in table (2). This is because a false correlation develops between the independent and dependent variables of the study, and as a result, the correlation loses its ability to explain or predict the phenomenon under study.

**Table (2)** Testing the normal distribution using the Shapiro-Wilk test

Significance Level	Test Value	Dimension
0.060	1.106	Accounting Information Security
0.888	1.118	Accounting Information Processing

**Note:** \* The distribution is considered normal at the significance level ( $\alpha < 0.05$ ).

Table No. (2) shows that all variables had a normal distribution because all answer normal distribution ratios were greater than the predetermined level of significance (0.05) in the statistical processing of this study.

#### 4.3 Linear Interference Test

The researcher identified the cause of the internal correlations of the independent variables prior to testing the hypotheses, and it turned out that this required determining the tolerance factor for each independent variable as well as testing the inflation factor (Variance Inflation Factor). where all independent variable (VIF) values should be less than ten, and tolerance values should be more than 0.05 (Sekaran & Bougie, 2016). Table No. (3) makes this evident.

**Table (3):** Variance Inflation Factor test and the allowable variance of the independent variable dimensions

VIF	Tolerance	Dimension
2.652	0.377	Accounting Information Security
2.652	0.377	Accounting Information Processing

According to Table (3), there is no significant correlation between the dimensions of the independent variable because the variance inflation factor (VIF) test values for all of the dimensions were less than (5), while the variance inflation factor (VIF) tolerance values for all of the dimensions were greater than 0.05. As a result, each of these dimensions can be used in the regression model to determine which has a statistically significant impact on the dependent variable and, if so, what percentage of that impact. Therefore, the following study hypotheses will be tested once it has been established that there is no strong correlation between the independent variable's dimensions:

#### 4.5 The results of testing the study hypotheses

At the significance level ( $0.05 \geq \alpha$ ), there is no statistically significant difference between the financial performance (return on equity, earnings per share, and return on assets) of insurance companies listed on the Amman Stock Exchange and electronic accounting and its dimensions (accounting information security and accounting information processing). But from it, the subsequent sub-hypotheses are generated:

**H0.1:** *There is no statistically significant impact at the level of significance ( $0.05 \geq \alpha$ ) for electronic accounting and its dimensions (accounting information security, and accounting information processing) on the return on assets (ROA) in insurance companies listed at the Amman Stock Exchange.*

By using the multiple regression equation to examine the relationship between electronic accounting and its components—accounting information processing and security—and return on assets (ROA), the first sub-hypothesis was found to be valid. Table No. (4) makes this evident.

**Table (4):** Results of applying the multiple regression equation to study the impact of electronic accounting dimensions (accounting information security, and accounting information processing) on return on assets (ROA)

Statistical Significance	F	Adjusted R Square	R <sup>2</sup>	R	Statistical Significance	T	β	Dimension
0.00	47.28	0.466	0.476	0.69	0.03	2.19	0.25	Accounting Information Security
					0.00	4.09	0.47	Accounting Information Processing

Table (4) shows the following:

1. The study found a significant correlation between the application of electronic accounting and the return on assets (ROA) of Jordanian insurance companies listed on the Amman Stock Exchange. The adjusted r-square value of 0.466 explained the impact of electronic accounting on the return on assets, explaining a change of 46.6%. The test value (F) was also significant, indicating variation in the ability of the independent variables to affect the dependent variable. Therefore, the first sub-hypothesis was rejected, and the alternative hypothesis was accepted, indicating a significant impact of electronic accounting on the return on assets in Jordanian insurance companies.
2. The return on assets (ROA) of Jordanian insurance companies listed on the Amman Stock Exchange is statistically affected by the two electronic accounting dimensions (accounting information security and accounting information processing) independently. The values of (β, t) were statistically significant at the significance level ( $0.05 \geq \alpha$ ).



**H0.2:** *There is no statistically significant impact at the significance level ( $\alpha \geq 0.05$ ) for electronic accounting with its dimensions (accounting information security, and accounting information processing) on the return on equity (REA) in the insurance companies listed at the Amman Stock Exchange.*

The impact of electronic accounting, including its dimensions of accounting information processing and security, on return on equity (REA), was examined using the multiple regression equation in order to confirm the validity of this second sub-hypothesis. This is shown in Table No. (5).

**Table (5):** Results of applying the multiple regression equation to study the impact of electronic accounting dimensions (accounting information security, and accounting information processing) on the return on equity (REA)

Statistical Significance	F	Adjusted R Square	R <sup>2</sup>	R	Statistical Significance	T	$\beta$	Dimension
					0.00	3.52	0.45	Accounting Information Security
0.00	28.70	0.343	0.356	0.596				
					0.18	1.34	0.17	Accounting Information Processing

Table (5) shows the following:

1. The study found a significant impact of electronic accounting on the return on equity (REA) of Jordanian insurance companies listed on the Amman Stock Exchange. The correlation factor (R) was 0.596, indicating a strong correlation between the independent and dependent variables. The adjusted R-square value was 0.343, indicating the ability of electronic accounting to affect REA. The application of electronic accounting (34.3%) explained the change in REA. The F test value was 28.70, indicating a variation in the ability of independent variables to affect the independent variable. The second sub-hypothesis rejected the null hypothesis, accepting the alternative hypothesis, which states that electronic accounting has a statistically significant impact on REA in Jordanian insurance companies.
2. The return on equity (REA) of Jordanian insurance companies listed on the Amman Stock Exchange is significantly impacted by the electronic accounting dimension (accounting information security), with statistically significant values of ( $\beta$ , t) at the significance level ( $0.05 \geq \alpha$ ).
3. The return on equity (REA) in the Jordanian insurance companies listed at the Amman Stock Exchange, where the values of ( $\beta$ , t) were statistically significant at the significance level ( $0.05 \geq \alpha$ ), is not significantly affected by the electronic accounting dimension (accounting information processing).

**H0.3:** *There is no statistically significant impact at the significance level ( $0.05 \geq \alpha$ ) for electronic accounting and its dimensions (accounting information security, and accounting information processing) on the earnings per share of the insurance companies listed at the Amman Stock Exchange. Also, in order to validate this second sub-hypothesis, the multiple regression equation was applied to study the impact of electronic accounting and its dimensions (accounting information security, and accounting information processing) on earnings per share (EPS). Table No. (6) illustrate this.*

**Table (6):** Results of applying the multiple regression equation to study the impact of electronic accounting dimensions (accounting information security, and accounting information processing) on earnings per share (EPS)

Statistical Significance	F	Adjusted R Square	R <sup>2</sup>	R	Statistical Significance	T	$\beta$	Dimension
--------------------------	---	-------------------	----------------	---	--------------------------	---	---------	-----------

0.00	15.26	0.212	0.227	0.476	0.62	0.50	0.07	Accounting Information Security
					0.00	2.98	0.42	Accounting Information Processing

Table (6) shows the following:

1. The study found a significant impact of electronic accounting on the return on earnings per share (EPS) in Jordanian insurance companies listed on the Amman Stock Exchange. The correlation coefficient (R) was 0.476, indicating a strong correlation between the independent variables and the dependent variable. The adjusted R-square was 0.212, indicating the ability of electronic accounting to affect EPS. The application of electronic accounting explained (21.2) of the change in earnings per share. The F test was 15.26, indicating variation in the ability of independent variables to influence the dependent variable. The third sub-hypothesis rejected the null hypothesis but accepted the alternative hypothesis, stating that electronic accounting has a statistically significant impact on EPS in Jordanian insurance companies.
2. The accounting information security dimension has no statistically significant effect on earnings per share (EPS) in Jordanian insurance companies listed on the Amman Stock Exchange, as indicated by the non-statistically significant values of ( $\beta$ , t) at the significance level ( $0.05 \geq \alpha$ ).
3. Earnings per share (EPS) in Jordanian insurance companies listed on the Amman Stock Exchange is significantly impacted by the (accounting information processing) dimension, with statistically significant values of ( $\beta$ , t) at the significance level ( $0.05 \geq \alpha$ ).

The alternative hypothesis, which contends that electronic accounting has a considerable influence on financial performance, is accepted by the study in place of the null hypothesis. The impact is multifaceted, with an emphasis on the processing and security of accounting information. According to the study, this effect is particularly noticeable for insurance companies that are listed on the Amman Stock Exchange in terms of return on equity, return on assets, and earnings per share. It is consistently observed that there is a strong correlation between financial performance metrics and electronic accounting practices in the context of insurance companies that are listed on the Amman Stock Exchange. The results highlight the significance of electronic accounting in improving financial performance and provide strong validation for the alternative hypothesis.

#### 4.6 Discussion

The study shows how electronic accounting has a major impact on Jordanian insurance companies that are listed on the Amman Stock Exchange. These businesses gave electronic accounting a high rating and positive feedback on accounting information security. Their reliance on specialized accounting software, which has transformed their financial and accounting operations, is the cause of this. Digital data management, categorization, and effective retrieval have become standard practices, guaranteeing prompt and precise access to vital financial data. Additionally, the study discovered that electronic accounting had a statistically significant effect on the financial results of Jordanian insurance companies that are listed on the Amman Stock Exchange. Their adoption of contemporary electronic infrastructure, which enables accurate and effective bookkeeping and financial operations, can be blamed for this outcome. This infrastructure guarantees that decision-makers receive high-

quality information when needed and retrieves crucial data at a remarkable speed. Within Jordanian insurance companies, electronic accounting has a statistically significant effect on return on assets (ROA). Their implementation of a contemporary electronic infrastructure, which makes it easier to monitor both internal and external financial issues, is responsible for this outcome. This infrastructure protects data from theft or damage and makes it possible to record and store data accurately. The study also discovers that, in contrast to the accounting information processing dimension, the accounting information security dimension had a statistically significant impact on the return on equity (REA). This indicates that insurance companies in Jordan have adopted a strong blend of contemporary technology and electronic accounting systems that prioritize data security and protection in addition to effective data processing.

To sum up, the results of the study offer a thorough understanding of the significant influence that electronic accounting has on different facets of financial performance in Jordanian insurance firms that are listed on the Amman Stock Exchange. These results highlight how important digital transformation is to simplifying accounting and finance procedures, influencing decision-making in a positive way, and resulting in lower costs, higher returns, and increased overall profitability.

#### **4.7 Recommendations**

Considering the previous results, the study recommends the following:

1. The Jordanian insurance companies that are the subject of this study aimed to have electronic accounting systems that provide sufficient security for their accounting data and allow workers to access these systems in a secure manner.
2. Making adjustments to the electronic accounting systems of Jordanian insurance companies so that they can be used to forecast potential future financial issues that the companies may encounter.
3. In order to improve their market share, earnings, and financial performance, encourage Jordanian insurance companies to diversify their financial instruments and create a range of insurance programs.

#### **References**

1. Abed, Ahmed (2019). The effect of using electronic accounting information systems in raising the efficiency of the financial performance of economic institutions, *Al-Kout Journal of Economic and Administrative Sciences*, 11 (34), 204-221.
2. Ahmed, R. R. (2021). The Role of Electronic Accounting Information Systems in Improving the Quality of Financial Statements: An Exploratory Study in a Sample of Iraqi Commercial Banks in Erbil Governorate. *QALAAI ZANIST SCIENTIFIC JOURNAL*, 6(3), 539-574.
3. Al-Musawi, Hussein (2021). The impact of electronic accounting in rationalizing administrative decisions, *Journal of Baghdad University College of Economic Sciences*, (64), 377-388.
4. Al-Nsour, E., Weshah, S., & Dahiyat, A. (2021). Cloud accounting information systems: Threats and advantages. *Accounting*, 7(4), 875-882.
5. Al-Shams, Essam; & Al-Azraq, Osama. (2019). The Impact of Electronic Accounting Information Systems on Financial Performance: An Empirical Study on Banks Listed in the Libyan Capital Market. Professor, M.G. 2019, p. 16, p.p. 131-15

6. Almagtome, A., & Abbas, Z. (2020). Value relevance of financial performance measures: An empirical study. *International Journal of Psychological Rehabilitation*, 24(7), 6777-6791.
7. Amara, Dabar (2018). The impact of electronic accounting on decision-making - a field study of a sample of auditors in the state of El-Oued 2018, unpublished master's thesis, Martyr Hama Lakhdar University in El-Oued, Algeria.
8. Benesty, J., Chen, J., Huang, Y., & Cohen, I. (2009). Pearson correlation coefficient. In *Noise reduction in speech processing* (pp. 1-4). Springer, Berlin, Heidelberg.
9. Boufroua Soufiane. (2010). Accounting information system and its role in the management of the economic enterprise. a case study of the Inajok complex, Al-Taher branch unpublished master's thesis, Constantine University, Algeria.
10. Ghaffar, A. M., Mokhtar, M. Z., Ismail, W. N. S. W., & Othman, M. R. (2019). Determinant of e-accounting (EA) adoption among Malaysian maritime SMES. *International Journal of Engineering & Technology*, 8(1.8), 102-105.
11. Haddadi, Abdel-Latif; Khair El-Din, Oucif Faiza; & Omar, Melouki. (2018). Decision-making based on electronic accounting by external audit committees: a study of a sample of accountants and accountants in El-Oued state. *Journal of Finance and Accounting Studies*, 9(9), 36-51.
12. Khalid, B., & Kot, M. (2021). The impact of accounting information systems on performance management in the banking sector. *IBIMA Bus. Rev.*, 1-15.
13. Khudir, I. M. (2016). Implementation of Electronic Accounting System in Business Environment, *Imperial Journal of Interdisciplinary Research (IJIR)*, Vol-2, Issue-6, 2016
14. Massoudi, Sana (2015). Evaluating the financial performance of commercial banks, a case study of BNA and CPA agencies in El-Wadi for the period 2009-2012, an unpublished master's thesis, Martyr Hama Lakhdar University in El-Wadi, Algeria.
15. Melhem, Omar (2019). Factors affecting the financial performance of the public shareholding insurance companies listed on the Amman Stock Exchange, unpublished master's thesis, Middle East University, Jordan.
16. Mohamed, M. (2019). The impact of expert systems on improving the financial performance of industrial companies listed in the Iraqi financial market. *Tikrit Journal Of Administrative and Economic Sciences*, 4(40), 197-213.
17. Muhammad, Abdullah (2021). The impact of the characteristics of the board of directors on financial performance: an applied study on the Jordanian commercial banks listed on the Amman Stock Exchange, unpublished master's thesis, Middle East University, Jordan.
18. Oladejo, M. O., & Yinus, S. O. (2020). Electronic Accounting Practices: An Effective Means for Financial Reporting Quality in Nigeria Deposit Money Banks. *International Journal of Managerial Studies and Research*, 8(3), 13-26.
19. Omware, I. M., Atheru, G., & Jagongo, A. (2020). Corporate governance and financial performance of selected commercial banks listed at Nairobi Securities Exchange in Kenya. *International Academic Journal of Economics and Finance*, 3(5), 75-91.
20. Razali, N. M., & Wah, Y. B. (2011). Power comparisons of shapiro-wilk, kolmogorov-smirnov, lilliefors and anderson-darling tests. *Journal of statistical modeling and analytics*, 2(1), 21-33.
21. Sekaran, U., & Bougie, R. (2016). *Research Methods for Business: A Skill-Building Approach*, New York: John Wiley and Sons.
22. Sognon, G. (2019). Reinsurance and financial performance of short term insurance companies in South Africa, Unpublished Mater Thesis, University of Cape Town, South Africa.

23. Thabit, Thabit. (2016). The Measurement the quality of electronic accounting principles using of fuzzy logic tools, *Al-Ghary Journal for Economic and Administrative Sciences*, 13(40), 328-346.
24. Wahab, Asaad (2020). *Computerized Techniques in Auditing Financial Statements*, (3rd Edition), Amman: Dar Al-Yazuri Al-All.