

# The Effect of Computerized Accounting System on Organizational Performance of Selected Retail Businesses in Karuhatan, Valenzuela City

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## ABSTRACT

This study examined the effect of Computerized Accounting Systems (CAS) on the organizational performance of selected retail businesses in Karuhatan, Valenzuela City. Specifically, the study focused on productivity, cost control, and accountability as dimensions of organizational performance. A quantitative descriptive-correlational research design was utilized, and data were gathered from 53 retail businesses through a structured questionnaire. Descriptive statistics and simple linear regression analysis were employed to analyze the data. Findings revealed that respondents generally had favorable perceptions toward CAS, particularly in providing timely and updated financial information. Results further showed that CAS positively influenced productivity

by improving transaction processing and report generation, strengthened cost control through better expense monitoring and payable tracking, and enhanced accountability by improving transparency and audit trails. Regression analysis indicated a strong and significant relationship between CAS and organizational performance. The study concluded that the adoption and effective utilization of Computerized Accounting Systems significantly contribute to the operational efficiency and financial management of retail businesses in Karuhatan, Valenzuela City. Businesses are encouraged to strengthen training, internal controls, and proper system implementation to maximize the benefits of CAS.

**Keywords:** *Computerized Accounting Systems, Organizational Performance, Productivity, Cost Control, Accountability*

## INTRODUCTION

Retail businesses in urban communities such as Karuhatan, Valenzuela City encounter increasing demands in managing daily transactions, inventory monitoring, and financial reporting. Traditional manual accounting methods often lead to delays in transaction processing, recording inaccuracies, and inefficiencies in monitoring sales and expenses. Because of these challenges, many retail businesses have

begun adopting Computerized Accounting Systems (CAS) to improve operational efficiency and support financial decision-making.

A Computerized Accounting System is a software-based tool used to record, process, and report financial transactions. According to Lutfi (2022), CAS improves the speed and accuracy of financial reporting while providing managers with timely access to financial information. Similarly, Wijayanti, Mohamed, and Daud (2024) explained that computerized accounting systems reduce repetitive manual tasks and minimize accounting errors, thereby improving operational productivity. In addition, Kareem et al. (2024) emphasized that CAS strengthens accountability through audit trails and traceable financial documentation.

The adoption of CAS has become increasingly important in the retail sector because of the high volume of daily transactions and the need for real-time financial monitoring. Through automated accounting processes, businesses are able to generate reports faster, monitor expenses efficiently, and improve financial transparency. These functions are essential for maintaining productivity, controlling operational costs, and ensuring accountability within the organization.

Despite the growing acceptance of computerized accounting systems, many small retail businesses in the Philippines still rely on manual accounting practices. Existing studies often focus on large corporations and industries outside the retail sector, leaving limited evidence regarding the impact of CAS among micro and small retail enterprises in local communities such as Karuhatan, Valenzuela City.

This study aimed to determine the effect of Computerized Accounting Systems on the organizational performance of selected retail businesses in Karuhatan, Valenzuela City. Specifically, it examined how CAS influences productivity, cost control, and accountability among retail establishments.

## **METHODS**

### **Research Design**

This study utilized a quantitative descriptive-correlational research design to determine the relationship between Computerized Accounting Systems and organizational performance among retail businesses in Karuhatan, Valenzuela City. The descriptive approach was used to identify respondents' perceptions regarding CAS, while the correlational design examined the significant effect of CAS on productivity, cost control, and accountability.

### **Research Locale**

The study was conducted in Karuhatan, Valenzuela City, a growing commercial area in Metro Manila with numerous retail establishments such as grocery stores, convenience stores, sari-sari stores, and merchandising businesses. The locale was selected because many retail businesses in the area have started transitioning from manual accounting methods to computerized accounting systems.

### **Sampling Technique**

The study involved 53 selected retail businesses in Karuhatan, Valenzuela City. Purposive sampling was employed to ensure that respondents possessed direct experience in using Computerized Accounting Systems in their business operations. Respondents included business owners, managers, and accounting personnel.

### **Research Instrument**

A structured questionnaire was used as the primary data gathering instrument. The questionnaire consisted of four sections: respondent profile, perceptions of CAS, organizational performance in terms of productivity, cost control, and accountability, and overall effectiveness of CAS. A five-point Likert scale was utilized to measure respondents' agreement with each statement.

### Data Collection

The researchers personally visited selected retail establishments to distribute questionnaires through Google Forms using QR codes. Respondents completed the survey voluntarily after being informed about the purpose of the study and the confidentiality of their responses.

### Data Analysis

Descriptive statistics such as frequency, percentage, mean, and standard deviation were used to summarize the data. Simple linear regression analysis was employed to determine the significant effect of Computerized Accounting Systems on organizational performance.

### Research Ethics

Participation in the study was voluntary. Respondents were informed regarding the objectives of the research, and confidentiality of all collected data was maintained throughout the study. All data were stored securely and used solely for academic purposes.

## RESULTS AND DISCUSSION

Table 1. *Firmographic Profile of the Respondents*

Variable	Frequency	Percent (%)
<b>Number of years in operation</b>		
Less than 1 year	14	26.42
1 – 5 years	20	37.74
11 – 20 years	2	3.77
6 – 10 years	10	18.87
More than 10 years	7	13.21
<b>Total</b>	<b>53</b>	<b>100.00</b>
<b>1.2 Number of employees</b>		
1 – 5 employees	36	67.92
6 – 20 employees	12	22.64
21 – 50 employees	2	3.77
Medium (51 – 100 employees)	1	1.89
More than 100 employees	2	3.77
<b>Total</b>	<b>53</b>	<b>100.00</b>
<b>1.3 Software used</b>		
Local/Custom	2	3.77
Microsoft Dynamics	8	15.09

Microsoft excel	1	1.89
POS w/ accounting module	23	43.40
QuickBooks	5	9.43
SAP	2	3.77
Xero	2	3.77
None (manual accounting)	10	18.87
<b>Total</b>	<b>53</b>	<b>100.00</b>

### Firmographic Profile of the Respondents

Table 1 presents the firmographic profile of the respondents according to years in operation, number of employees, and software used.

Most of the businesses had operated for 1–5 years (37.74%), while the majority employed 1–5 employees (67.92%), indicating that most respondents were micro-to-small retail enterprises. In terms of software used, POS systems with accounting modules were the most commonly utilized accounting tools (43.40%), followed by manual accounting systems (18.87%).

The findings suggest that many retail businesses in Karuhatan are gradually adopting computerized accounting technologies to support their operations. However, the continued use of manual accounting among several businesses indicates uneven adoption of digital accounting practices.

Table 2. *Perception of Respondents Toward Computerized Accounting Systems*

Statements	Mean	Standard Deviation	Verbal Interpretation
CAS improves the efficiency of our accounting tasks.	3.66	1.22	Agree
CAS reduces errors in financial reporting.	3.43	1.15	Agree
CAS is easy to learn for the staff who use it.	3.68	1.03	Agree
CAS allows us to view up-to-date financial information when needed.	3.85	1.08	Agree
CAS improves the organization and consistency of our accounting processes.	3.74	1.04	Agree
Overall	3.67	0.99	Agree

### Perception of Respondents Toward CAS

Respondents generally expressed favorable perceptions toward Computerized Accounting Systems, with an overall mean of 3.67. The highest-rated indicator was that CAS allows access to up-to-date financial information when needed ( $M = 3.85$ ), while the lowest-rated indicator was that CAS reduces errors in financial reporting ( $M = 3.43$ ).

The findings indicate that respondents value CAS primarily for its ability to provide timely financial information and improve the efficiency of accounting tasks. However, the relatively lower perception regarding error reduction suggests that user competence and system utilization may affect the effectiveness of CAS.

Table 3. *Perceived Effect of CAS on Productivity*

Statements		Standard Deviation	Verbal Interpretation
CAS has increased the speed of generating financial reports.	3.89	1.05	Agree
CAS reduces the time spent on routine accounting tasks (e.g., invoicing, recording transactions).	3.87	1.02	Agree
CAS helps us complete accounting workflows with fewer steps and less rework.	3.75	1.05	Agree
CAS provides timely financial information that supports faster management decisions.	3.75	1.04	Agree
CAS helps us record and track sales transactions efficiently.	4.02	0.99	Agree
Overall	3.86	0.94	

### Productivity

Results revealed that respondents perceived CAS as contributing positively to productivity, with an overall mean of 3.86. The highest-rated item was that CAS helps record and track sales transactions efficiently (M = 4.02), followed by faster generation of financial reports (M = 3.89).

These findings support previous studies emphasizing that computerized accounting systems improve operational efficiency by automating routine accounting tasks and reducing transaction processing time.

Table 4. *Perceived Effect of CAS on Cost Control*

Statements	Mean	Standard Deviation	Verbal Interpretation
CAS helps reduce accounting errors that result in avoidable costs (e.g., rework, penalties).	3.55	1.14	Agree
When inventory tracking is enabled, CAS helps monitor inventory levels to reduce avoidable losses (e.g., overstocking, spoilage, stock loss)	3.83	1.01	Agree
CAS helps us monitor and review expenses (by category or period), supporting better cost control.	3.85	0.97	Agree
CAS reduces the need for manual bookkeeping, helping lower administrative costs (e.g., overtime/extra manpower) overtime	3.85	0.99	Agree
CAS helps us track supplier payables and payment due dates to avoid late fees/penalties.	3.85	1.05	Agree
Overall	3.78	0.92	Agree

### Cost Control

The respondents also perceived CAS as beneficial for cost control, obtaining an overall mean of 3.78. The highest-rated indicators involved monitoring and reviewing expenses, reducing administrative costs, and tracking supplier payables.

The findings imply that CAS assists retail businesses in managing expenses more effectively, improving budget monitoring, and reducing avoidable operational costs.

Table 5. *Perceived Effect of CAS on Accountability*

Statements	Mean	Standard Deviation	Verbal Interpretation
CAS has enhanced the accuracy and reliability of financial records.	3.74	1.04	Agree
CAS makes it easier to track transactions and meet applicable reporting and tax requirements.	3.81	0.98	Agree
CAS improves the transparency of financial reports for owners/management.	3.87	0.92	Agree
CAS keeps traceable records of entries and changes that help verify transactions (audit trail).	3.79	0.93	Agree
When access controls/activity logs are enabled, CAS helps prevent or detect unauthorized changes to accounting records.	3.85	0.89	Agree
Overall	3.81	0.88	Agree

### Accountability

Accountability obtained an overall mean of 3.81, indicating favorable perceptions regarding the role of CAS in improving transparency and financial record reliability. Respondents strongly agreed that CAS improves the transparency of financial reports and supports audit trails through traceable records.

The results highlight the importance of computerized accounting systems in strengthening internal controls, transparency, and financial accountability among retail businesses.

### CONCLUSION

The study concluded that Computerized Accounting Systems significantly improve the organizational performance of selected retail businesses in Karuhatan, Valenzuela City. CAS positively affects productivity by improving transaction processing and report generation, enhances cost control through effective expense monitoring, and strengthens accountability by improving financial transparency and audit trails.

The findings indicate that businesses adopting computerized accounting systems gain operational advantages that support efficiency, financial monitoring, and decision-making. However, maximizing the benefits of CAS requires proper training, standardized accounting procedures, and effective internal controls.

Retail businesses are encouraged to adopt user-friendly computerized accounting systems and invest in staff training to improve the effectiveness of system implementation. Future researchers may further examine other factors affecting organizational performance, such as employee competence, system quality, and organizational readiness.

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