

Adoption of Digital Accounting: Issues and Advancement of Peace in Business

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Abstract: Purpose: In this study, both the challenges associated with the transition to digital accounting systems and the opportunities presented by such technologies for the development of business peace were analysed. The financial statements that are produced by a digital accounting system should be straightforward and easy to understand, in addition to being user-friendly, safe, and cost-effective. These requirements should be met while the system is producing financial reports in accordance with accounting standards.

Design/Methodology/Approach: Since most of the content originates from other sources, hence it is qualitative in nature. These numbers were collected from several sources. Books, journals, the Internet, newspapers, and authoritative reports were secondary sources.

Findings: According to this study, digitalization has changed how accountants think and operate. Most accountants accept digitalization's benefits and drawbacks. Developers sought for similar implementation, affordability, accessibility, and usability for digital accounting software. Studies suggest comparing digital and manual accounting software may impact the decision. Adoption choice affects digital accounting software's usefulness and acceptability.

Limitations: It is challenging to obtain data from original sources due to limitations imposed by time and money as well as the protocols of COVID-19 pandemic.

Practical implications: A growing interest in the knowledge and application of accounting software has been sparked by the research. This research also reveals the perspectives of accountants, as well as the restraints that hinder them from implementing or adopting digital accounting in their own enterprises, as well as the benefits that digital accounting provides to businesses, such as the progress of peace.

Originality/value: This research advises organisations to embrace digital accounting for business peace and helps accountants who use digital accounting software comprehend the theoretical and practical aspects of accounting. Advanced research should compare the issue across a greater area. This study identifies accountancy techniques for the future information age.

Keywords: Accounting Software, digital Accounting, Peace Advancement, Digital transformation.

I. INTRODUCTION:

Digital accounting creates, represents, and transfers financial data electronically. All accounting transactions are electronic. The idea sprang from the necessity for an effective tax system. Digital accounting was introduced in 2003 to improve the Tax and Customs Administration (PMATA). Digital Tax, Social Security, and Labor Obligations Bookkeeping System were adopted in 2015. Digital accounting doesn't replace accountants or accounting practises, contrary to popular belief. It empowers accountants by improving their efficiency. The financial sector has undergone a major technological shift. Accountants used to be a necessity for business owners, but now they may be replaced by software that automates the recording and processing of financial data. This has made it easier for business owners and their accountants to accomplish functional duties more quickly and precisely, as well as evaluate and report data more effectively. Businesses may therefore focus on their strategic tasks and deal with more difficult challenges, such as improved financial management, with fewer distractions. A contemporary accounting system may not be best served by traditional accounting methods such as the upkeep of journals, ledgers, and other records. Numerous technical advancements have occurred throughout the transition from traditional to contemporary accounting. Accountancy nowadays is more efficient and effective than it has ever been. There has been a tremendous expansion in the contemporary accounting software industry over the last couple decades, and this growth has been fuelled by the increasing use of digital accounting and the demand for accounting software updates. Business, like life, is about change. Professionals in all industries face tremendous changes, many of which are driven by developing technology. Accounting doesn't differ. The profession has expanded beyond bookkeeping and payroll and is becoming more strategic for forward-thinking firms. "*Digital accounting, process automation, and advanced analytics are ready to elevate accountants in new and empowering ways*". Accountants have the ability to bring attention to unethical business practises, faulty audits, inappropriate use of public funds, and dubious commercial activities that are carried out by both the government and huge corporations. Because of this, it is their primary responsibility to maintain peace and stability for the benefit of the general public, customers, stakeholders, and the government. This is accomplished by painting an accurate and objective image of the company's financial dealings, which is made feasible, at least to some degree, by the use of digital accounting.

II. BACKGROUND OF THE RESEARCH:

When computers were still uncommon, the great majority of businesses had to do bookkeeping and accounting by hand. This required businesses to manually execute and document all bank transactions on columnar sheets. There were also a tonne of manual computations. The way we perform accounting has evolved, though, as a result of technology and digitization. Accounting jobs have moved from a manual technique to more contemporary automated approaches as a result of software solutions. By automating more laborious procedures, this aids company owners and accountants in concentrating on growing their companies. Even as far back as 2010, some in authority positions within the business were blowing the nail in the coffin for accountants. They were concerned that developing technology, notably digitization, will result in the end of accountancy as we know it due to death by digital. As a result of the Covid-19 pandemic, accountants, along with other professions, need to focus more on adapting than removing. Playing landscapes have seen a dramatic alteration since the introduction of digital technology. To remain competitive, organisations must make effective use of the vast volumes of data they have amassed. Companies that are ready to take advantage of the benefits of digital accounting will see this change as an opportunity rather than a threat. COVID-19 has driven millions of us to conduct our daily activities online, such as arranging virtual meetings and utilising technology to stay in touch with family and friends. Peace-tech, or technology for peace, has also grown in popularity, with local peace builders utilising social media, data, and a variety of other technological advancements to promote peace and combat insecurity. The majority of businesses are currently transitioning to digital accounting in their operations. Business and peace is, to some degree, only a unique instance of a long-standing worldwide debate and policy addressing the implementation of digital accounting since it presents financial statements to stakeholders in a timely manner.

III. LITRATURE REVIEW:

Reviewing relevant literature helps determine what's been done and what's needed. To prove this, studies on digital accounting and business peace were evaluated. Following are some most prominent research found:

According to the findings of *Nguyen et al. (2021)*, digitalization processes will make it possible for managers to search for customers, concentrate on improving product quality, and increase the organization's competitiveness. This will be possible because the effort regarding accounting work and the associated errors will be eliminated. According to the findings of the research conducted by *Thipwiwatpotjana (2021)*, the capacity to successfully undergo digital transformation is determined by the presence of senior leaders, a business model, an organisational structure, the potential for access to alternative resources, and support. In addition, the research conducted by *Phornlaphatrachakorn and Nakasindhu (2021)* demonstrates that digital accounting is of utmost significance in terms of its ability to influence accounting information as well as the quality of financial reports, which ultimately results in an increase in the efficiency of strategic decisions. According to the findings of *Saeid's (2020)* research, the subject is comprised of two essential dimensions: the first is accounting maturity, and the second is the necessity of and preparation for digital transformation. The research conducted by *Timchev (2020)* gives light on the examination of the accounting business of firms within the context of the circumstances of competitiveness and digital transformation. This analysis encompasses both the operational and strategic levels. The research conducted by *Parlak (2020)* demonstrates that the advent of digital technology has had a discernible influence on accounting systems as well as the profession of accounting. This influence can be seen in a variety of areas, including memorization, classification, and summarization, as well as the analysis and discussion of financial statements, the establishment of the system, and the maintenance of the system's ability to function effectively. Because of this, members of the accounting field are required to make use of the systems that have been built in order to successfully adapt to the transformation process. In conclusion, *Demiroz and Heupel (2017)* discovered that there is a lack of awareness among business entities of the overall advantages of internet transformation. This is due to the fact that many of these institutions have always been in the first steps of digitalization due to the obstacles that exist within the organisation.

IV. OBJECTIVES OF THE STUDY:

1. To have an awareness of the significance of implementing digital accounting.
2. To investigate the obstacles that prevent the widespread adoption of digital accounting
3. To establish the extent to which the use of digital accounting has contributed to the promotion of peace in the corporate world.
4. To provide constructive suggestions for the direction of future study.

V. LIMITATION OF THE STUDY:

Due to time and financial constraints, as well as the COVID-19 pandemic protocol, it is difficult to gather data from original sources.

VI. RESEARCH METHODOLOGY:

It is safe to presume that the content offered here is of high quality given that the vast bulk of it was obtained from outside sources. After gathering information from a wide variety of resources, these statistics were then written down after being collated. Books, journals, the Internet, newspapers, and reports from a variety of authorities were all examples of secondary sources. In the course of the study endeavour, these were utilised.

VII. Concept of Digital Accounting:

Digital accounting is a term that relates to the development, representation, and transmission of financial data in an electronic format. All accounting transactions are carried out electronically, rather than on paper. In reality, the idea was born out of a desire to create a more effective taxing system. A federal government initiative to modernise the Tax and Customs Administration in 2003 led to the development of digital accounting (PMATA). Data is easily available and retrievable via integrated systems, real-time

reporting, and continual improvement in digital accounting systems. Digital accounting's newest innovations are geared on meeting the increasing need for "info on-demand." This procedure is mostly carried out through the use of mobile devices, apps, and social media. Financial experts may now spend more time advising customers and helping them build plans thanks to ongoing technological improvements than just creating financial reports. It streamlines the accounting process, while also increasing the efficiency of the workforce and improving the accuracy of the data it generates. In addition to providing rapid access to data, digitalization of accounting also assists in attracting new clients, workers, and other stakeholders.

A software programme called a digital accounting system shortens the time an employee would need to spend entering data. Digital accounting solutions essentially let users link the software with their corporate bank accounts and financial activities. Transactions are split into several categories and distinct accounts in the accounting software when the system syncs everything. An organisation may always access all financial data with only a few clicks thanks to the simplicity of this accounting software. However, this does not eliminate the need for an accountant because the purpose of this software is to facilitate financial management and help business owners comprehend their financial status. Accounting is a field that has undergone a tremendous amount of change in recent years, mostly due to technological advancements. It has grown and become more sophisticated with each new expansion and addition, but it has also become more user-friendly and entertaining for those that use it. The current level of contemporary accounting was attained over a long period of time by responding to ever-improving technological advances. Digital Accounting software allows saving company's financial information in an electronic manner that is both secure and accessible. Digital Accounting software users reported a three-year gain in staff sales of 11.8%, according to a recent survey by the Enterprise Research Centre (ERC). More than 70% of small and medium-sized firms reportedly utilised Digital Accounting software during the Covid-19 crisis, according to data from the ERC.

VIII. Benefits in adoption of Digital Accounting:

The adoption of digital accounting software may help to expedite operations and provide assistance in monitoring the financial status of your company, therefore minimising the need for a large number of manual procedures. The adoption of digital accounting can result in a variety of advantageous outcomes for in the business for running business peacefully:

1. **Accuracy and Scalability in one package:** One of the most coveted qualities of digital accounting is their lack of error-proneness. It helps you better understand your company's finances and reduces the likelihood of human mistake when it comes time to invoice customers and file tax returns. It is far more trustworthy than traditional accounting techniques in terms of providing accurate results and avoiding mistakes.
2. **Making decisions more quickly:** In addition to this, it may assist in streamlining decision making as well as meeting new criteria of taxation and reporting. This, in conjunction with improved decision-making, contributes to high levels of efficiency and enhanced levels of output. Through the use of digital accounting, several of the accounting tasks may be made more efficient through automation.
3. **Remote Access:** A digital accounting system allows to view your company's financial data from anywhere in the world. As a result, professionals no longer have to be in the workplace or take their computers about everywhere to access vital information. A digital accounting software package may be used from any location at any time by you and other staff, since they are cloud-based solutions.
4. **Enhance Productivity:** Implementing digital accounting can free up more time to do the things that are more important to a business, such as reaching out to new customers and increasing turnover.
5. **Ease of use:** Keeping track of daily transactions by hand might be challenging, but it's critical that the numbers you record match up with what's on your bank account. It's easier to track faults in transactions and handling as well as to discover theft and frauds when using digital accounting systems.
6. **Tracking of Payments and Invoices Made Simple:** Using a digital accounting system ensures that your data is always current. A financial professional can assess figures in real time and provide suggestions on the quickest and easiest ways to enhance those using publicly available data. Because it allows for the issuance of invoices and requests for payment to be done in an automated fashion, a digital accounting system is the most effective solution to the problem.
7. **Access to real-time guidance:** Digital accounting systems keep data current. You should get financial guidance. A financial professional may assess easily available data to give real-time suggestions on improving numbers. Using digital accounting, you may save up time by automating time-consuming but necessary operations, while still gaining full access to the data you need to understand your company.

IX. Obstacles in adoption of Digital Accounting:

Digital accounting is an altogether new, inventive way of carrying out a task that is essential to your company, rather than just using new software, technologies, and procedures that are more effective and automated than conventional business practises and processes. Therefore, firms must take into account all factors before launching a digital accounting programme, including how employees will respond to the change, how it will affect costs, security and safety, how it will connect with organisational objectives, and so on.

1. The transition to digital accounting will necessitate a considerable financial commitment on your part. Owing to the fact that an upgrade is necessary every time a new version of the application is released.
2. There is a growing fear that the rate of unemployment will increase as a result of the fact that the computer can now do the bulk of the work in an automated manner.
3. There is a possibility that the task that has to be done may be delayed due to a problem with the system.

4. The transition to digital accounting needs new hires to undergo training whenever an existing software is upgraded, which, once again, adds to the overall cost or expenditure.
5. There is no doubt that digital accounting offers correct data; yet, it is unable to apply judgement and cannot detect mistakes or fraudulent activities because it does not have the ability to exercise judgement.
6. There is a possibility that viruses and unauthorised users might get access to the application, which could lead to the original papers being altered in some way.

X. FINDINGS:

The following is a list of the most significant Findings from the study:

1. The accounting profession will experience substantial transformation and upheaval in the coming decade. Permanent white-water will need corporate agility and adaptability.
2. New entrants, outsourcing, and automation will displace accounting, audit, and tax experts, especially for routine and low-value services.
3. Banks, financial services businesses, software and Internet corporations will provide more accounting and tax services.
4. An increasing number of companies will move their operations to countries where the cost of labour is lower.
5. It really doesn't appear to be any room for question that the professions of accounting and auditing will be subject to significant shifts in the very near future as a direct result of the continuing digital revolution. When labor-intensive activities are carried out by machines, specialists are free to focus on delivering more value to their customers, which ultimately results in a decrease in both the cost and length of the services they provide.
6. Accountants and auditors will be able to focus on more specialised tasks as a consequence of the automation of routine accounting tasks, since a major amount of the earlier tasks will be performed by computers. Computers will soon replace human accounting procedures, such as billing for in-house services delivered and travel expenditures incurred.
7. It will be feasible to automate auditing operations, and improved technology will be available for detecting risk and fraud. In the not-too-distant future, auditors will be able to focus on output analyses rather than spending several hours gathering data from financial statements (Forbes, 2018).
8. Accountants and auditors of the future will have to rely on cutting-edge information analytics and artificial intelligence to do analyses, compile reports, and create the desired outcomes.
9. Data security will be taken care of by sophisticated information systems, which will connect the many components of the financials that could become part of the big data.
10. This might be a challenge for accountants because of the abundance of data that will be at their disposal. Thus, accountants' work will entail identifying relevant and essential data so that they may make sound judgments for the company. Despite the fact that computers are taking control, the result of the information they save will never be compromised.

XI. RECOMMENDATION AND SUGGESTIONS:

In order to assist accounting work in achieving even greater levels of success and advancement of peace in the firm than they now have, this is being done. According to the findings of the current research, the following are the most important suggestions that should be taken into account in order to maintain one's relevance in the business world:

1. As technology continues to advance, accountants must get better at using and using digital accounting. Examples include integrated ERP with mobile access, social media communication, and configurable user-friendly websites with up-to-date material that will be essential in practise.
2. Accountants must have a working knowledge of modern accounting software as well as other accounting and business models if they are to carry out their duties and do audits correctly. For auditors, continuing education and professional growth in this area is essential.
3. Accounting professionals must have a long-term perspective. Adaptability involves being able to recognise and respond to changes in the environment, as well as being able to identify and solve issues. Other departments in their companies should view them as business partners and consultants. Additionally, in order to contribute to their company's success, accountants must become familiar with and proficient in digital technology.
4. Businesses in the profession are at a moment in their growth when they need to evaluate each and every digital accounting tool and service they provide. In order to avoid this, businesses must be smart and methodical in their approach.
5. Businesses really need to keep up with any new technological developments that are pertinent to the business environment in which they operate, and they also need to be willing to accept technologies that are always evolving.
6. It is imperative that accounting professionals get familiar with the wide range of digital choices accessible to customers so that they can guide them in the proper route as the industry's most trusted business consultants.
7. Since their jobs are going to grow even more reliant on computers in the near future, they must be more transparent about new technology. To be a competent valued business adviser, an accountant must have a strong capacity to communicate effectively with their customers, as well as the ability to maximise the savings made by technology to do so.

XII. CONCLUSION:

According to the findings, digital accounting significantly improved financial reporting quality, accounting information usability, and strategic decision-making effectiveness. Effectiveness in strategic decision-making is also influenced by financial reporting quality, which has a significant impact on the usefulness of accounting information. The integrity of financial reporting and the usefulness of accounting information serve as a mediator in the digital accounting-strategic decision effectiveness links, promoting

harmony in the workplace. Future study should build aspects of digital accounting on a solid theory. Future research may be able to get additional insight into the benefits of digital transformation by using a new understanding of it as both an independent and antecedent variable. For another way of putting it, business owners and executives may utilise digital accounting to better manage their organisations' resources and skills. To sum it up, if you want your firm to develop and run smoothly, you need to go from manual accounting to digital accounting operations. Accounting's digital revolutions go well beyond just automating every procedure and turning accountants into robots. The goal is to make strategic decisions, enhance performance, and minimise time-consuming workflows by incorporating intelligent data into accounting. If the technology is applied correctly, it is conceivable.

Conflict of Interests: The authors' opinions may not represent their organisations.

Funding: This paper's research, writing, and publishing are not funded.

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