

THE IMPACT OF DIGITAL ACCOUNTING APPLICATION USAGE ON FINANCIAL MANAGEMENT EFFICIENCY OF SMES IN THE DIGITAL ECONOMY ERA

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Abstract

The expansion of the digital economy has driven Small and Medium Enterprises (SMEs) to increasingly rely on information technology to support business operations, particularly in the area of accounting and financial management. Digital accounting applications have become an essential tool for SMEs in managing financial activities more efficiently, especially considering their limited resources and growing operational complexity. This study aims to analyze the effect of digital accounting application usage on the efficiency of financial management among SMEs in the digital economy era.

This research applies a quantitative approach using a causal associative design. Data were collected through a structured questionnaire distributed to SME owners or managers who actively use digital accounting applications in managing their business finances. Digital accounting application usage is measured through indicators such as perceived ease of use, perceived usefulness, and frequency of use. Meanwhile, financial management efficiency is evaluated based on time efficiency, cost efficiency, and the accuracy and timeliness of financial information. Data analysis was conducted using simple linear regression to determine the relationship between the variables.

The results are expected to demonstrate that the utilization of digital accounting applications positively influences the efficiency of SME financial management. These applications assist in accelerating transaction recording processes, minimizing administrative errors, improving the accuracy of financial reports, and reducing operational costs. In addition, the availability of timely and reliable financial information supports better managerial decision-making.

This study contributes to the development of literature related to digital accounting and SME financial management by providing empirical evidence on the role of digital technology in improving financial efficiency. Practically, the findings are expected to encourage SME owners and relevant stakeholders to adopt digital accounting applications as a strategy to enhance business sustainability in the digital economy era.

Keywords: digital accounting applications, financial management efficiency, SMEs, digital economy.

1. INTRODUCTION

The digital economy has reshaped how businesses manage and utilize information, particularly in the area of financial management. For Small and Medium Enterprises (SMEs), the integration of digital technology is becoming increasingly important as business activities grow more complex and competitive. One major transformation in this area is the shift from manual accounting practices to the use of digital accounting applications that support systematic, accurate, and timely financial management.

As a key driver of economic growth, SMEs contribute significantly to employment creation and income distribution. Despite this important role, many SMEs still experience difficulties in managing their financial information effectively. Limited

understanding of accounting principles, low financial literacy, and dependence on conventional bookkeeping methods often lead to poor-quality financial records. As a result, business owners may face challenges in tracking cash flows, controlling costs, and assessing the overall financial condition of their businesses.

The use of digital accounting applications provides an alternative approach to addressing these financial management challenges. By automating accounting processes and enabling real-time data processing, digital accounting systems help improve the reliability and completeness of financial information. Well-designed accounting information systems are able to generate financial data that are accurate, timely, and useful for decision-making purposes, which is essential for effective business management (Romney & Steinbart, 2018). Empirical studies have shown that the adoption of digital accounting tools can enhance operational efficiency and support better managerial decisions among SMEs (Susanto et al., 2020).

From an efficiency perspective, financial management can be considered efficient when financial activities are carried out using minimal resources while producing optimal outcomes. Indicators of efficiency in financial management include reduced time for transaction processing, lower administrative costs, and improved accuracy of financial reports. Digital accounting applications are expected to contribute to these outcomes by simplifying accounting procedures, minimizing manual intervention, and reducing the likelihood of human error (Grande et al., 2011).

The decision of SMEs to adopt digital accounting applications can also be explained through the Technology Acceptance Model (TAM). This model emphasizes that perceived usefulness and perceived ease of use influence an individual's willingness to adopt and utilize new technology (Davis, 1989). When SME owners perceive digital accounting applications as practical and easy to operate, they are more likely to integrate these tools into their daily financial activities. Consistent and intensive usage is expected to strengthen financial control and improve the efficiency of financial management (Venkatesh & Davis, 2000).

Previous research has generally indicated that digital accounting systems contribute positively to the efficiency of financial management in SMEs. The use of digital accounting applications has been associated with improved accuracy and timeliness of financial reporting, reduced administrative workload, and enhanced decision-making quality (Moll & Yigitbasioglu, 2019). However, variations in adoption and usage among SMEs suggest that the impact of digital accounting applications may differ depending on organizational conditions and business contexts.

Based on the above discussion, this study focuses on examining the effect of digital accounting application usage on the efficiency of financial management among SMEs in the digital economy era. The findings of this study are expected to provide insights for academics, SME practitioners, and policymakers in encouraging the effective use of digital accounting applications to support more efficient and sustainable financial management practices.

2. METHODOLOGY

This study adopts a quantitative research approach with a causal associative design to analyze the effect of digital accounting application usage on the efficiency of financial management among Small and Medium Enterprises (SMEs). The quantitative approach is applied to enable systematic measurement of relationships between variables using numerical data and statistical analysis, allowing the proposed research model to be empirically tested.

The population of this study consists of SMEs that have implemented digital accounting applications in their business operations. A purposive sampling technique is used to select respondents who meet specific criteria relevant to the research objectives. The selected respondents are SME owners or managers who are directly responsible for financial management activities and actively utilize digital accounting applications in recording transactions and managing financial information.

Data are collected through a structured questionnaire distributed to the selected respondents. The questionnaire is designed based on indicators derived from relevant theories and previous empirical studies to ensure content validity. Responses are measured using a five-point Likert scale, ranging from strongly disagree (1) to strongly agree (5), which allows respondents to express the extent of their agreement with the statements related to digital accounting application usage and financial management efficiency.

The independent variable in this study is digital accounting application usage, which is measured using indicators such as perceived ease of use, perceived usefulness, and frequency of application usage. The dependent variable is financial management efficiency, which is assessed through indicators including time efficiency, cost efficiency, and the accuracy as well as timeliness of financial information generated by the accounting system.

Data analysis is conducted using simple linear regression analysis to examine the causal relationship between digital accounting application usage and financial management efficiency. Prior to hypothesis testing, several preliminary analyses are performed to ensure data quality. These analyses include validity testing to evaluate the accuracy of the measurement instruments, reliability testing to assess the consistency of questionnaire items, and descriptive statistical analysis to summarize respondent characteristics and variable distributions. Hypothesis testing is carried out using the t-test to determine whether digital accounting application usage has a statistically significant effect on financial management efficiency.

3. FINDINGS AND DISCUSSION

This section presents the research findings and provides a discussion of the results in relation to the objectives of the study and the supporting theoretical

framework. The analysis focuses on how the usage of digital accounting applications influences the efficiency of financial management among Small and Medium Enterprises (SMEs) in the digital economy era.

3.1 Digital Accounting Application Usage

The findings indicate that the utilization of digital accounting applications plays an important role in supporting financial management activities within SMEs. Most respondents perceive digital accounting applications as user-friendly and beneficial for managing daily financial transactions, organizing financial data, and generating financial reports. The ease of use of these applications enables SME owners and managers to implement accounting practices without requiring advanced technical or accounting expertise, which is particularly relevant given the limited resources commonly faced by SMEs.

Furthermore, the frequency of digital accounting application usage reflects an increasing awareness among SMEs of the importance of maintaining accurate and well-structured financial records. Regular use of digital accounting applications allows SMEs to monitor cash inflows and outflows more systematically, reduce dependence on manual bookkeeping, and improve the organization of financial information. These findings are consistent with the Technology Acceptance Model (TAM), which suggests that perceived usefulness and perceived ease of use influence both the adoption and continued use of technology. When digital accounting applications are perceived as practical tools that simplify financial management, SMEs tend to integrate them more consistently into their operational activities.

3.2 Financial Management Efficiency of SMEs

The results further demonstrate that SMEs utilizing digital accounting applications experience improvements in financial management efficiency. Efficiency is reflected in reduced time spent on financial recording activities, lower administrative costs, and improved accuracy and reliability of financial information. Digital accounting applications automate repetitive accounting tasks, such as transaction recording and report generation, thereby minimizing human errors that are commonly associated with manual accounting systems.

Moreover, the availability of timely and accurate financial reports enables SME owners to make faster and more informed business decisions. Access to reliable financial information supports better control over operational expenses, enhances cash flow management, and facilitates effective financial planning. These findings support efficiency theory, which emphasizes that efficiency is achieved when organizations are able to optimize resource utilization—such as time, cost, and labor—to produce maximum output. In this context, digital accounting applications contribute to financial management efficiency by streamlining accounting processes and improving information quality.

3.3 Discussion of the Impact of Digital Accounting Application Usage on Financial Management Efficiency

Overall, the findings suggest a positive relationship between the usage of digital accounting applications and the efficiency of financial management among SMEs. Digital accounting applications simplify accounting procedures, improve the accuracy of financial data, and enhance the timeliness of financial reporting. SMEs that consistently use digital accounting applications tend to demonstrate better financial control compared to those that continue to rely on conventional manual accounting methods.

These results are in line with previous studies that highlight the role of digital accounting systems in improving operational efficiency and supporting managerial decision-making in SMEs. Beyond meeting basic financial reporting needs, digital accounting applications function as strategic tools that assist SMEs in managing resources more effectively and maintaining business sustainability in the digital economy era.

In summary, the findings confirm that the effective use of digital accounting applications is a key factor in enhancing financial management efficiency among SMEs. Therefore, encouraging the adoption and optimal utilization of digital accounting applications is essential to strengthen SME competitiveness and support sustainable business development in an increasingly digital business environment.

4. CONCLUSION

This study examines the effect of digital accounting application usage on the efficiency of financial management among Small and Medium Enterprises (SMEs) in the digital economy era. Based on the findings and discussion, it can be concluded that the use of digital accounting applications contributes positively to improving the efficiency of SME financial management.

Digital accounting applications support SMEs in simplifying financial recording processes, reducing administrative errors, and improving the accuracy and timeliness of financial information. Through the automation of accounting activities and the availability of real-time financial data, SME owners are better equipped to manage financial resources, control operational costs, and make more informed business decisions. Improvements in time efficiency and cost efficiency indicate that digital accounting applications play a significant role in enhancing overall financial management performance.

The findings also suggest that perceived usefulness and perceived ease of use encourage SMEs to adopt and consistently utilize digital accounting applications. This supports the view that digital transformation in accounting functions is an important factor in strengthening business efficiency and sustainability in the digital economy era.

This study provides practical implications for SME owners, policymakers, and related stakeholders to promote the adoption of digital accounting applications as an effective strategy for improving financial management efficiency. Future research is recommended to involve broader samples, explore various business sectors, and incorporate additional variables such as financial performance and business sustainability to further enrich the understanding of digital accounting application adoption among SMEs.

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