Global Journal of Accounting
Vol. 1 No.1 2026 Page 1-7
E-ISSN: XXXX-XXXX, DOI: 10.XXXXX/XXXX

Digital Accounting Adoption and Strategic Decision-Making in SMEs: The Role of Financial Technology Integration

Munawarah[1]*
[1] Department of Management, Faculty of Economics and Business, Universitas Islam Kebangsaan Indonesia, Bireuen, Indonesia

Article Info

Received : 31 January 2026
Revised : 2 April 2026
Accepted : 17 April 2026

Keyword:

Digital accounting;
Financial technology;
SMEs;
Decision-making.

ABSTRACT

This study aims to explore the adoption of digital accounting and the integration of financial technology (fintech) in supporting strategic decision-making within small and medium-sized enterprises (SMEs). Using a qualitative case study approach, the research examines how SME actors experience, interpret, and utilize digital financial systems in their business practices. Data were collected through semi-structured interviews, participant observation, and documentation involving eight SME actors selected through purposive and snowball sampling techniques. The findings reveal that digital accounting enhances financial visibility and control, enabling more structured and data-informed decision-making. However, decision-making remains hybrid, combining digital data with experiential knowledge. The study also identifies key challenges, including limited digital literacy, technological uncertainty, and a gap between data availability and interpretive capability. Furthermore, external support such as training and ecosystem facilitation plays a crucial role in accelerating technology adoption. These findings contribute to a deeper understanding of digital transformation in SMEs by emphasizing its contextual and experiential nature. The study concludes that effective digitalization requires not only technological implementation but also capacity building and ecosystem support. Future research is recommended to expand the scope across different contexts and integrate mixed-method approaches to enhance generalizability.

***) Corresponding Author:**

Munawarah,
Department of Management, Faculty of Economics and Business, Universitas Islam Kebangsaan Indonesia, Bireuen, Indonesia
Email: monawarah35@gmail.com

1. Introduction

The rapid advancement of digital technology over the past decade has driven significant transformations in accounting practices and business decision-making, particularly within small and medium-sized enterprises (SMEs). Globally, the integration of financial technology (fintech) with digital accounting systems has become a key driver in enhancing efficiency, transparency, and real-time access to financial information. Prior studies indicate that the adoption of digital accounting technologies improves the quality of financial reporting while accelerating strategic decision-making processes within organizations (Pereira et al., 2026). In addition, fintech plays a crucial role in strengthening SME sustainability and competitiveness through data-driven innovation (Bhat et al., 2024). Despite these benefits, the level of technology adoption remains uneven across countries and business sectors.

In the national context, particularly in Indonesia, SMEs play a strategic role in economic development but continue to face substantial challenges in adopting digital accounting systems and fintech solutions. Empirical evidence suggests that a large proportion of SMEs still rely on manual or semi-digital recording systems that lack integration, thereby limiting the effectiveness of financial management and data-driven decision-making (Kustiwi, 2025). Other studies further highlight that digital transformation in SME financial management remains uneven and is constrained by both structural and technical barriers (Sukriyah et al., 2026). Moreover, a World Bank report (2023), as cited in Orellana (2025), indicates that only around 30% of SMEs have optimally adopted digital technologies in their financial activities. This condition reflects a significant gap between the potential of digital technology and its actual implementation in practice.

Field evidence also suggests that the adoption of digital accounting is not solely determined by technological factors but is strongly influenced by social and organizational cultural aspects. Qualitative studies in Indonesia reveal that SME actors' experiences in using digital accounting systems are often shaped by their level of digital literacy and their perceptions of technological risk (Purwantoro, 2025). In addition, support from the business ecosystem, including government initiatives and fintech providers, plays a crucial role in facilitating successful technology implementation (Sukriyah et al., 2026). Conversely, limited digital infrastructure and inadequate training remain major obstacles to digital transformation among SMEs (Othmani, 2024). These findings underscore the importance of understanding technology adoption not merely as a technical process, but as a complex social experience.

From a strategic perspective, the integration of fintech into digital accounting systems has significant implications for the quality of decision-making. Fintech enables access to more accurate and real-time financial data, allowing business actors to respond more effectively to market dynamics (Nasution, 2025). Furthermore, fintech adoption contributes to risk reduction and enhances business sustainability through more adaptive financial management practices (Harianto et al., 2025). However, several studies point out that increased access to information is not always accompanied by adequate interpretive capabilities, meaning that decisions made are not necessarily optimal (Zotorvie et al., 2025). This highlights a critical gap between data availability and the cognitive capacity of SME actors to utilize such information effectively.

Although research on digital accounting and fintech adoption in SMEs has grown rapidly, most existing studies are dominated by quantitative approaches that focus on variable relationships and performance measurement. For instance, Al-Hattami and Mady (2026) examine the impact of digital accounting on financial performance using statistical methods. Similarly, other studies investigate the determinants of cloud accounting adoption through quantitative frameworks (Andayani et al., 2026). While valuable, these approaches tend to overlook the deeper meanings, subjective experiences, and dynamic processes encountered by SME actors in adopting such technologies. Therefore, a significant literature gap remains in understanding how SMEs interpret and experience the integration of digital accounting and fintech within their strategic decision-making processes.

Based on this background, this study aims to explore in depth the process of digital accounting adoption and fintech integration in supporting strategic decision-making within SMEs. The focus is directed toward the experiences, perceptions, and actual practices of business actors in utilizing these technologies. This research is expected to contribute theoretically to the development of accounting studies through a qualitative perspective, particularly in understanding the social and cognitive dimensions of technology adoption. Practically, the findings are anticipated to inform policy formulation and support strategies aimed at accelerating sustainable digital transformation among SMEs.

2. Materials and Methods

This study employs a qualitative approach using a **case study design**. This approach is selected because the research aims to gain an in-depth understanding of the process of digital accounting adoption and fintech integration within SMEs, particularly in the context of strategic decision-making. A case study enables the researcher to explore the phenomenon holistically and contextually, capturing the lived experiences and meanings constructed by business actors in real-life settings (Senak & Mahmud, 2024). Furthermore, this design is appropriate when the boundaries between the phenomenon and its context are not clearly defined, thus requiring a detailed and empirical field-based investigation (Wafdana, 2025).

The research was conducted in several SMEs that have adopted or are in the process of adopting digital accounting systems and fintech solutions in Jakarta, Indonesia]. The study took place over the period of January–Maret 2026, covering preparation, data collection, and analysis phases. The selection of the research site was based on its relatively advanced level of digital technology penetration, while still facing practical challenges in implementation, making it relevant to the research focus (Ela et al., 2025).

The participants consisted of SME actors, including business owners, financial managers, and related stakeholders such as consultants or fintech service providers. Informants were selected using purposive sampling, with the following criteria: (1) SMEs that have used or attempted to use digital accounting systems, (2) those with experience in utilizing fintech services, and (3) individuals directly involved in financial decision-making processes. In addition, snowball sampling was employed to identify additional informants based on recommendations from initial participants, allowing for richer and more comprehensive data collection (Tomilawo, 2024).

Data collection was carried out through multiple techniques to ensure depth and credibility. First, semi-structured interviews were used as the primary method to explore participants' experiences, perceptions, and practices related to digital accounting and fintech adoption. The interview guide was designed to be flexible, enabling the exploration of emerging issues during the research process (Alam & Sinaga, 2026). Second, participant observation was conducted to gain direct insights into how financial management practices are implemented within SME operations. Third, documentation was utilized to collect supporting data, including financial reports, digital transaction records, and internal business policies. The use of these multiple methods represents method triangulation, which enhances the depth and robustness of the data (Wulandari et al., 2026).

To ensure data validity and trustworthiness, several strategies were applied. The study employed source and method triangulation by comparing data obtained from different informants and data collection techniques (Lydiana et al., 2026). In addition, member checking was conducted by confirming interview results and interpretations with the participants to ensure the accuracy of meaning captured by the researcher (Arshad & Azzam, 2025). An audit trail was also maintained, documenting the research process systematically from data collection to analysis, thereby enhancing transparency and dependability (Soamole, 2025).

Data analysis followed the interactive model of Miles, Huberman, and Saldaña, which consists of three main stages: data reduction, data display, and conclusion drawing/verification. The analysis was conducted iteratively alongside the data collection process. Interview data were transcribed verbatim and coded to identify emerging themes relevant to the research focus (Syarif et al., 2025). The data were then organized into matrices and thematic narratives to facilitate interpretation. Finally, conclusions were drawn through an iterative process and continuously verified against the data to ensure validity and depth. This approach allows the researcher to identify patterns, relationships, and meanings embedded in the experiences of SME actors in adopting digital technologies.

3. Results and Discussions

The characteristics of the informants constitute an essential foundation for understanding the context of the findings. The participants in this study consist of SME owners from diverse business sectors, including culinary, retail, services, and manufacturing. This diversity enables a more comprehensive exploration of how digital accounting and financial technology (fintech) are adopted across different business contexts. In addition, the informants fall within a productive age range and possess varying levels of business experience, reflecting different degrees of readiness and adaptability toward digital transformation.

Table 1 presents a summary of the informants' profiles, including their initials, age, type of business, and length of business operation.

Table 1 Informant Profiles

No	Informant Initials	Informant Initials	Type of Business	Business Duration (Years)
	AR	35	Culinary	7
	DS	42	Retail/Fashion	10
	MN	38	Services (Printing)	6
	LF	29	Online Shop	4
	RK	45	Manufacturing (Crafts)	12
	SP	33	Culinary	5
	AD	40	Distribution	9
	NH	36	Services (Digital Marketing)	6

Source: Processed research data (2026)

Based on these characteristics, the informants can be considered experienced business actors who are simultaneously navigating the transition toward digital practices. This condition provides an important context for interpreting how digital accounting and fintech are understood and implemented in real business situations.

The findings indicate that the adoption of digital accounting and fintech integration in SMEs is not merely a technical shift but also a cognitive and contextual transformation. Business actors do not simply replace manual bookkeeping systems; rather, they experience a shift in how financial information is perceived, interpreted, and utilized. Digital systems enable more structured, integrated, and real-time financial recording, transforming financial data from a passive record into an active tool for monitoring and strategic reflection.

One of the most prominent changes identified is the increased visibility of financial information. Informants emphasized that real-time access to financial data enhances their ability to monitor business performance and identify potential issues more quickly. As expressed by one informant, *"Now we can see our financial condition every day, so we can immediately detect problems"* (AR). This finding suggests that digital accounting strengthens financial control and monitoring functions, while also improving transparency and accountability, consistent with Sukriyah et al. (2026).

Furthermore, the availability of accurate and timely financial data has influenced decision-making practices among SME actors. Informants reported that they increasingly rely on financial data when making strategic decisions, such as pricing, inventory management, and business expansion. However, decision-making is not entirely data-driven. Instead, it reflects a combination of analytical information and experiential knowledge. As one participant noted, *"The data helps, but we still need to consider market conditions and past experience"* (DS). This indicates that decision-making in SMEs remains context-dependent and characterized by bounded rationality.

From a theoretical perspective, these findings support the Technology Acceptance Model (TAM), particularly the role of perceived usefulness as a key driver of technology adoption (Andayani et al., 2026). SME actors are more likely to adopt digital accounting when they perceive tangible benefits in improving efficiency and business control. However, this study also highlights that perceived ease of use alone is insufficient, as users' digital literacy and capability significantly influence how effectively the technology is utilized.

Despite its benefits, the adoption process is accompanied by several challenges. Limited digital literacy emerges as a major barrier, particularly in understanding and utilizing system features effectively. In addition, concerns regarding data security, system errors, and operational risks contribute to hesitation in full adoption. As stated by one informant, *"We are still afraid of making mistakes or if the system crashes"* (MN). This finding aligns with prior studies (Nnamdi, 2025), emphasizing that psychological and cognitive factors play a crucial role in shaping technology adoption.

Another critical finding is the gap between data availability and interpretive capability. Although digital accounting systems provide comprehensive financial information, not all SME actors are able to translate this data into effective strategic decisions. In some cases, financial data is used merely for recording purposes rather than for analytical insights. This suggests that digital transformation requires not only technological adoption but also the development of analytical skills and financial literacy.

External support plays a significant role in bridging this gap. Informants who participated in training programs or received assistance demonstrated higher confidence and competence in using digital systems. As one participant stated, *"After attending training, we understand better and feel more confident using the system"* (LF). This finding reinforces the importance of a supportive ecosystem, including government initiatives and fintech providers, in facilitating SME digitalization (Nair et al., 2025).

Overall, the findings suggest that the successful adoption of digital accounting and fintech in SMEs is shaped by the interaction between technological factors, user capabilities, and environmental support. From a practical standpoint, this implies that digitalization strategies should not focus solely on technology provision but must also include capacity building, continuous training, and ecosystem development. Without such a comprehensive approach, technology risks being underutilized and failing to support strategic decision-making effectively.

From a theoretical perspective, this study contributes to the literature by emphasizing the contextual and experiential nature of technology adoption. By employing a qualitative approach, this research provides deeper insights into how SME actors interpret and engage with digital technologies, offering a more holistic understanding beyond variable-based quantitative models.

4. Conclusions

This study concludes that the adoption of digital accounting and the integration of financial technology (fintech) in SMEs represent a multidimensional transformation that extends beyond technical implementation to include cognitive and contextual changes in financial management practices. The findings reveal that digital accounting enhances financial visibility, improves control mechanisms, and supports more structured decision-making processes. However, decision-making remains hybrid in nature, combining data-driven insights with experiential knowledge. The study also highlights a critical gap between data availability and interpretive capability, indicating that access to digital systems alone is insufficient without adequate analytical skills and financial literacy. These findings contribute to the existing literature by emphasizing that technology adoption in SMEs is not merely driven by system characteristics but is deeply shaped by user experience, capacity, and social context.

From a practical and policy perspective, the study underscores the importance of a comprehensive approach to SME digitalization that integrates technology provision with capacity building, continuous training, and ecosystem support. Strengthening digital and financial literacy among SME actors is essential to ensure that technological tools are utilized strategically rather than administratively. Theoretically, this research enriches qualitative insights into digital accounting adoption by highlighting its contextual and experiential dimensions. Future research is recommended to expand the scope across different regions or employ mixed-method approaches to enhance generalizability and provide a more comprehensive understanding of digital transformation in SMEs.

References

Al-Hattami, H. M., & Mady, K. (2026). Green digital accounting and sustainable entrepreneurship in emerging economies: Impacts on financial sustainability and performance. *Cogent Business & Management*. https://doi.org/10.1080/23311975.2025.2601944

Alam, A. P., & Sinaga, A. (2026). Sense-making of Shariah digital economy among Muslim micro-entrepreneurs: A qualitative case study. *Lan Tabur Journal*. https://lan-tabur.unikhams.ac.id/index.php/LT/article/view/164

Andayani, W., Adib, N., Arif, M. E., & Indrayani. (2026). The adoption of cloud accounting in Indonesian SMEs: Exploring drivers, challenges and implications for performance. *Cogent Business & Management*. https://doi.org/10.1080/23311975.2025.2603023

Arshad, M. A., & Azzam, M. K. (2025). Key factors behind traditional, digital and hybrid startup failures in Irbid, Jordan: Financial instability and entrepreneurial skill gaps. *Management & Sustainability: An Arab Review*. https://doi.org/10.1108/MSAR-01-2025-0030

Bhat, M. A., Khan, S. T., & Alkhwaldi, A. F. (2024). Investigating the critical drivers of fintech adoption to promote business sustainability of SMEs. *Global Knowledge, Memory and Communication*. https://doi.org/10.1108/GKMC-02-2024-0096

Ela, N., Prabowo, O. H., & Himawan, M. F. (2025). Perceptions and practices of sharia-based finance in post-pandemic MSMEs: A qualitative study in urban-rural areas. *Journal of Village Development*. http://jvdi.polteksci.ac.id/index.php/jvdi/article/view/8

Harianto, A., Febrina, D., Amelia, R., & Fathoni, M. (2025). Exploring the mediating role of fintech adoption in reducing perceived risks and promoting SME sustainability. *International Journal of Economics and Management Research*. https://ijemr.asia/index.php/ijemr/article/view/541

Kustiwi, I. A. (2025). Factors influencing the adoption of digital accounting in MSMEs in the era of digital transformation. *JEA17: Jurnal Ekonomi Akuntansi*. https://jurnal.untag-sby.ac.id/index.php/JEA17/article/view/132723

Lydiana, Y. F., Gustomo, A., & Bangun, Y. R. (2026). Organization accelerator for future-ready workforce: A qualitative exploration of banking sector transformation. *Journal of the Knowledge Economy*. https://doi.org/10.1007/s13132-026-03249-3

Nasution, Y. N. (2025). The role of financial technology in enhancing investment decisions and risk management for SMEs. *Jurnal Ilmiah Manajemen Kesatuan*. https://jurnal.ibik.ac.id/index.php/jimkes/article/view/3574

Orellana, F. P. (2025). Digital innovation in the financial management of SMEs: A literature review. *Lex Localis Journal*.

Othmani, Y. (2024). Adoption of financial technology innovation and its effect on SME accounting performance. *Journal of Business Innovation and Accounting Research*. http://educo-insight.com/journal/index.php/jbiar/article/view/30

Pereira, R., Omar, M. N., Gafur, S., & Mussá, N. (2026). Beyond funding: How digital finance transforms SME innovation. *Review of Accounting and Finance*. https://doi.org/10.1108/RAF-09-2025-0328

Purwantoro, A. P. A. (2025). Financial management and accounting practices in medium-sized enterprises in Indonesia: A phenomenological study. *Journal of Business, Management, and Accounting*. https://journals.ai-mrc.com/jbma/article/view/59

Senak, M. L. T., & Mahmud, M. D. B. (2024). Digital transformation of financial systems in MSMEs: Adaptation strategies from Eastern Indonesia. *Proceeding of International Conference*. https://conference.ut.ac.id/index.php/proceeding_iscebe/article/view/3523

Soamole, S. B. (2025). Enhancing culinary MSME sustainability: The role of an integrated model of financial self-efficacy, technology adoption, and community-based mentoring. *Research Square*. https://www.researchsquare.com/article/rs-7209704/latest

Sukriyah, S., Suhartono, B., Putra, F., & Silitonga, N. (2026). Digital transformation in MSME financial management: Qualitative evidence from Banten, Indonesia. *Journal of Information Systems and Management*. https://jisma.org/index.php/jisma/article/view/1238

Syarif, A. H. F., Nurulloh, S., & Khairinnisa, S. (2025). Experiences of MSMEs in using digital payments for cash flow efficiency and financial planning: A case study in Palu City. *Conference Proceedings*. https://ticeb.untad.ac.id/index.php/proceedings/article/view/23

Tomilawo, G. S. (2024). Information technology strategies to sustain customer satisfaction during disaster-related disruptions. *Dissertation, Walden University*. https://scholarworks.waldenu.edu

Wafdana, B. F. (2025). The influence of digital capabilities in driving business growth through strategic partnership: A case study. *IPMI Research Repository*. https://repository.ipmi.ac.id/2846/

Wulandari, L. P., Muzakki, K., & Anwar, C. (2026). Digitalization for SME: The impact of the use of e-commerce and fintech on income performance. *Golden Ratio of Management*. https://goldenratio.id/index.php/grmilf/article/view/1533

Zotorvie, J. S. T., Fiagborlo, J. D., & Kudo, M. B. (2025). Transforming accounting practices in SMEs: The roles and challenges of ICT. *Journal of Money and Business*. https://doi.org/10.1108/JMB-09-2024-0054