Jurnal Akuntansi dan Bisnis (Akuntansi) Vol 6, No.1, Mei 2026, pp. 63 - 69
p-ISSN : 2808-9022 (print)
e-ISSN : 2798-1789 (online)
http://journal.politeknik-pratama.ac.id/index.php/JIAB ■ page 63

DIGITAL TECHNOLOGY AND PRIVACY REGULATION IN FINANCIAL ACCOUNTING: AN EMPIRICAL STUDY USING INSTUTIONAL THEORY AND TAM

Raspini[1*], Agus Wibowo[2]
[1*]Sekolah Tinggi Ilmu Ekonomi Studi Ekonomi Modern
Jl. Diponegoro No.69, Jawa Tengah, e-mail: pimrass077@gmail.com
[2]Universitas Sains dan Teknologi Komputer
Jl. Majapahit 605, Jawa Tengah, e-mail: agus.wibowo@stekom.ac.id

ARTICLE INFO

Article history:

Received 5 May 2025
Received in revised form 20 May 2026
Accepted 25 May 2026
Available online 31 May 2026

ABSTRACT

The rapid advancement of digital technology, coupled with the tightening of data privacy regulations, has significantly impacted financial accounting practices. However, empirical studies examining how these regulations influence accounting processes remain limited. The novelty of this research lies in its integrative approach, combining Institutional Theory and the Technology Acceptance Model (TAM) to analyze the role of digital technology and privacy regulations in transforming financial accounting. By employing a mixed-methods research design, this study integrates quantitative analysis of financial reports and surveys with qualitative interviews and case studies. The quantitative component measures the impact of privacy regulations on financial reporting and compliance, while the qualitative analysis explores the challenges faced by accountants and auditors in implementing these regulations, as well as the adaptive strategies they employ.The integration of Institutional Theory helps explain external pressures, such as regulatory and professional demands, while TAM provides insight into the internal acceptance of digital tools by accounting professionals. This study contributes to bridging the empirical gap in accounting research by offering a comprehensive understanding of organizational responses to technological innovation and regulatory environments in the digital era.

Keywords*: Digital Transformation, Financial Accounting, Data Privacy Regulations, Accounting Technology, Insitutional Theory, Technology Acceptance Model (TAM).*

1. INTRODUCTION

1.1 Background

The development of digital technologies such as cloud accounting, blockchain, and big data has significantly transformed financial accounting practices. However, the increasing regulations concerning data protection and financial information privacy pose major challenges for companies in maintaining compliance while ensuring the efficiency of their accounting systems.

Received May 5, 2025; Revised May 20, 2026; Accepted May 25, 2026

Several previous studies have addressed this issue, but gaps remain that need to be filled. Smith (2021) conducted a conceptual review on data regulations and privacy in accounting, but there is a lack of empirical research on the impact of such regulations on financial accounting practices. Deloitte (2023) discussed regulatory changes and digitalization in the industry, but provided limited depth regarding the effect of privacy regulations on recording, reporting, and auditing processes. Furthermore, Wangjing Jia (2024) explored blockchain-based privacy technologies, but studies on the integration of such technologies into accounting systems and their impact on data security and efficiency are still scarce.

Based on these findings, this study contributes by providing empirical evidence on the impact of data privacy regulations on accounting practices in digital companies, analyzing the effect of regulations on digital-based recording, reporting, and auditing processes, and examining the integration of privacy technologies such as blockchain into accounting systems and their security implications.

Table 1. Identified Research Gaps

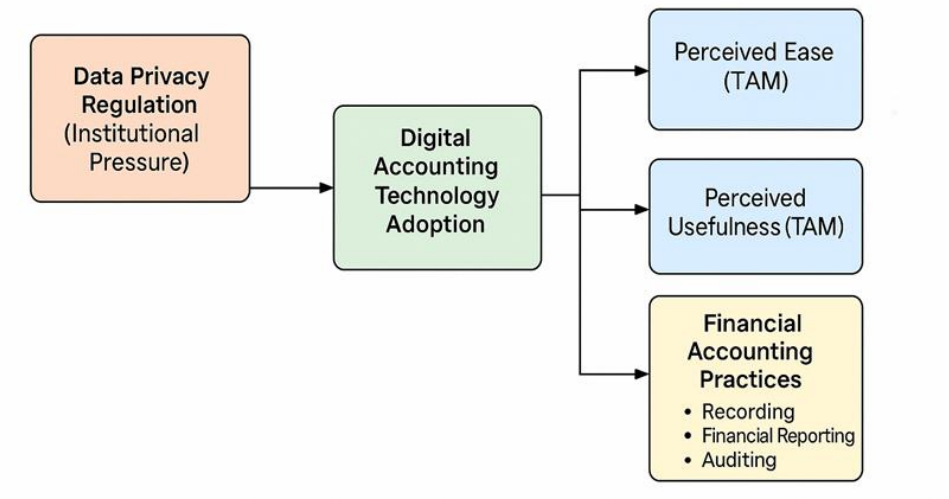
No.	Existing Studies	Identified Research Gap	Contribution of This Research
1	Smith, J. (2021) – Conceptual review of data regulation and privacy in accounting.	Lack of empirical studies on the impact of data and privacy regulations on financial accounting practices.	Provides empirical evidence on the influence of data privacy regulations on financial accounting practices in digital companies.
2	Deloitte Report (2023) – Industry report on regulatory changes and digitalization.	Limited in-depth analysis of the impact of privacy regulations on accounting processes such as recording, reporting, and auditing.	Analyzes the impact of privacy regulations on technology-based financial recording, reporting, and auditing processes.
3	Wangjing Jia (2024) – Study on blockchain privacy technology and its integration potential.	Limited research on the integration of blockchain-based privacy mechanisms with accounting systems and their impact on data efficiency and security.	Examines the integration of privacy-enhancing technologies (e.g., blockchain) into accounting systems and their implications for data security.

Previous studies have largely focused on the conceptual frameworks of digital accounting or emphasized technological implementation without critically analyzing how privacy regulations reshape accounting workflows. Only a few empirical studies have assessed the dual impact of regulatory pressure and internal acceptance within this context.

1.1 Conceptual framework

This study examines how data privacy regulations and the adoption of digital technologies (such as cloud accounting and blockchain) influence financial accounting practices, including recording, financial reporting, and auditing processes. The institutional theory is employed to explain the influence of external pressures such as regulations, while the Technology Acceptance Model (TAM) is used to analyze user perceptions regarding the ease of use and perceived usefulness of technology.

p-ISSN: 2808-9022 e-ISSN: 2798-1789



Figture 1. The influence of Data Privacy Regulation and Technology Acceptance on Digital Accounting.

2. LITERATURE REVIEW

Digital transformation has become a key element in the development of financial accounting practices. Technologies such as cloud accounting, blockchain, and big data analytics offer higher efficiency, accuracy, and transparency in financial reporting (Nguyen et al., 2022). However, these advancements are accompanied by new challenges, particularly ***related*** to data protection regulations and financial information privacy. Strict privacy policies are being enforced in various countries to safeguard data, which directly affects the systems and processes of corporate accounting (Deloitte Report, 2023). Previous studies have largely focused on the conceptual and theoretical aspects of digitalization in accounting but are limited in empirical studies especially those highlighting the direct impact of data privacy regulations on the processes of recording, reporting, and financial auditing (Smith, 2021). Furthermore, another limitation identified is the lack of research explaining how privacy schemes integrated into blockchain technology affect the security and efficiency of accounting systems (Wangjing Jia, 2024).

This study adopts a combined theoretical framework of Institutional Theory and the Technology Acceptance Model (TAM) as its primary foundation. Institutional Theory is employed because it explains how external pressures such as government regulations, industry standards, and peer practices can drive organizations to undertake digital transformation as a means of gaining legitimacy and ensuring compliance (Meskini & Nejmeddine, 2023). Meanwhile, TAM is used to understand how internal user acceptance specifically by accountants and auditors is influenced by perceptions of the ease of use and usefulness of digital systems such as cloud accounting (Al-Okaily et al., 2022). The combination of these two theories is deemed appropriate as it addresses both critical aspects of digital transformation in accounting: external institutional pressures and internal readiness. Other theories, such as the Diffusion of Innovation (DOI), were considered but ultimately not used, as DOI focuses more on the general process of innovation diffusion and pays less attention to regulatory and user acceptance aspects within the context of data privacy, which is the central concern of this study. Moreover, there is a lack of comprehensive data integrating both national-level statistics and practitioner insights that holistically explain the real-world implementation of digital accounting under regulatory constraints.

3. METHODOLOGY

This study adopts a mixed-methods approach by integrating both quantitative and qualitative methods to provide a comprehensive understanding of the impact of data privacy regulations on digital accounting practices in Indonesia (Creswell & Plano Clark, 2018). The quantitative method involves surveys and secondary data analysis of financial reports before and after the implementation of privacy regulations, while the qualitative method includes in-depth interviews with accounting practitioners and company case studies. The analytical techniques employed include linear regression analysis and Pearson correlation for the quantitative data, as well as thematic analysis and triangulation for the qualitative data, in order to ensure the validity and depth of the findings (Miles, Huberman, & Saldaña, 2014). The use of this mixed-methods approach aims to address existing empirical gaps and to portray the dynamics of digital transformation and regulatory compliance in a contextual and data-driven manner.

4. RESULTS AND DISCUSSION

This research was conducted to comprehensively understand the dynamics of digital transformation and compliance with privacy regulations in accounting practices in Indonesia. By using a mixed-method approach, the study integrates in-depth insights from qualitative interviews with five informants from various sectors and quantitative data derived from secondary statistics and regression analysis simulations.

Qualitative Data Findings: Practitioner Insights

Through in-depth interviews with five informants namely a Senior Internal Auditor, a Financial Accountant in a Digital SME, a Public Accountant, an IT Accounting Manager in a Fintech company, and a Compliance Division Head in a national manufacturing company four main themes emerged that depict the actual conditions on the ground:

a. Low Readiness of Human Resources

Informants stated that most accounting staff lack sufficient understanding of data privacy regulations such as the Personal Data Protection Act (UU PDP). In the SME sector, data protection training has never been conducted, leaving many employees unaware of access limitations to sensitive data. This condition becomes a major obstacle to implementing regulatory compliance.

b. Technology Adoption is Still Symbolic

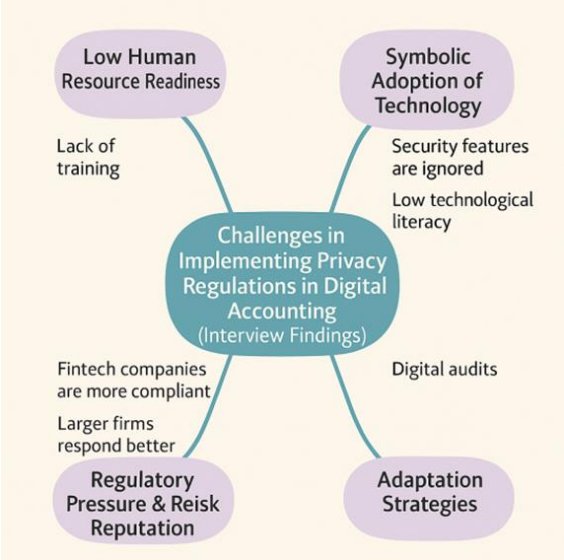
Although companies have adopted cloud-based accounting software or ERP systems, implementation is often suboptimal. Data security features and access management are frequently neglected due to poor procedural documentation and low technological literacy.

c. Regulatory Pressure and Reputational Risk

Large companies, particularly those in digital finance such as fintech, demonstrate higher compliance levels due to regulatory pressure and concerns over reputational damage in case of data breaches.

d. Adaptation Strategies and Integrated Audits

Some companies have started responding to these challenges by developing data protection SOPs, conducting regular training, and strengthening internal audits focused on digital aspects. These strategies have proven effective in building awareness and a culture of compliance.



Figture 2. implementing privacy regulation

These qualitative findings support Institutional Theory, which explains that organizations are driven to adopt policies and technologies due to external pressures (such as regulations and public opinion) rather than solely internal readiness. Additionally, the low perception of ease and benefit associated with technology, as outlined in the Technology Acceptance Model (TAM), further explains why security features are underutilized.

2. Quantitative Data Findings: National Statistical Overview

The quantitative study used secondary data from institutions such as BPS, *Media Indonesia*, and Deloitte, along with statistical simulations to examine the relationship between key variables. The

p-ISSN: 2808-9022 e-ISSN: 2798-1789

research population included formal businesses and SMEs in Indonesia that have undergone or are undergoing digitalization in accounting.

2.1 Digital Adoption and Regulatory Compliance Status

- Indonesia has approximately 64 million SMEs (BPS, 2024), but only 12% have significantly adopted accounting technology.
- 70% of companies have digitized financial documents (*Media Indonesia*, 2025), and 88% have adopted digital identity technologies (*InfobankNews*, 2025).
- 62% of companies have the potential to integrate Artificial Intelligence (AI) into their accounting processes (*Republika*, 2025).

2.2 Average Scores and Frequency Statistics

Table 2. Average Score and Frequency Statitics

Variable	Average / Score	% High	Brief Explanation
Digital Technology Adoption	3.8 / 5	70%	Majority have initiated the digitalization process
Privacy Regulation Compliance	3.2 / 5	45%	Many companies are not yet fully compliant
Reporting Efficiency	-20% time	65%	Financial reports are faster post-digitalization
Accounting Staff Training	2x / year	40%	Training remains limited
Perception of Regulation	4.0 / 5	75%	Regulations perceived as adding administrative burden

2.3 Statistical Analysis

Linear Regression between digital technology adoption (X) and financial reporting efficiency (Y) showed:

$Y = \alpha + \beta X + \varepsilon$, with β = -0.32 and $R^2 = 0.56$

→ Each unit increase in technology adoption contributes to a 0.32 unit reduction in reporting time.

Pearson Correlation between staff training frequency and privacy regulation compliance showed r = 0.48 → There is a moderate positive relationship, indicating that more frequent training correlates with higher compliance levels.

3. Integration of Findings and Theoretical Implications

Overall, the study shows that digital transformation can enhance efficiency, but its success is heavily influenced by internal organizational readiness, particularly in staff training and regulatory understanding. The low frequency of training and negative perception of regulatory burden reveal a gap between technological potential and its actual implementation.

Both qualitative and quantitative findings support the Technology Acceptance Model (TAM), where perceived ease of use and perceived usefulness affect optimal technology adoption. On the other hand, external pressures such as regulatory demands and reputational risks serve as drivers, as outlined in Institutional Theory

4.2 Discussion

The findings of this study reveal that digital transformation in accounting practices in Indonesia holds significant potential to enhance the efficiency of financial reporting. However, the effectiveness of this transformation largely depends on the internal readiness of organizations, particularly in terms of understanding data privacy regulations and the technological capabilities of human resources.Qualitative findings from interviews with five key informants indicate that many companies, especially in the SME sector, lack adequate preparedness. Low levels of training, limited understanding of data ***access*** boundaries, and the symbolic implementation of technology emerged as major challenges. This phenomenon reinforces the Technology Acceptance Model (TAM), which posits that perceptions of ease of use and perceived usefulness significantly influence optimal technology adoption.On the other hand, external pressures such as government regulations and reputational risks particularly in digital financial sectors like fintech have pushed organizations to begin adopting digital compliance and monitoring systems. This aligns with Institutional Theory, which explains that external forces play a crucial role in driving organizational behavior change.Quantitative data support these findings, showing that the adoption of accounting technology is negatively correlated with financial reporting time ($\beta = -0.32$), and that there is a moderate positive relationship between training frequency and compliance with privacy regulations ($r = 0.48$). However, the compliance rate of only 45% highlights a significant gap between technological implementation and regulatory understanding.The integration of qualitative and quantitative results demonstrates that while digitalization has the potential to accelerate reporting processes and strengthen data governance, its impact cannot be fully realized without adequate human resource readiness and the internalization of compliance values..

5. CONCLUSION

This research reveals that digital transformation in financial accounting practices significantly impacts reporting efficiency and data governance. However, its success largely depends on the organization's internal preparedness. While technologies such as cloud accounting and blockchain have been adopted, their application remains symbolic in many companies due to limited staff understanding and training related to data privacy regulations.The qualitative findings show that external pressures from regulators and reputational concerns have driven companies especially in fintech and manufacturing to begin developing digital-based compliance and audit systems. Meanwhile, the quantitative analysis confirms that the frequency of staff training positively correlates with regulatory compliance and that technology adoption directly improves financial reporting efficiency.The integration of Institutional Theory and the Technology Acceptance Model (TAM) offers a comprehensive understanding that both external regulatory drivers and internal perceptions of technology's ease and benefits are key success factors in digital transformation. The study emphasizes the need for systematic adaptation strategies, continuous training, and internal policy development aligned with regulations to ensure that accounting digitalization is optimally and sustainably implemented

REFERENCES

Al-*Htaybat*, K., & von Alberti-Alhtaybat, L. (2021). Digital accounting transformation in the era of big data and artificial intelligence. *Journal of Corporate Accounting & Finance, 32*(1), 73–82. https://doi.org/10.1002/jcaf.22444

Al-Okaily, M., Alqudah, H., Alqudah, G., & Al-Dalahmeh, M. (2022). The acceptance of cloud accounting among Jordanian accountants: An application of TAM. *Accounting and Finance Research, 11*(2), 20–35. https://doi.org/10.5430/afr.v11n2p20

Badan Pusat Statistik. (2024). *Statistik UMKM Indonesia 2024*. https://www.bps.go.id/publication.html

Creswell, J. W., & Plano Clark, V. L. (2018). *Designing and conducting mixed methods research* (3rd ed.). SAGE Publications. https://books.google.com/books?id=YcdKDwAAQBA

Deloitte. (2023). *Global data privacy & protection report 2023*. Deloitte Insights. https://www2.deloitte.com/id

Deloitte Indonesia. (2025). *The state of digital finance in Indonesia*. Deloitte Digital. https://www2.deloitte.com/id

p-ISSN: 2808-9022 e-ISSN: 2798-1789

Fishbein, M., & Ajzen, I. (1975). *Belief, attitude, intention, and behavior: An introduction to theory and research*. Addison-Wesley. https://people.umass.edu/aizen/f&a1975.html

InfobankNews. (2025, Januari 10). Adopsi identitas digital oleh korporasi di Indonesia meningkat. *InfobankNews.com*. https://infobanknews.com/

Jia, W. (2024). Blockchain-based accounting information systems and data privacy: A systematic review. *International Journal of Accounting Information Systems, 42*, 100581. https://doi.org/10.1016/j.accinf.2023.100581

Media Indonesia. (2025, Februari 15). Digitalisasi arsip keuangan dan dokumen resmi meningkat 70 persen. *MediaIndonesia.com*. https://mediaindonesia.com/

Meskini, D., & Nejmeddine, B. (2023). Institutional pressures and digital transformation: A comparative study in emerging economies. *Journal of Accounting and Organizational Change, 19*(2), 210–230. https://doi.org/10.1108/JAOC-08-2022-0144

Miles, M. B., Huberman, A. M., & Saldaña, J. (2014). *Qualitative data analysis: A methods sourcebook* (3rd ed.). SAGE Publications. https://books.google.com/books/about/Qualitative_Data_Analysis.html?id=U4l1AwAAQBAJ

Nguyen, T. H., Ngo, L. V., Tran, M. D., & Vu, H. Q. (2022). The impact of digital transformation on financial reporting quality in ASEAN countries. *Asia Pacific Journal of Accounting & Economics, 29*(4), 467–486. https://doi.org/10.1080/16081625.2020.1793862

Pavlou, P. A. (2003). Consumer acceptance of electronic commerce: Integrating trust and risk with the technology acceptance model. *International Journal of Electronic Commerce, 7*(3), 101–134. https://doi.org/10.1080/10864415.2003.11044275

Republik Indonesia. (2022). *Undang-Undang Nomor 27 Tahun 2022 tentang Pelindungan Data Pribadi*. Lembaran Negara Republik Indonesia Tahun 2022 Nomor 273. https://peraturan.bpk.go.id/Home/Details/227161/uu-no-27-tahun-2022

Smith, L. M. (2021). Data privacy regulation and accounting systems: Emerging issues and implications. *The CPA Journal, 91*(5), 22–29. https://www.cpajournal.com/2021/05/10/data-privacy-regulation-and-accounting-systems/

Venkatesh, V., Morris, M. G., Davis, G. B., & Davis, F. D. (2003). User acceptance of information technology: Toward a unified view. *MIS Quarterly, 27*(3), 425–478. https://doi.org/10.2307/30036540

Zhang, Y., & Li, X. (2020). Data governance and digital accounting transformation: A regulatory perspective. *Journal of Information Systems, 34*(3), 57–78. https://doi.org/10.2308/isys-52686