The Effect of Cloud-Based Accounting System Implementation on Real-Time Financial Reporting Quality: Evidence from Indonesian Firms

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ARTICLE INFO

Article history:
Received February 28, 2026
Revised March 16, 2026
Accepted April 02, 2026

JEL Classification:
M41, M15, O33, G30

Key words:
Cloud-based accounting system, system implementation, financial reporting quality, accounting information systems, digital transformation

DOI:
10.14414/tiar.v16i1.5588

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ABSTRACT

The increasing use of cloud-based accounting systems has transformed how organizations record their transactions and produce their financial reports. While previous studies primarily emphasize the adoption of cloud accounting technologies, limited empirical attention has been given to how the depth of system implementation influences financial reporting quality. This study examines the effect of cloud-based accounting system implementation on real-time financial reporting quality in Indonesian firms. Using a quantitative research design, data were collected from 120 respondents representing 20 Indonesian firms operating across several sectors, including retail, hospitality, property development and services. The data were analyzed using structural equation modeling partial least squares (SEM-PLS). The findings indicate that the deeper implementation of cloud-based accounting systems improves the quality of real-time financial reporting, particularly in terms of the timeliness, accuracy, reliability, relevance, and clarity of financial information. By conceptualizing implementation as a multidimensional construct, including system use, feature utilization, system integration, and user competence, this study shifts the analytical focus from technology adoption to implementation effectiveness. The results highlight that the benefits of cloud-based accounting systems depend not only on technological adoption but also on how effectively the systems are embedded in organizational accounting practices.

ABSTRAK

Peningkatan penggunaan sistem akuntansi berbasis cloud telah mengubah cara organisasi mencatat transaksi dan menyusun laporan keuangan. Meskipun penelitian sebelumnya banyak menekankan pada adopsi teknologi cloud accounting, perhatian empiris terhadap bagaimana kedalaman implementasi sistem memengaruhi hasil pelaporan keuangan masih terbatas. Penelitian ini bertujuan untuk menguji pengaruh implementasi sistem akuntansi berbasis cloud terhadap kualitas pelaporan keuangan real-time pada perusahaan di Indonesia. Penelitian menggunakan pendekatan kuantitatif dengan melibatkan 120 responden yang mewakili 20 perusahaan di Indonesia yang beroperasi pada berbagai sektor, termasuk ritel, perhotelan, pengembangan properti, dan jasa. Data dianalisis menggunakan structural equation modeling partial least squares (SEM-PLS). Hasil penelitian menunjukkan bahwa implementasi yang lebih mendalam dari sistem akuntansi berbasis cloud berkontribusi pada peningkatan kualitas pelaporan keuangan real-time, khususnya dalam aspek ketepatan waktu, akurasi, reliabilitas, relevansi, dan kejelasan informasi keuangan. Dengan mengonseptualisasikan implementasi sebagai konstruk multidimensional – yang mencakup penggunaan sistem, pemanfaatan fitur, integrasi sistem, dan kompetensi pengguna – penelitian ini menggeser fokus analisis dari sekadar adopsi teknologi menuju efektivitas implementasi. Temuan ini menunjukkan bahwa manfaat sistem akuntansi berbasis cloud tidak hanya ditentukan oleh adopsi teknologi, tetapi juga oleh sejauh mana sistem tersebut terintegrasi secara efektif dalam praktik akuntansi organisasi.

Keywords: Cloud-based accounting system, System implementation, Financial reporting quality, Accounting information system, Digital transformation.

INTRODUCTION

The rapid advancement of cloud computing technology has significantly transformed accounting information systems and financial reporting processes. Cloud-based accounting systems enable organizations to record transactions, process financial data, and generate reports in real time across integrated digital platforms. These systems improve data accessibility, reduce manual processing errors, and support faster decision-making. In an increasingly digital business environment, real-time financial reporting has become an important requirement for maintaining transparency, accountability, and organizational responsiveness (Putri, 2025).

Digital transformation among business entities is expanding in emerging economies such as Indonesia. Although many firms have begun adopting digital accounting technologies, the quality of financial reporting remains uneven. Many organizations still rely on manual or partially digital bookkeeping systems, which may lead to delays in reporting, data inconsistencies, and limited comparability of financial information. Constraints related to accounting literacy, technological capability, and system integration further hinder the production of reliable financial reports (Adebimpe & Lola, 2024; L. R. Putri & Oktari, 2025). These conditions raise important questions regarding whether digital accounting systems are effectively implemented to enhance financial reporting quality.

From the perspective of accounting information systems, the quality of financial reporting is a key indicator of system effectiveness. Financial reports are expected to provide information that is timely, accurate, reliable, relevant, and understandable; in accordance with applicable reporting standards (Hakim Purwantini et al., 2025). In addition to serving as instruments of accountability, financial statements also provide critical information for managerial and economic decision-making (A. Putri, 2025). Therefore, understanding how digital accounting technologies influence reporting quality has become an important issue in contemporary accounting research in recent years.

Existing studies on cloud-based accounting systems have primarily focused on technology adoption and organizational readiness. Research grounded in frameworks such as the Technology–Organization–Environment (TOE) model frequently examines factors influencing adoption decisions, including technological capabilities, and organizational support. Several studies have reported that cloud accounting systems improve operational efficiency and data-processing accuracy (Faiz et al., 2025). However, these studies largely explain why organizations adopt cloud accounting technologies rather than how the depth and quality of system implementation affect financial reporting outcomes. Empirical evidence examining the direct relationship between implementation intensity and real-time financial reporting quality remains limited (Krieger et al., 2021).

This limitation indicates that adoption alone does not necessarily guarantee an improvement in financial reporting quality. The effectiveness of cloud-based accounting systems may depend on the depth of their implementation in organizational processes. The implementation depth can be reflected through several operational dimensions, including system usage intensity, feature utilization, system integration, and user competence. The Information Systems Success Model proposed by Delone and Mclean (2003) suggests that system quality and system use influence information quality and organizational benefits. However, relatively few studies have operationalized cloud-based accounting system implementation as a multidimensional construct and empirically linked it to the quality of real-time financial reporting, particularly in Indonesia.

Based on this research gap, this study addresses the following research question: How does the implementation of cloud-based accounting systems influence the quality of real-time financial reporting in Indonesian firms? To answer this question, this study empirically examines the effect of cloud-based

accounting system implementation on real-time financial reporting quality using a quantitative method.

This study contributes to the accounting information systems literature in two ways. First, it conceptualizes system implementation as a multidimensional construct that includes system use, feature utilization, system integration, and user competence. Second, this study provides empirical evidence of how the depth of system implementation influences real-time financial reporting quality in Indonesian firms. By shifting the analytical focus from technology adoption to implementation effectiveness, this study offers theoretical insights into how accounting information systems generate information quality outcomes, while also providing practical implications for organizations seeking to improve digital financial reporting practices.

THEORETICAL FRAMEWORK AND HYPOTHESES

Cloud-Based Accounting Systems and Accounting Information Systems

Cloud-based accounting systems represent a significant development in accounting information systems by integrating transaction processing, data storage, and financial reporting within a centralized digital infrastructure. Unlike conventional accounting systems that rely on local software and manual data consolidation, cloud-based systems allow financial data to be processed and accessed through online platforms. This capability enables organizations to record transactions, automate journal entries, and generate financial reports in real time, across various locations.

Prior empirical studies suggest that cloud-based accounting systems improve operational efficiency, shorten processing time, and enhance accessibility of financial information (E.A., 2025). These technological advantages support faster data processing and facilitate collaboration across the organizational units. However, the presence of advanced technological features does not guarantee improvements in accounting outcomes. Several studies have highlighted that the effectiveness of digital accounting systems depends not only on technological adoption but also on how deeply the system is implemented and utilized within organizational processes.

Financial Reporting Quality

Financial reporting quality is an important indicator of the effectiveness of accounting information systems. Financial reports are expected to provide information that is timely, accurate, reliable, relevant, and clearly presented to support stakeholders' decision-making. These qualitative characteristics ensure that financial information reflects the actual economic condition of an organization and can be used confidently for managerial and economic decisions (Sarker, 2025).

Empirical research has shown that digital accounting technologies can improve the reliability and transparency of financial reporting by reducing manual errors and facilitating automated data processing (A.M. et al., 2025). However, improvements in reporting quality are not solely determined by the presence of digital technology. Organizational factors, system integration, and user competence also play important roles in determining whether accounting information systems produce high quality financial reports.

DeLone and McLean Information Systems Success Model

The relationship between accounting information systems and information quality can be explained through the Information Systems Success Model developed by Delone & Mclean (2003). This model suggests that system quality and system use influence information quality, which subsequently contributes to the benefits of the organization. In the context of accounting systems, the quality of system implementation influences the quality of the financial information generated by the system.

Many studies applying this framework measure system success using user perceptions, such as satisfaction or perceived usefulness. However, relatively few studies have examined how the operational aspects of system implementation influence objective outcomes, such as financial reporting quality. This indicates the need to examine how the

implementation of cloud-based accounting systems translates into improved information quality.

Conceptualizing Implementation as a Multidimensional Construct

In this study, the implementation of a cloud-based accounting system is conceptualized as a multidimensional construct that reflects the depth of the system's integration into organizational accounting processes. Implementation is manifested through several operational dimensions, including system usage intensity, feature utilization, system integration, and user competence.

System usage intensity refers to the extent to which employees consistently use an accounting system in daily accounting activities. Feature utilization reflects how effectively organizations exploit the functionalities of cloud-based systems. System integration indicates the degree to which accounting systems are connected to other organizational processes and information systems. User competence represents the ability of system users to operate and utilize the system effectively. Together, these dimensions capture the practical realization of system quality and use within the DeLone and McLean framework.

Hypothesis Development

Existing studies on cloud-based accounting systems largely emphasize factors influencing technology adoption, such as organizational readiness, technological capability, and environmental pressures. While these studies provide valuable insights into adoption behavior, they provide limited empirical evidence on how the depth of system implementation influences financial reporting outcomes.

This distinction suggests that adoption and implementation represent different stages of technology utilization. Adoption reflects the decision to introduce a technological system, whereas implementation reflects how the system is operationalized in organizational practices. Organizations may adopt cloud-based accounting systems but vary substantially in terms of system usage, feature exploitation, integration, and user competence. These differences in implementation practices are likely to influence the quality of the financial reporting generated by the system.

Drawing on the DeLone and McLean Information Systems Success Model and prior empirical findings, this study proposes that the deeper implementation of cloud-based accounting systems enhances the quality of real-time financial reporting. Effective implementation is expected to improve data processing efficiency, reduce manual recording errors, and support timely and reliable financial reporting.

Accordingly, the following hypothesis is proposed:

H1: Cloud-Based Accounting System Implementation has a positive effect on Real-Time Financial Reporting Quality.

RESEARCH METHOD

1. Research Design

This study employs a quantitative research design with a causal approach to examine the effect of cloud-based accounting system implementation on the quality of real-time financial reporting. A cross-sectional survey method was used to collect data from firms that have implemented cloud-based accounting systems in their financial reporting processes.

2. Population and Sample

The population consists of Indonesian firms that utilize cloud-based accounting systems. The sample includes 20 firms operating in the retail, hospitality, property development, and service sectors. A total of 120 respondents were selected, with six respondents from each firm representing accounting, finance, tax, and supervisory roles. Purposive sampling was applied with the following criteria: (a) respondents actively use the cloud-based accounting system; (b) respondents are directly involved in financial reporting activities; and (c) respondents possess sufficient knowledge regarding the implementation of the system within their organization.

3. Data Collection

Primary data were collected using a structured questionnaire that was distributed to the respondents. The instrument employed a five-point Likert scale ranging from 1 (strongly disagree) to 5 (agree). The questionnaire items were developed based on the Information Systems Success Model proposed by DeLone and McLean (2003) and prior empirical studies related to cloud-based accounting systems and the quality of financial reporting.

4. Measurement of Variables

Cloud-based accounting system implementation was measured using four indicators: system use, feature utilization, system integration, and user competence. Real-time financial reporting quality was measured using five indicators: timeliness, accuracy, reliability, relevance, and clarity of financial information. All measurement items were adapted and refined from previous accounting information systems research to reflect the context of cloud-based accounting practices in Indonesian firms'studies.

5. Data Analysis Technique

Data were analyzed using structural equation modeling-partial least squares (PLS-SEM) with SmartPLS software (version 4). The PLS-SEM approach was chosen because it is suitable for predictive research models with relatively small sample sizes and does not require strict assumptions regarding data normality.

The analysis was conducted in two stages. First, the measurement model was evaluated by assessing internal consistency reliability using Cronbach's alpha and composite reliability, as well as convergent validity using Average Variance Extracted (AVE). Discriminant validity was evaluated using the Fornell–Larcker criterion and heterotrait–monotrait ratio (HTMT).

Second, the structural model was examined by analyzing the coefficient of determination (R^2) and path coefficients to evaluate the relationships between the constructs. Bootstrapping with 5,000 resamples and a two-tailed significance test were applied to assess the statistical significance of the structural relationships.

As all variables were measured using a single survey instrument, the potential for common method bias was considered. Harman's single-factor test was conducted to ensure that a single factor did not account for the majority of the variance in the data.

6. Research Model

The research model examines the direct effect of cloud-based accounting system implementation as the independent construct on real-time financial reporting quality as the dependent construct. The model represents a causal relationship in which implementation effectiveness influences the quality of the financial reporting outcomes.

DATA ANALYSIS AND DISCUSSION

1. Respondent Profile

This study involved 120 respondents from 20 Indonesian firms that have implemented cloud-based accounting systems in their financial reporting processes. Each firm contributed six respondents representing key functional areas related to accounting and financial reporting. The respondents consisted of accounting, finance, and tax staff and supervisory personnel. This distribution ensures that the data reflect operational experience in system usage and financial reporting practices, rather than purely managerial perception. By selecting respondents who were directly involved in system implementation and reporting activities, this study enhanced the reliability and relevance of the collected data.

Table 1. Respondent Distribution by Position

Position	Frequency
Accounting Staff	40
Finance Staff	40
Tax Staff	20
Finance/Accounting Supervisor	20
Total	120

Source: Processed primary data (2026)

As shown in Table 1, accounting and

finance staff dominate the sample, each representing 33.3% of the total respondents. Tax staff and supervisory personnel accounted for 16.7% of the respondents. This composition indicates that most respondents are directly responsible for transaction recording and financial report preparation, which strengthens the validity of the responses regarding system usage and reporting quality. The inclusion of supervisory respondents further enhances the credibility of the data by providing oversight perspectives on the effectiveness of system implementation. Overall, the respondent distribution reflects a balanced representation of operational and supervisory roles in financial reporting functions.

2. Descriptive Statistics

Descriptive statistics were used to examine the central tendency and dispersion of responses for each research construct. The analysis focused on the composite mean scores of Cloud-Based Accounting System Implementation and Real-Time Financial Reporting Quality. These statistics provide an overview of the respondents' perceptions of the level of system implementation and quality of financial reporting within their organizations.

Table 2. Descriptive Statistics of Research Variables

Variable	Mean	Std. Deviation
System Implementation	3.58	0.52
Reporting Quality	3.64	0.55

Source: Processed primary data (2026)

As shown in Table 2, the mean score for system implementation is 3.58, indicating that the implementation of cloud-based accounting systems among the sampled firms is perceived to be at a relatively favorable level. This reflects the presence of consistent system usage, utilization of system features, and adequate user competence for operating the system.

The mean value of reporting quality is 3.64, suggesting that respondents generally perceive financial reports produced through the system as timely, accurate, reliable, relevant, and clearly presented.

The standard deviation values indicate moderate variability in respondents' perceptions, suggesting that the responses were reasonably consistent across the sampled firms. Overall, these descriptive results provide an initial overview of the perceived level of system implementation and financial reporting quality before proceeding to structural model analysis.

3. Measurement Model Evaluation

Reliability and Convergent Validity

The measurement model was evaluated to ensure that the constructs satisfied the requirements of internal consistency reliability and convergent validity. Internal consistency reliability was assessed using Cronbach's alpha and composite reliability (CR), and convergent validity was evaluated using the average variance extracted (AVE). A construct is considered reliable when Cronbach's alpha and composite reliability exceed the recommended threshold of 0.70. Convergent validity is established when the AVE exceeds 0.50.

Table 3. Reliability and Convergent Validity Results

Construct	Cronbach's Alpha	Composite Reliability	AVE
System Implementation	0.865	0.908	0.713
Reporting Quality	0.898	0.925	0.711

Source: Processed primary data (2026)

As shown in Table 3, all constructs satisfied the reliability criteria. Cronbach's alpha values exceeded 0.80, indicating strong internal consistency among the indicators. Similarly, the Composite Reliability values were above 0.90, further confirming that the indicators consistently measured their respective latent constructs.

Regarding convergent validity, the AVE values for both constructs exceeded the recommended threshold of 0.50. This indicates that each construct explains more than half of the variance in its indicators. Overall, these results confirm that the measurement model demonstrates satisfactory reliability and convergent validity, allowing the analysis to proceed to structural model evaluation.

Discriminant Validity

Discriminant validity was assessed to ensure that each construct in the model was empirically distinct from the other constructs. In this study, discriminant validity was evaluated using the heterotrait–Monotrait

Ratio (HTMT). According to the established guidelines, discriminant validity is achieved when the HTMT value between constructs is below the threshold of 0.85.

Table 4. Discriminant Validity (HTMT Results)

Construct	System Implementation	Reporting Quality
System Implementation	–	0.63
Reporting Quality	0.63	–

Source: Processed primary data (2026)

As shown in **Table 4**, the HTMT value between System Implementation and Reporting Quality was 0.63, which is below the recommended threshold of 0.85. This result indicates that the two constructs are empirically distinct and discriminant validity is established.

The findings confirm that the indicators measuring cloud-based accounting system implementation are conceptually different from those measuring the quality of real-time financial reporting. Therefore, the constructs demonstrated adequate discriminant validity and could be used for further structural model evaluation.

4. Structural Model Evaluation

Coefficient of Determination (R^2)

The structural model was evaluated by examining the coefficient of determination (R^2) to assess the explanatory power of the independent variable on the dependent variable. The R^2 value represents the proportion of variance in real-time financial reporting quality explained by the implementation of cloud-based accounting systems.

Table 5. Coefficient of Determination

Endogenous Variable	R^2
Reporting Quality	0.158

Source: Processed primary data (2026)

As shown in Table 5, the R^2 value for Reporting Quality is 0.158. This indicates that 15.8% of the variance in real-time financial reporting quality is explained by the level of cloud-based accounting system implementation in the company. In social science research, this value indicates moderate explanatory power, suggesting that system implementation contributes meaningfully to financial reporting outcomes.

The remaining variance may be explained by other organizational factors, such as internal control systems, accounting competence, managerial supervision, and corporate governance practices. This suggests that while system implementation plays an important role, financial reporting quality is also influenced by broader organizational and institutional conditions.

Effect Size (f^2)

In addition to R^2, the effect size (f^2) was examined to assess the magnitude of the impact of the independent variable on the endogenous construct. According to the PLS-SEM guidelines, an f^2 value of 0.02 indicates a small effect, 0.15 indicates a medium effect, and 0.35 indicates a large effect.

Table 6. Effect Size (f^2)

Relationship	f^2	Interpretation
System Implementation → Reporting Quality	0.188	Medium

Source: Processed primary data (2026)

As shown in Table 6, the effect size of cloud-based accounting system implementation on real-time financial reporting quality was 0.188, which indicates a medium effect size. This suggests that system implementation meaningfully contributes to explaining the variance in reporting quality.

Predictive Relevance (Q^2)

Predictive relevance was evaluated using the Stone–Geisser Q^2 value obtained through a blindfolding procedure. A Q^2 value greater than zero indicates that the model has predictive relevance for endogenous constructs.

Table 7. Predictive Relevance (Q^2)

Endogenous Variable	Q^2
Reporting Quality	0.104

Source: Processed primary data (2026)

As shown in Table 7, the Q^2 value for Reporting Quality was 0.104, which was greater than zero. This result indicates that the model demonstrates predictive relevance and has an adequate capability to predict the endogenous

construct.

Path Coefficient

A path coefficient analysis was conducted to examine the direct effect of cloud-based accounting system implementation on real-time financial reporting quality. The significance of the relationship was assessed using the beta coefficient, t-value, and p-value obtained from bootstrapping.

Table 8. Structural Path Results

Relationship	Beta	t-value	p-value
System Implementation → Reporting Quality	0.426	4.707	<0.001

Source: Processed primary data (2026)

As shown in Table 8, the implementation of a cloud-based accounting system has a positive and statistically significant effect on real-time financial reporting quality. The beta coefficient of 0.426 indicates a moderate positive relationship, suggesting that higher levels of system implementation are associated with improved reporting qualities.

The t-value of 4.707 exceeds the critical value of 1.96 at the 5% significance level, and the p-value is below 0.001, confirming the statistical significance. Therefore, the proposed hypothesis was supported.

These findings imply that effective system use, feature utilization, system integration, and user competence contribute to improvements in the qualitative characteristics of financial reports, including timeliness, accuracy, reliability, relevance, and report clarity.

DISCUSSION

1. Interpretation of the Empirical Findings

The empirical results indicate that cloud-based accounting system implementation positively and statistically significantly affects real-time financial reporting quality. This finding suggests that firms that implement cloud-based accounting systems more deeply—through consistent system use, effective feature utilization, strong system integration, and adequate user competence—tend to produce financial reports that are timelier, more accurate, more reliable, more relevant, and more clearly presented.

From a theoretical perspective, this finding supports the Information Systems Success Model proposed by Delone and Mclean (2003), which argues that system quality and system use influence information quality and ultimately organizational outcomes. In this study, the implementation depth reflects the practical realization of these dimensions. A deeper implementation enables the automation of transaction processing, real-time integration of financial data, standardization of accounting procedures, and improved user capability. These mechanisms reduce manual errors, accelerate reporting processes, and improve the consistency and reliability of financial information.

The coefficient of determination ($R^2 = 0.158$) indicates that cloud-based accounting system implementation explains 15.8% of the variance in the quality of real-time financial reporting. Although this value may appear modest, it is considered meaningful in organizational research, where outcomes are typically influenced by multiple factors. Financial reporting quality is not determined solely by technological systems but is also shaped by organizational conditions, such as internal control effectiveness, managerial oversight, accounting competence, and governance structures. This finding highlights that digital technologies contribute to reporting quality, but their impact remains embedded within broader organizational contexts.

The findings of this study are generally consistent with those of prior empirical research on cloud accounting. Several studies have reported that cloud-based accounting systems improve reporting efficiency, data accessibility, and financial information accuracy. However, previous studies have emphasized that the benefits of digital accounting technologies depend heavily on organizational conditions and implementation practices rather than adoption alone.

For example, Purwanto et al. (2025) demonstrate that organizational readiness and information technology capability are important antecedents of successful cloud accounting adoption. Their findings further indicate that implementation intensity

mediates the relationship between technological readiness and reporting outcomes, suggesting that technology investments translate into benefits only when systems are effectively implemented in the healthcare sector. Similarly, Nayah and Susliyanti (2025) find that the effect of cloud-based accounting on financial reporting quality is strengthened by effective internal control systems, indicating that governance structures play an important role in realizing technological benefits.

Other studies have also highlighted the importance of user competence and process alignment in determining the effectiveness of digital accounting systems. Nur Amelia and Setiawan (2025), for instance, report that cloud accounting improves reporting efficiency and data accuracy, but these benefits depend on user training and alignment between system functionalities and organizational processes. Likewise, a recent literature synthesis by Riana et al. (2024) concludes that cloud accounting generally contributes to improved financial information quality across various organizational contexts, although many studies focus primarily on adoption intentions rather than implementation intensity.

In this regard, the present study both confirms and extends the existing literature. The results confirm previous findings that cloud-based accounting systems contribute to improvements in the timeliness, accuracy, and reliability of financial reports. Simultaneously, this study advances the literature by explicitly conceptualizing implementation as a multidimensional construct and empirically testing its effect on reporting quality. By operationalizing implementation through system usage, feature utilization, system integration, and user competence, this study demonstrates that the depth of implementation plays a critical role in determining the informational benefits of cloud-based accounting systems.

From a practical perspective, the findings suggest that organizations should not view cloud accounting adoption as a purely technological decision-making process. Instead, successful digital transformation requires deliberate implementation strategies, including investment in user training, integration of accounting systems with organizational processes, standardization of data management procedures, and strengthening internal control mechanisms. These operational practices represent the key mechanisms through which cloud-based accounting systems can effectively enhance the quality of the real-time financial reporting.

2. Theoretical Contribution and Comparison with Prior Studies

This study contributes to the accounting information systems literature by reconceptualizing cloud-based accounting implementation as a structural determinant of information quality, rather than merely an outcome of technology adoption. Previous research frequently positions cloud accounting within the frameworks of technological diffusion or organizational readiness, emphasizing why firms adopt cloud technologies. In contrast, this study focuses on how the depth of implementation influences financial reporting outcomes. By doing so, the study extends the Information Systems Success Model proposed by Delone and Mclean (2003) from perceptual evaluation toward measurable operational mechanisms.

Within the IS Success framework, system quality and system use are theorized to influence information quality and organizational performance. However, empirical studies often operationalize these constructs using perceptual indicators, such as user satisfaction or perceived usefulness. This study refines this theoretical pathway by conceptualizing implementation as a multidimensional construct encompassing routinized system use, feature utilization, cross-functional integration, and user competence. The findings indicate that these dimensions collectively function as an enabling infrastructure through which technological capabilities are translated into improvements in the quality of financial reporting.

This perspective is consistent with the resource-based view (RBV) of the firm, which suggests that technological resources generate value only when combined with

complementary organizational capabilities. A cloud-based accounting system, as a technological asset, does not inherently produce superior reporting. Rather, its effectiveness depends on an organization's ability to integrate the system into its operational processes and develop the competencies required to utilize it effectively. The significant positive relationship identified in this study, therefore, supports a capability-based interpretation in which implementation quality represents an organizational capability that enhances the reliability and timeliness of financial information.

Compared with recent empirical research, the findings of this study both confirm and extend existing knowledge. Several studies have highlighted the positive role of cloud accounting systems in improving reporting efficiency and the quality of information. For instance, Okon et al. (2025) emphasize the importance of organizational readiness and IT capability as determinants of cloud accounting implementation. Similarly, Yennata and Wahyuni (2025) report that cloud-based accounting improves financial reporting quality, although the strength of this effect depends on the effectiveness of internal control systems. Werner et al. (2021) also demonstrate that cloud accounting adoption can increase reporting efficiency and data accuracy, but they note that these benefits depend on user training and alignment between technological systems and organizational processes.

Although these studies provide important insights, their analytical focus generally remains on adoption conditions, moderating variables or contextual drivers. This study differs from previous studies by explicitly isolating implementation intensity as the primary explanatory construct and empirically examining its structural influence on real-time financial reporting quality. By operationalizing implementation through system usage, feature utilization, system integration, and user competence, this study moves beyond diffusion-based explanations and directly evaluates performance outcomes.

This distinction is particularly relevant in the context of developing economies. Digital transformation initiatives in emerging markets often prioritize technology acquisition as an indicator of modernization. However, the findings of this study demonstrate that the presence of technology alone does not guarantee improved financial reporting performance. Instead, substantive implementation practices embedded within organizational routines serve as the key mechanism linking cloud-based accounting systems to improvements in the quality of real-time financial reporting.

Overall, by positioning implementation depth as the central explanatory construct, this study extends prior research focused primarily on adoption and provides a more precise theoretical explanation of how cloud-based accounting systems generate measurable improvements in financial reporting.

CONCLUSION, IMPLICATION, SUGGESTION, AND LIMITATIONS

Conclusion

This study examines the effect of cloud-based accounting system implementation on real-time financial reporting quality in Indonesian firms. The findings confirm that system implementation positively and significantly influences reporting quality. Firms that implement cloud-based accounting systems more deeply—through consistent system usage, effective feature utilization, system integration, and adequate user competence—tend to produce financial reports that are more timely, accurate, reliable, relevant, and well-presented.

These results indicate that the benefits of cloud-based accounting systems depend not only on technological adoption but also on the extent to which the system is embedded in organizational accounting practices. Therefore, implementation depth represents a critical mechanism through which digital accounting technologies contribute to improved financial reporting outcomes.

Theoretical Implications

This study contributes to the accounting information systems literature by extending the Information Systems Success Model (DeLone and McLean, 2003) in the context of cloud-

based accounting. The findings highlight the role of implementation intensity as an operational mechanism that links system capabilities to information quality outcomes. By conceptualizing implementation as a multidimensional construct—including system usage, feature utilization, system integration, and user competence—this study shifts the analytical focus from technology adoption to value realization. In doing so, this study provides a more outcome-oriented explanation of how digital accounting systems improve financial reporting quality.

Practical Implications

These findings provide practical guidance for organizations implementing cloud-based accounting systems. Firms should not view cloud accounting adoption as a purely technological decision. Instead, successful implementation requires deliberate managerial actions aimed at embedding systems within organizational processes.

Organizations should invest in employee training programs to improve user competence, ensure integration between accounting systems and other functional units, and redesign accounting procedures to take advantage of automated and real-time data processing. Strengthening internal control mechanisms and aligning accounting practices with digital infrastructure can further enhance financial reporting reliability and transparency.

Limitations

Despite these contributions, this study has several limitations. The explanatory power of the model indicates that financial reporting quality is influenced by factors beyond system implementation, including internal control effectiveness, governance mechanisms and managerial oversight. In addition, this study focuses on firms operating in selected sectors in Indonesia, which may limit the generalizability of the findings. The cross-sectional design also captures implementation conditions at a single point in time, whereas digital transformation processes typically evolve over time.

Future Research

Future research could expand the model by incorporating additional organizational and institutional variables that may influence the quality of financial reporting. Longitudinal studies would also provide deeper insights into how the benefits of cloud-based accounting systems evolve as organizations gain greater experience with system implementations. In addition, comparative studies across industries or countries may help provide a broader understanding of how cloud-based accounting systems contribute to financial reporting improvements in different organizational and institutional contexts.

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