Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

Factors Affecting Cloud Accounting Adoption In SMEs

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Submitted *30-05-2023* ***Reviewed*** *26-06-2023* ***Revised*** *26-06-2023* ***Accepted*** *04-07-2023* ***Published*** *08-09-2023*

Abstract: This study aims to analyze the factors influencing the adoption of Cloud Accounting for SMEs. The sample size in this research is 276 respondents. The research method used is quantitative, where hypotheses are tested, and data is analyzedanalyzed using Smart PLS 3.00. The results of the study indicate that Complexity, Security, Top Management Support, Adequate Resources, Competitive Pressure, Pressure from Trading Partners, Coercive Pressure, Government Support, and Provider Support significantly influence the adoption of cloud accounting. On the other hand, Compatibility, Relative Advantage, and IT Competence do not significantly affect the adoption of cloud accounting.
Keywords: Cloud Accounting Adpotion; SMEs; Factors Cloud Accounting Adpotion.

Abstrak: Penelitian ini bertujuan untuk menganalisis factor yang mempengaruhi Adposi Cloud Akuntansi Bagi UMKM. Sampel dalam penelitian ini sebanyak 276 responden. Metode penelitian kuantitatif dengan menguji hipotesis dan data dianalisis menggunakan Smart PLS 3.00. Hasil penelitian menunjukkan bahwa Kompleksitas, Keamanan, Dukungan Manajemen Puncak,Sumber Daya yang Memadai, Tekanan Kompetitif, Tekanan dari Mitra Perdagangan, Tekanan Koersif, Dukungan Pemerintah dan Dukungan Penyedia Layanan berpengaruh positif signifikan terhadap adopsi cloud akuntansi sedangkan Kompatibilitas, Keunggulan Relatif dan Kompetensi TI tidak memiliki pengaruh yang signifikan terhadap adopsi cloud akuntansi.
Kata Kunci: Adopsi Cloud Akuntansi; UMKM; Faktor-Faktor Adopsi Cloud Akuntansi.

INTRODUCTION

Cloud computing technology has emerged as a prominent trend affecting many business areas, including accounting, in the quickly growing era of digitalization. Cloud accounting, also called cloud-based accounting, is storing, managing, and processing a company's financial data using a cloud technological infrastructure. Micro, Small, and Medium-Sized Enterprises (MSMEs) significantly impact the world economy. MSMEs are a vital source of employment, revenue, innovation, and economic progress. MSMEs, however, frequently have fewer resources and less advanced technology capabilities than big businesses. (Zhang et al., 2022) Therefore, MSMEs may benefit from adopting technologies like cloud accounting in many ways.

In 2021, the Indonesian Employers' Association (Apindo) conducted a poll that found that 27 per cent of MSMEs in Indonesia saw a gain in revenue and that 70 per cent of MSMEs had a drop in revenue due to the COVID-19 epidemic. The MSME sector in Indonesia is just one of many global industries that the COVID-19 pandemic has significantly impacted. However, MSMEs can manage their finances more skillfully and withstand the pandemic using cloud accounting technology. (Ullrich et al., 2022) Cloud accounting is one of the technologies that small and medium-sized businesses (SMEs) are

Jurnal Akuntansi
e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

increasingly using. Thanks to cloud accounting services, MSMEs can handle their finances more effectively, efficiently, and securely. Accounting software and cloud computing are combined in cloud accounting, enabling MSMEs to access their financial information anytime and anywhere. With cloud accounting services, MSMEs can save the expense of buying and installing accounting software by eliminating the need to install it on their computers physically (Huang et al., 2023).

SMEs in Indonesia have been greatly affected by the use of cloud computing. With cloud accounting solutions, MSMEs can access sophisticated accounting software without incurring huge costs for installing IT infrastructure on premises. This allows SMEs to ensure more efficient use of their funds and resources. In addition, cloud systems help SMEs generate accurate financial reports and perform financial analysis to make better decisions. Cloud accounting also offers features that help SMEs manage their finances, such as automatic financial report generation expense management, inventory monitoring results, and more. This will help SMEs make better business decisions based on accurate and real-time financial data (Jiang et al., 2023).

MSMEs can handle their finances more effectively thanks to the adoption of cloud accounting. MSMEs may speed up financial management procedures, produce financial reports more rapidly, and increase the effectiveness of financial management as a whole with simple and immediate access to financial data. MSMEs benefit from this since it saves them time and money and frees them up to concentrate more on their operational tasks. (Jayeola et al., 2022) Additionally, MSMEs can make better judgments by using cloud accounting. MSMEs may develop better financial strategies and make wise business management decisions using accurate and current financial data. This makes it easier for MSMEs to adjust to shifting markets and escalating competition.

Additionally, implementing cloud accounting helps improve MSMEs' financial management transparency and accountability. MSMEs can more readily monitor financial performance and meet tax responsibilities when their financial records are well-structured and maintained. This aids MSMEs in enhancing their standing as reliable companies and preserving positive interactions with clients and business associates. However, many other factors also impact how MSMEs use cloud accounting. Understanding the advantages and potential of cloud computing technology is a crucial component. Many MSMEs might need to be made aware of the benefits of cloud accounting in terms of enhancing productivity, improved decision-making, and the capacity to compete in a market that is becoming increasingly competitive. (Jayeola et al., 2022) The growth of cloud accounting among MSMEs in Kuningan Regency demonstrates that MSMEs are becoming more aware of its advantages. More business owners know the benefits of cloud accounting for managing finances. According to a survey of MSMEs in Kuningan Regency, although they know the advantages of using cloud accounting, their knowledge of it still needs to be improved. Among the difficulties experienced by MSMEs are worries about the cost of cloud accounting, erratic internet connections, particularly for MSMEs in rural regions, worries about the risk of personal data, and a lack of support and training for cloud accounting.

Additionally, (Chen et al., 2023) claim that several variables, including technology, organization, and the environment, affect the adoption of cloud accounting. Relative advantage, compatibility, Complexity, and data security are all tied to technological considerations. Comparative advantage is the degree to which MSMEs think switching to cloud accounting will have more advantages than traditional accounting techniques. MSMEs are more likely to adopt cloud accounting if they believe it would increase

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e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

productivity, accuracy, accessibility, and decision-making. The degree to which cloud accounting systems adhere to MSMEs' requirements, procedures, and business objectives is known as compatibility.(Costa Melo et al., 2023) MSMEs would feel more at ease adopting a solution if it can be easily connected with current systems and applications and complies with accounting standards and procedures. The term "complexity" describes the degree of difficulties and obstacles MSMEs experience when implementing cloud accounting. MSMEs are more likely to accept a solution if it is reasonably simple to use, put into practice, and has suitable training support. Adoption, however, can be hampered if operational or technological Complexity becomes a substantial barrier. The adoption of cloud accounting must consider data security concerns. MSMEs must know their financial information will be safely kept in the cloud. The decision of MSMEs to embrace cloud accounting is influenced by variables such as robust data security, encryption usage, protection against cyber threats, and compliance with security regulations.

Top management support, sufficient resources, and IT expertise are organizational elements that affect the adoption of cloud accounting. Top management must encourage the adoption of cloud accounting. (Gavrila and de Lucas Ancillo, 2021) MSMEs are more likely to use a technology if senior management is aware of its advantages and encourages its use. Support may include allocating resources, committing to change, and offering direction during implementation. Adopting cloud accounting calls for enough technological, financial, and human resources. MSMEs must have enough funds to handle change, offer training, and gain access to the required technical infrastructure. Adoption may be improved if these materials are readily available. The use of cloud accounting is also influenced by MSMEs' level of information technology (IT) proficiency. The adoption process will be more straightforward for MSMEs if they can access qualified IT personnel or outside consultants. Adoption, however, can only be improved if IT proficiency is high.

Competition pressure, pressure from business partners, regulatory pressure, government assistance, and support from service providers are some environmental variables driving the adoption of cloud accounting. The market's competitive pressure may also influence the uptake of cloud accounting. SMEs may need to use cloud accounting if they know that their rivals have done so and have benefited from increased productivity and improved decision-making. This would allow them to stay competitive. Customers or suppliers working with MSMEs can pressure them to use cloud accounting. MSMEs are more likely to embrace cloud accounting as a solution if business partners need real-time access to financial information or accounting system integration. (Tamvada et al., 2022) External factors that promote the use of this technology, including rules or tax requirements, may impact the adoption of cloud accounting. MSMEs that are required to embrace cloud accounting by particular laws or regulations will do so to abide by those laws. Government help in the form of financial incentives, educational initiatives, or technical support may promote MSMEs' use of cloud accounting. The adoption of cloud accounting will be facilitated by government actions encouraging its usage and improving access to technological infrastructure. Another crucial element is the support provided by cloud accounting service providers. The adoption of cloud accounting is likely to occur if service providers provide adequate technical support, training, maintenance, and flexibility in fulfilling the particular demands of MSMEs (Zide and Jokonya, 2021).

The novelty of this article lies in its comprehensive exploration of the factors influencing cloud accounting adoption, specifically in small and medium-sized enterprises (SMEs). While previous research has examined cloud adoption in general, this article focuses specifically on the context of SMEs, which face unique challenges and

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e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

considerations in adopting cloud accounting solutions. By delving into this specific context, the article aims to uncover the distinctive factors influencing cloud accounting adoption among SMEs and provide insights into their adoption decisions. Through thoroughly examining variables such as cost-effectiveness, technological readiness, organizational culture, and security concerns, this article seeks to contribute to the existing literature by shedding light on the nuanced factors that drive or hinder cloud accounting adoption in SMEs. The findings of this study can offer valuable guidance to SMEs, policymakers, and service providers in understanding the critical determinants of successful cloud accounting adoption and devising effective strategies to facilitate its implementation in this crucial sector.

This research is to analyze and provide empirical evidence regarding the adoption of cloud accounting among MSMEs in Kuningan Regency. The author also aims to conduct hypothesis testing using the Smart PLS 3 application. Using the Smart PLS 3 application, the author can test respondents' opinions, perspectives, and perceptions regarding the adoption and impact of cloud accounting on MSMEs.

THEORETICAL REVIEW

The Technology Acceptance Model (TAM) theory was developed by Fred Davis in 1986 and has been widely used in studies on technology adoption. According to TAM, technology adoption is influenced by two main factors: perceived usefulness and perceived ease of use. In the context of adopting cloud accounting in SMEs, the factors influencing adoption can be related to two primary constructs in TAM: (1) Perceived Usefulness: This reflects the extent to which SMEs believe that adopting cloud accounting will provide benefits and advantages to their business. Factors such as relative advantage, compatibility, security concerns, top management support, adequate resources, and competitive pressure can influence perceived usefulness. (2) Perceived Ease of Use: This measures how much SMEs think utilizing cloud accounting will be simple and that it can be adopted relatively quickly. Complexity, IT proficiency, trading partner pressure, coercive pressure, government assistance, and provider support can influence perceived usability.

How SMEs believe the technology offers advantages over conventional methods depends on factors like relative advantage in implementing cloud accounting. The Technology Acceptance Model (TAM) states that the perceived comparative advantage of new technology affects perceived usefulness. SMEs will likely perceive use highly if they believe cloud accounting can provide higher benefits like operational efficiency, cost savings, or enhanced accessibility and flexibility. With a solid awareness of the advantages cloud accounting offers, SMEs may choose more wisely when implementing this technology to assist the expansion and growth of their companies.(Majstorovic et al., 2020) Relative advantage has a positive effect on cloud accounting adoption.

H1: Relative advantage has a positive effect on cloud accounting adoption.

The adoption of cloud accounting is compatible with how well the solution suits SMEs' needs and operational procedures. The TAM concept of compatibility describes how in line and appropriate the technology is thought to be with the users' values, conditions, and requirements. (Kamarudin et al., 2022) SMEs will likely have a high view of usefulness if they believe that cloud accounting is consistent with their company operations, promotes integration with current systems, and adheres to policies and rules.

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e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

Adoption rates among SMEs are significantly impacted by compatibility with cloud accounting.

H2: Compatibility has a positive effect on cloud accounting adoption.

The term "complexity" describes the degree of Complexity and effort involved in adopting cloud accounting. According to TAM, a technology's perceived ease of use increases with decreasing technological Complexity. SMEs are likely to have a high opinion of ease of use if they believe that adopting cloud accounting is simple enough to understand. Complexity is a significant factor in SMEs' adoption of cloud accounting. The sense of ease of use by SMEs increases with decreasing levels of technological sophistication. (Chen et al., 2023) Developers of cloud accounting solutions can enhance the adoption of technology by SMEs by taking into account this complexity factor and using it to design more user-friendly and intuitive platforms.

H3: Complexity has a negative effect on cloud accounting adoption**.**

SMEs' confidence in their data security when using this technology is a factor in security issues that influence the adoption of cloud accounting. Security worries may affect perceived usefulness, according to TAM. The perceived utility may decline if SMEs worry severely about data security in cloud accounting. So, cloud accounting service providers must guarantee proper data protection and give customers a clear understanding of the security measures. (Zhang et al., 2022) Security issues heavily influence the adoption of cloud accounting by SMEs.To boost adoption, service providers must provide proper data protection, give SMEs a clear understanding of the security measures used, and be open and honest about their security procedures. By accomplishing this, cloud accounting's perceived utility can be raised, and SMEs will have more confidence in employing this technology to manage their accounting and financial data.

H4: Security concerns have a negative impact on the adoption of cloud accounting.

Support from top management is vital in determining how beneficial cloud accounting is regarded to be. The degree to which organizational management supports using new technology is reflected in the TAM component of top management support. They are likely to have a high perceived utility if SMEs obtain strong and active assistance from senior management to embrace cloud accounting. Top management support is crucial for influencing how effective SMEs consider cloud accounting. This assistance fosters an environment where SMEs can confidently and highly motivatedly adopt new technology. (Zhang et al., 2022) Together, cloud accounting service providers and stakeholders must ensure that top management adequately supports SMEs in terms of both financial resources and organizational culture shifts. SMEs' use of cloud accounting can significantly impact their company's operational effectiveness and efficiency with top solid management support.

H5: Top management support positively impacts the adoption of cloud accounting.

Adequate resources, including human, financial, and technology resources, are essential for SMEs to embrace cloud accounting. To successfully embrace and use cloud

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E-ISSN 2549-8800
P-ISSN 1410-3591

accounting, SMEs must ensure that these resources are available and managed well. Stakeholders, such as cloud accounting service providers and the government, also play a part in helping SMEs embrace this technology by offering assistance and access to sufficient resources.(Gavrila and de Lucas Ancillo, 2021)

H6: Adequate resources positively impact the adoption of cloud accounting.

The ability of SMEs to utilize information technology, especially cloud accounting, is reflected in their IT proficiency. TAM asserts that customers' perceived ease of use may be influenced by their level of IT expertise. Small and medium-sized businesses (SMEs) will find it simpler to embrace cloud accounting and highly perceive usability if they have sufficient knowledge and abilities in using information technology. The power of SMEs to use IT effectively is essential for adopting cloud accounting. SMEs with strong IT capabilities will find it simpler to embrace cloud accounting and can use the advantages this technology has to offer. (Somohano-Rodríguez and Madrid-Guijarro, 2022) For SMEs to overcome obstacles and profit from cloud accounting adoption, improving IT proficiency through training and skill development is crucial.

H7: IT competency has a positive influence on cloud accounting adoption.

SMEs' adoption of cloud accounting may be significantly impacted by competitive pressure. Small and medium-sized enterprises (SMEs) must constantly increase their operational effectiveness and efficiency in a highly competitive business market. In this aspect, cloud accounting has the potential to be an effective tool for SMEs to manage and track their finances more effectively. SMEs must implement cutting-edge and complex solutions like cloud accounting to improve their company performance. SMEs can access real-time financial data, get precise and thorough financial reports, and automate their accounting procedures by implementing cloud accounting. SMEs (Rodríguez and Guijarro, 2022)s may now make quicker and more precise business decisions based on dependable data, giving them considerable competitive benefits. (Hamzah and Suhardi, 2019).

H8: Competitive pressure has a positive influence on cloud accounting adoption.

Business partners' expectations to adopt cloud accounting reflect demands made by customers or other parties. TAM asserts that this pressure may affect how users perceive ease of use. SMEs will likely have a high sense of usability if they believe adopting cloud accounting is essential to preserving positive business ties with their partners. (Hamzah and Suhardi, 2019) Understanding this pressure and acting promptly and appropriately in response to it can provide new opportunities and boost SME business success.
H9: Pressure from business partners positively influences cloud accounting adoption.

The pressure or requirement from authorities or regulators to employ cloud accounting is called coercive pressure. TAM asserts that this pressure may also affect how users perceive ease of use. SMEs may not perceive cloud accounting as user-friendly if they are driven to adopt it by rules or regulations. For SMEs to view cloud accounting as a chance to increase their productivity and company performance, authorities or regulators

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E-ISSN 2549-8800
P-ISSN 1410-3591

must ensure that they have the necessary understanding and support for SMEs as they deal with these changes. (Rodríguez and Guijarro, 2022)

H10: Coercive pressure has a positive influence on cloud accounting adoption.

The perception of cloud accounting adoption's ease of use can be influenced by government backing. SMEs are likely to have a high opinion of ease of use if the government offers support, incentives, or facilities to adopt cloud accounting because of the support and assistance from the government. Government support significantly influences how small and medium-sized businesses (SMEs) perceive how easy it is to implement cloud accounting. (Rodríguez and Guijarro, 2022) This support gives SMEs the confidence and legitimacy to use cloud accounting for the expansion and sustainability of their businesses, in addition to assisting them in overcoming technological hurdles.

H11: Government support has a positive effect on cloud accounting adoption.

Cloud accounting service providers' support also impacts how user-friendliness is perceived. SMEs will find embracing and using cloud accounting simpler if service providers offer enough technical support, training, and resources. This assistance gives SMEs the assurance, thorough understanding, and access to the tools necessary for successfully implementing cloud accounting in their company. (Hamzah and Suhardi, 2019).

H12: Support from service providers positively affects cloud accounting adoption.

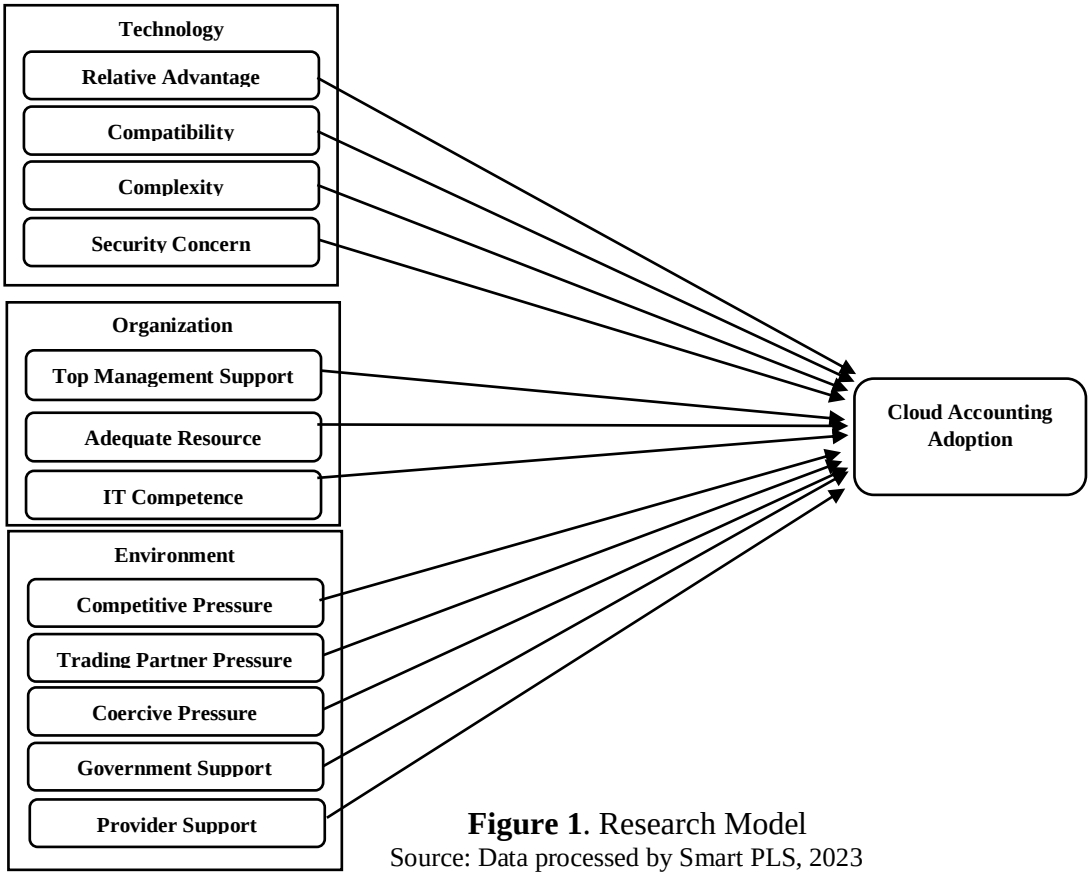

Figure 1. Research Model
Source: Data processed by Smart PLS, 2023

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e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

METHODS

This study used a quantitative approach. The research object was SMEs in Kuningan Regency. The data used in this study were quantitative, and the data source used was primary data. The quantitative data used in this study were scores obtained from the answers to questionnaires given to SMEs that met the sample criteria. The data collection method used in this study was a questionnaire. The questionnaire distributed was a list of questions about the factors that influence the adoption of cloud accounting. The questionnaire model used in this study used a 4-point Likert scale measurement. The population in this study was SMEs in Kuningan Regency. The sampling technique used was random sampling, with 276 respondents.

The data analysis technique used in this study was multiple linear regression using SmartPLS 3.0 as the tool. Data analysis used PLS-SEM to estimate measurement and structural models. This study's analysis and hypothesis testing used the Structural Equation Model-Partial Least Square (PLS) method, which was run using SmartPLS Version 3.0. The reason for using PLS as a data analysis technique is that this analysis is based on something other than the assumption that the sample size must be significant, and analysis can also be done with less than 100 samples. PLS also does not need to be based on many assumptions, so the data does not have to be multivariate and normally distributed. Another advantage of PLS is that it can analyze weak theories by making predictions by explaining the presence or absence of relationships between latent variables.

The data analysis stages using PLS in this study were carried out by looking at the outer and inner models. The outer model was carried out to see a research model's validity and reliability values. Validity tests are then divided into two tests, namely convergent validity and discriminant validity. Meanwhile, the reliability test can be measured in two ways, namely by looking at the composite reliability and Cronbach's alpha values. The inner model is an analysis carried out to test hypotheses. Structural model evaluation can be done in six ways: R-Square test, Path Coefficient test, T-test, predictive relevance test, model fit test, and effect size test. If the t-value is greater than 1.960 at a significance of 5 per cent, then the independent variable significantly affects the dependent variable, and vice versa (Noviyanti and Nushasanah, 2019).

RESULTS

Based on the data analysis, the results of the descriptive analysis are as follows: Descriptive Analysis.

Table 1. Characteristics of Respondents

Characteristic	Frequency	Per centage
Age		
21 to 30 years	108	39
31 to 40 years	90	33
More than 40 years	78	28
Total	276	100
Gender		
Male	134	49
Female	142	51
Total	276	100
Education Level		

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E-ISSN 2549-8800
P-ISSN 1410-3591

Elementary School	16	6
Junior High School	29	11
High School	175	63
Bachelor's Degree	52	19
Master's / Doctoral Degree	4	1
Total	276	100
Size		
Small	176	64
Medium	100	36
Total	276	100
Number of Employees		
smaller 20 Employees	233	84
21 to 30 Employees	34	12
31 to 40 Employees	5	2
More than 40 Employees	4	1
Total	276	100
Income		
Less than 20 million	250	91
21 to 50 million	24	9
More than 50 million	2	1
Total	276	100

Source: Dataanalyzedd, 2023.

The data provided represents the characteristics of small and medium-sized enterprises (UMKM) in Kuningan Regency regarding their adoption of cloud accounting. The sample consists of 276 UMKM participants. Regarding age, most respondents are between 21 and 40 years old, with 39 per cent falling within the 21 to 30 age range and 33 per cent within the 31 to 40 age range. The remaining 28 per cent of respondents are over 40 years old. Regarding gender distribution, the sample shows a relatively balanced representation, with 49 per cent male and 51 per cent female. Regarding education level, most respondents hold a high school diploma, accounting for 63 per cent of the sample.

Meanwhile, 19 per cent have a bachelor's degree, and only a tiny percentage (1 per cent) possess a master's or doctoral degree. A small portion of respondents (6 per cent) have completed elementary school, and 11 per cent have finished junior high school. Regarding the size of the businesses, the majority (64 per cent) fall into the small category, while the remaining 36 per cent are classified as medium-sized enterprises. The number of employees in these UMKM varies, with 84 per cent having less than 20 employees. Only a tiny proportion (1 per cent) have over 40 employees, while 12 per cent have 21 to 30 employees, and 2 per cent have 31 to 40 employees. Regarding income, most UMKM participants (91 per cent) have an income of less than 20 million Indonesian Rupiah. A smaller percentage (9 per cent) falls within the range of 21 to 50 million Rupiah, and only 1 per cent report an income exceeding 50 million Rupiah.

Table 2 shows presents the descriptive statistics of the variables related to cloud accounting adoption for small and medium-sized enterprises (UMKM) in Kuningan Regency. The variables include relative advantage, compatibility, Complexity, security concern, top management support, adequate resources, IT competence, competitive pressure, trading partner pressure, coercive pressure, government support, provider support, and cloud accounting adoption. The table shows each variable's number of respondents (N), minimum and maximum values, mean, and standard deviation. It provides an overview of the central tendency and dispersion of the responses received. The mean values indicate each variable's average perception or level of adoption. Higher mean scores suggest a more positive perception or higher adoption level, while lower mean

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e-JA
E-ISSN 2549-8800
P-ISSN 1410-3591

scores indicate a less favourable or lower adoption level. The standard deviation values represent the degree of variability or dispersion in the responses. More significant standard deviations indicate greater variability in the perceptions or adoption levels among the respondents.

Table 2. Descriptive Statistics Results

	N	Minimum	Maximum	Mean	Std. Deviation
Relative Advantage	276	4	5	4.590	0.493
Compatibility	276	4	5	4.590	0.493
Complexity	276	4	5	4.630	0.484
Security Concern	276	3	5	4.110	0.729
Top Management Support	276	3	5	4.120	0.694
Adequate Resource	276	3	5	4.090	0.705
IT Competence	276	4	5	4.590	0.492
Competitive Pressure	276	4	5	4.590	0.493
Trading Partner Pressure	276	3	5	4.030	0.716
Coercive Pressure	276	3	5	3.850	0.690
Government Support	276	3	5	3.860	0.660
Provider Support	276	3	5	3.830	0.642
Cloud Accounting Adoption	276	3	5	3.810	0.673
Valid N (listwise)	276				

Source: Dataanalyzedd, 2023.

Additionally, the table includes a "Valid N (listwise)" row, which indicates the number of cases with complete data for all variables. These descriptive statistics provide valuable insights into the perceptions and adoption levels of cloud accounting among UMKM in Kuningan Regency, helping to understand the overall trends and variations in the data.

Table 3. Convergent Validity Test Results (Loading Factors)

	AR	CAP	CMPT	CX	CoeP	ComP	GS	ITC	PS	RA	SC	TMS	TPP
AR1	0.824												
AR2	0.906												
AR3	0.911												
CAP1		0.852											
CAP2		0.884											
CAP3		0.722											
CMPT1			0.968										
CMPT2			0.973										
CMPT3			0.979										
CX1				0.878									
CX2				0.862									
CX3				0.880									
CX4				0.854									
CoeP1					0.859								
CoeP2					0.845								
CoeP3					0.830								
ComP1						0.881							

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ComP2	0.821							
ComP3	0.883							
GS1		0.830						
GS2		0.819						
GS3		0.824						
ITC1			0.866					
ITC2			0.873					
ITC3			0.916					
PS1				0.816				
PS2				0.775				
PS3				0.853				
RA1					0.782			
RA2					0.820			
RA3					0.914			
SC1						0.883		
SC2						0.887		
SC3						0.877		
TMS1							0.905	
TMS2							0.890	
TMS3							0.822	
TPP1								0.905
TPP2								0.893

Source: Dataanalyzedd, 2023.

Based on the loading factor test results, **Table 3** shows it can be observed that all indicators for each variable have met the convergent validity test, as indicated by loading factors greater than 0.700 (Gio, 2022). This categorizes the validity of each indicator's relationship with its latent variable as high and allows for proceeding to the Discriminant Validity test. Discriminant validity aims to assess the strength of the relationship between indicators and their latent variables, which can be examined through the Fornell-Larcker test. The results of the Fornell-Larcker test in **Table 5** indicate that all indicators for each variable have passed the discriminant validity test. This is because the correlation values between variables and themselves are higher than between variables and others. Subsequently, the reliability test can be conducted. The reliability test measures the instrument's reliability, accuracy, and consistency in a research study.

Average Variance Extracted (AVE). **Table 4** displays the AVE, which is used to test convergent validity as obtained from the output of the convergent validity analysis.

Table 4. Output of AVE (Average Variance Extracted)

Construct	AVE
Relative Advantage	0.776
Compatibility	0.631
Complexity	0.948
Security Concern	0.754
Top Management Support	0.714
Adequate Resource	0.743
IT Competence	0.680

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E-ISSN 2549-8800
P-ISSN 1410-3591

Competitive Pressure	0.784
Trading Partner Pressure	0.665
Coercive Pressure	0.707
Government Support	0.778
Provider Support	0.762
Cloud Accounting Adoption	0.809

Source: Data analyzed, 2023.

In this study, the expected AVE value is more than 0.600, so based on the AVE results in the table above, convergent validity has no problem (Gio, 2022).

Table 5. Discriminant Validity (Fornell-Larcker) and Reliability Test Results

	AR	CAP	CMPT	RA	SC	TMS	TPP	Cronbach's Alpha	Composite Reliability
AR	0.881							0.859	0.912
CAP	0.761	0.795						0.708	0.834
CMPT	0.869	0.873	0.973					0.972	0.982
CX	0.812	0.761	0.885					0.892	0.925
CoeP	0.852	0.657	0.816					0.799	0.882
ComP	0.807	0.782	0.732					0.827	0.897
GS	0.798	0.790	0.840					0.765	0.864
ITC	0.769	0.819	0.860					0.884	0.916
PS	0.762	0.794	0.773					0.749	0.856
RA	0.882	0.884	0.799	0.841				0.815	0.878
SC	0.824	0.748	0.884	0.810	0.882			0.858	0.913
TMS	0.812	0.727	0.771	0.792	0.808	0.873		0.848	0.906
TPP	0.749	0.830	0.814	0.818	0.871	0.750	0.899	0.764	0.894

Source: Dataanalyzedd, 2023.

The results of the composite reliability and Cronbach's alpha tests in **Table 5** indicate that all indicators for each variable have passed the reliability test. This can be observed from the composite reliability and Cronbach's alpha values, which are greater than 0.700, meeting the reliability criteria (Gio, 2022). The next step in the PLS test is to evaluate the structural model (inner model). The inner model evaluation can be conducted through several tests. The coefficient of determination (R2) test aims to assess how independent variables can explain the variation in the dependent variable within a model and whether there are influences from variables outside the model.

Table 6. R-Square Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
CAP	0.680	0.694	0.033	20.579	0.000

Source: Dataanalyzedd, 2023.

Table 6 shows, the Adjusted R-Square value is 0.680, indicating that the independent variables influence cloud accounting adoption by 68 per cent. In comparison, the remaining 32 per cent is influenced by other factors outside the variables studied.

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Below is presented **Table 7**, which can be used to determine the significance and influence of the independent variable on the dependent variable.

Table 7. Hypothesis Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Result
RA -> CAP	0.030	0.019	0.093	0.321	0.748	Rejected
CMPT -> CAP	0.045	0.027	0.066	0.692	0.489	Rejected
CX -> CAP	0.196	0.193	0.115	1.698	0.091	Accepted
SC -> CAP	0.198	0.188	0.084	2.350	0.019	Accepted
TMS -> CAP	0.208	0.209	0.082	2.526	0.012	Accepted
AR -> CAP	0.636	0.626	0.087	7.323	0.000	Accepted
ITC -> CAP	0.068	0.056	0.091	0.746	0.456	Rejected
ComP -> CAP	0.110	0.104	0.054	2.039	0.042	Accepted
TPP -> CAP	0.202	0.200	0.074	2.708	0.007	Accepted
CoeP -> CAP	0.155	0.154	0.075	2.068	0.040	Accepted
GS -> CAP	0.299	0.297	0.084	3.549	0.000	Accepted
PS -> CAP	0.230	0.234	0.078	2.953	0.003	Accepted

Source: Dataanalyzedd, 2023.

Table 7 presents the results of hypothesis testing as follows: The results of the hypothesis testing indicate that Relative Advantage, Compatibility, and IT Competence do not have a significant effect on cloud accounting adoption because the t-statistic value is less than 1.650 (Gio, 2022) and Complexity, Security Concern, Top Management Support, Adequate Resources, Competitive Pressure, Trading Partner Pressure, Coercive Pressure, Government Support, and Provider Support has a significant effect on cloud accounting adoption because the t-statistic value is greater than 1.650 (Gio, 2022).

DISCUSSION

Analysis of Effect of Relative Advantage on Cloud Accounting Adoption. The investigation demonstrates that relative advantage does not affect SMEs' (Small and Medium Enterprises) adoption of cloud accounting. A company's capacity to outperform its rivals by deploying particular technologies or business processes is referred to as having a relative advantage. However, other factors-such as business requirements, anticipated benefits, and resource accessibility-often take precedence over comparative advantage when SMEs adopt cloud accounting. Typically, the need to increase operational effectiveness, optimize financial management, or satisfy more demanding financial standards pushes SMEs to explore using cloud accounting. More so than the relative advantage SMEs have over their rivals in implementing technology or business strategies, these factors impact adoption decisions. Furthermore, comparative advantage might vary over time and be relative.

Competitors can quickly adopt cloud accounting solutions since technology is continuously changing. Therefore, relative benefit cannot be the primary determinant of whether SMEs embrace cloud accounting. (Mon and Giorgio, 2023) More importantly, SMEs should consider the advantages of adopting cloud accounting and their capacity to manage and use it successfully. Price, training requirements, compatibility with current IT

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P-ISSN 1410-3591

infrastructure, and technical support may influence adoption decisions. Overall, relative advantage has little to no impact on SMEs' adoption of cloud accounting. Adoption decisions are more influenced by organizational needs and anticipated benefits than by SMEs' comparative advantage over their rivals. Other aspects, including company requirements, resource accessibility, and technical considerations, are more important when influencing SMEs' decisions to embrace cloud accounting. This research is supported by (Radicic and Petković, 2023) (Alshirah et al., 2021)

Analysis of Effect of Compatibility on Cloud Accounting Adoption. According to the research, due to compatibility, SMEs (Small and Medium Enterprises) are less likely to utilize cloud accounting. The term "compatibility" in this context refers to how well a cloud accounting solution fits the requirements and characteristics of SME firms. Although compatibility does not directly influence the adoption of cloud accounting, SMEs should nonetheless consider these criteria when selecting the best solution. When choosing a cloud accounting solution, SMEs must first consider their business' Complexity and size. Some answers might be more suited for SMEs with straightforward operations and few users, while others might be better suited for SMEs with more complicated processes and many users.

As a result, for the solution to be used effectively, it is crucial to consider how well it fits the organization's demands. Second, SMEs should consider their level of internal resource availability and competence. Complex cloud accounting solutions may need specialist knowledge or further training to be used efficiently. SMEs with limited resources may need to select more user-friendly and intuitive solutions to reduce implementation hurdles and maximize their advantages. The solution's capability to interact with other systems utilized by SMEs is also a feature to be considered. The success of cloud accounting adoption can be significantly influenced by compatibility regarding integration. SMEs may need help transferring data between platforms or managing information effectively if a solution cannot interact with existing systems. Although compatibility may not directly impact the adoption of cloud accounting, SMEs should take this into account to select a system that fits their requirements and capabilities. SMEs may use the advantages of cloud accounting to boost productivity, better manage their finances, and promote the expansion of their enterprises by completing extensive research and choosing the appropriate solution. This research is supported by (Al-sharafi et al., 2023).

Analysis of Effect of Complexity on Cloud Accounting Adoption. According to the analysis's findings, Complexity influences SMEs' (Small and Medium Enterprises) adoption of cloud accounting in a favourable but non-significant way. SMEs have a significant role in the economy of a nation. The significance of leveraging information technology, including cloud accounting, in managing SMEs' finances and operations has recently come to light. First and foremost, Complexity is an issue that should be considered when adopting new technology, especially cloud accounting. Understanding how cloud accounting differs from conventional data management techniques is necessary for its utilization. SMEs could experience challenges concerning technical know-how, IT capability, and comprehension of the advantages of cloud accounting. (Zahoor et al., 2023) The intricacy of the technology may prevent SMEs from implementing it. Although Complexity may negatively influence SMEs' adoption of cloud accounting, the impact is insignificant. There are several causes for this. First, cloud accounting is more straightforward, thanks to technological developments, with clear user interfaces and detailed instructions. Vendors of cloud accounting services also offer technical support and training to help SMEs through any complexity that could arise. Additionally, the

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P-ISSN 1410-3591

benefits cloud accounting offers for SMEs can serve as a strong incentive to overcome Complexity.

Cloud accounting provides real-time access to financial data, better cash flow monitoring, and the ability to generate more accurate financial reports. These benefits outweigh the drawbacks of manual accounting processes or less sophisticated software. Furthermore, SMEs' adoption of cloud accounting is also driven by the increasingly complex demands of the market. SMEs must meet stricter accounting requirements and report data quickly to relevant parties such as the government, investors, and business partners. Cloud accounting can help SMEs meet these demands more efficiently, reducing the risk of errors and enhancing the trust of stakeholders.

In conclusion, Complexity may positively affect the adoption of cloud accounting for SMEs but not significantly. SME complexity is reduced thanks to technological improvements, user-friendly user interfaces, training support, and the advantages of cloud accounting. The complex market demands are another factor driving SMEs to choose cloud accounting as a more effective and efficient way to manage their finances. Therefore, Complexity influences the adoption of cloud accounting for SMEs positively but not significantly. This research is supported by(Telukdarie et al., 2023) and (Zide and Jokonya, 2021).

Analysis of Effect of Security Concerns on Cloud Accounting Adoption. According to the analysis, Small and Medium Enterprises (SMEs) are significantly more likely to embrace cloud accounting due to Security Concerns. Security issues here allude to SMEs' worries about the integrity and confidentiality of their data when adopting cloud accounting solutions. Security worries may at first seem to be a deterrent to adoption, but they encourage SMEs to choose secure solutions and take precautions with their data. SMEs concerned about security frequently look for cloud accounting solutions that provide robust security protections. They might select service providers who are reputable for data protection or have security certifications like ISO 27001. SMEs can manage and store their financial data in the cloud with more confidence by choosing solutions that can offer necessary security assurances.

Additionally, due to security concerns, SMEs take extra precautions to protect their data. They might implement more stringent security measures, including strong passwords, appropriate user authorization, and data encryption. SMEs concerned about security may also monitor their cloud accounting solutions regularly to find and fix any potential flaws and ensure they are in line with data protection laws. Additionally, properly addressing security issues might have a favourable impact on adopting cloud accounting. By demonstrating strong security measures, SMEs can get more credibility and confidence from their clients or business partners. This research is supported by (Ogunsola, 2021) and (Adane, 2018).

Additionally, improved security can lessen the chances of data theft or security breaches, protecting SMEs from monetary losses and damaging reputational effects. Overall, the use of cloud accounting for SMEs is positively impacted by security worries. These worries prompt SMEs to look for safe solutions and implement preventative security measures. As a result, security issues encourage more security awareness and precautions, which can improve SMEs' trustworthiness and dependability while implementing cloud accounting systems.

Analysis of Effect of Top Management Support on Cloud Accounting Adoption. Based on the analysis's findings, it is clear that Top Management Support significantly increases the likelihood that SMEs (Small and Medium Enterprises) will embrace cloud

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accounting. Top management support refers to SME leaders' dedication and active involvement in promoting, supporting, and encouraging the use of cloud accounting systems inside their firms. Support from top management is essential for changing corporate culture and attitudes toward technological change. Other SMEs are more likely to follow suit when top management expresses interest in and confidence in cloud accounting. Support from top management gives SME employees a powerful incentive and drive to adopt innovative solutions and overcome any potential resistance or doubt.

Additionally, top management support can influence the allocation of resources needed for implementing cloud accounting. SMEs have adequate resources to install and maintain cloud accounting when top management prioritizes and allows the budget, staff, and essential infrastructure to adopt such solutions. With this help, SMEs can also get the technical support, advice, or training required to utilize cloud accounting systems fully. In addition, top management support helps improve internal teamwork and departmental cooperation. Top management can encourage communication among the departments involved in the deployment of cloud accounting, including IT, accounting, and other departments. With this assistance, installation challenges can be more easily solved, and cloud accounting systems can be more quickly integrated across the entire firm. Overall, the adoption of cloud accounting for SMEs is positively impacted by top management support. Through this support, the organization can better collaborate, creating an atmosphere for change. With the help of top management, SMEs may get beyond obstacles, use the advantages of cloud accounting solutions, and succeed in enhancing operational effectiveness, improving financial management, and boosting their ability to compete. This research is supported by (Mihai and Duţescu, 2022) and (Jayeola et al., 2022).

Analysis of Effect of Adequate Resource on Cloud Accounting Adoption. According to the analysis's results, Adequate Resources significantly positively influence SMEs' (Small and Medium Enterprises) adoption of cloud accounting. There are sufficient financial, technological, and human resources to adopt and manage cloud accounting solutions in this situation. First, SMEs can set aside the money needed to purchase and implement cloud accounting systems when they have sufficient financial resources. The price of software development, data migration, training, and technical support must be considered. With enough funding, SMEs may meet these financial standards without running into issues or endangering their capacity to maintain their financial stability.

Additionally, having sufficient technological resources is essential for using cloud accounting to succeed. SMEs must have the proper network and computer equipment to adopt and use cloud accounting systems. For optimal performance and good accessibility to the solution, there should be adequate internet speed, suitable hardware, and required auxiliary software.

The adoption of cloud accounting also heavily depends on having a sufficient staff. SMEs need a trained and skilled crew to manage and use cloud accounting systems effectively. Proper training and education are required to ensure that staff members comprehend the features and functionalities of the solution and can use it successfully in day-to-day operations. With enough human resources, SMEs can utilize the advantages of cloud accounting solutions and get through any potential technical difficulties. Overall, having sufficient resources has a favourable impact on SMEs' adoption of cloud accounting. SMEs can successfully implement cloud accounting solutions if they have the necessary financial, technological, and human resources. Doing so can increase operational effectiveness, manage their finances more effectively, and obtain precise and

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timely information to aid in decision-making. With the right resources, SMEs can successfully implement cloud accounting and grow their business competitiveness in this digital age. This research is supported by (Elayanathan and Kalainathan, 2021) and (Prihatiningtias and Wardhani, 2021)

Analysis of Effect of IT Competence on Cloud Accounting Adoption. The analysis's findings make it clear that Adequate IT Competence only significantly affects SMEs' (Small and Medium Enterprises) adoption of cloud accounting. SMEs' knowledge, abilities, and technical skills in using and managing information technology, particularly cloud accounting systems, are referred to in this context as IT competency. The decision to embrace cloud accounting solutions for SMEs is not primarily driven by IT competence, even though it can offer extra benefits. Instead of the amount of IT proficiency possessed by SMEs, the adoption of cloud accounting is more closely tied to business demands and the anticipated benefits.SMEs have several options for overcoming their need for IT expertise.

First, they can use consultants' or IT service providers' services to help set up and use cloud accounting solutions. Professional outside teams can offer the direction and technical assistance required to guarantee a successful adoption. **Second,** SMEs can provide their staff members with training and growth in IT skills. SMEs can improve the technical skills of their teams in maintaining and utilizing cloud accounting solutions by offering pertinent education and training. The importance of IT knowledge and abilities in this digital age cannot be overstated, even though IT proficiency may not be the primary determinant. Through appropriate training and development programs, SMEs can take advantage of possibilities to increase their IT proficiency. By improving their IT skills, SMEs can embrace and use cloud accounting solutions more successfully, ensuring the survival and expansion of their companies in the digital age. Overall, IT proficiency only significantly impacts the adoption of cloud accounting for SMEs. While having IT expertise can have added benefits, adopting cloud accounting solutions is mainly influenced by company requirements and anticipated gains. SMEs with potential IT competency gaps can use external resources or give their staff members training and development in IT skills. This research is supported by (Senarathna et al., 2018).

Analysis of Effect of Competitive Pressure on Cloud Accounting Adoption. Based on the analysis's findings, it is clear that competitive pressure has a significant beneficial impact on SMEs' (Small and Medium Enterprises) adoption of cloud accounting. Competitive pressure in this context refers to a market climate where SMEs are forced to increase operational effectiveness, optimize financial management, and have quick access to pertinent company data. SMEs are conscious of the significance of technology solutions that can boost their competitiveness in a competitive market. In terms of accessibility, flexibility, and the capacity to effectively manage and analyze financial data, cloud accounting offers several advantages. SMEs may monitor their financial performance, acquire accurate information in real-time, and quickly make more intelligent decisions using cloud accounting solutions.

Furthermore, SMEs must innovate in their accounting management due to pressure from the competition. SMEs using cloud accounting solutions can improve their accounting procedures, lower operating expenses, and boost output. This research is supported by (Hamundu et al., 2020) (Lutfi, 2022).

SMEs can acquire a more decisive competitive advantage and set themselves apart from rivals in the market by utilizing cutting-edge technologies. Because SMEs know that their competitors may already have used cloud accounting or are planning to do so,

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competitive pressure might help hasten its adoption. SMEs will have higher chances to stay relevant and competitive in the market if they regularly adapt to new technological trends and use them to their benefit. Overall, the adoption of cloud accounting for SMEs is positively impacted by competitive pressure. The importance and advantages of cloud accounting solutions in helping SMEs manage their finances more effectively are recognized by these businesses in their efforts to preserve and improve their competitiveness. In the face of fierce market competition, SMEs can improve their business performance by utilizing cutting-edge technology, better information, and cloud accounting.

Analysis of Effect of Trading Partner Pressure on Cloud Accounting Adoption. The investigation findings show that Trading Partner Pressure significantly increases the likelihood that SMEs (Small and Medium Enterprises) will embrace cloud accounting. Trading Partner Pressure, in this sense, refers to the demands or specifications made by the business partners of SMEs regarding using cloud accounting systems to enable more efficient communication, integration, or information sharing. Business partners frequently demand more organized and effective collaboration when managing financial information in a more connected and integrated world of commerce. In this regard, SMEs can meet the needs of their business partners through implementing cloud accounting. Due to trading partner pressure, SMEs embrace cloud accounting solutions to enable real-time and secure access to their financial information. By utilizing cloud solutions, SMEs can hasten cooperation procedures, decrease errors or delays in information sharing, and instantaneously share accounting data with company partners.

Trading Partner Pressure might encourage SMEs to use more sophisticated cloud accounting features and operations. The necessity to stay up with technology improvements and satisfy the demands of their business partners for more effective and transparent accounting administration may be felt by SMEs. Implementing cloud accounting can help SMEs in this area by improving interactions with business partners, fostering trust, and boosting their credibility in their eyes. Overall, SMEs' adoption of cloud accounting is positively impacted by Trading Partner Pressure. SMEs may satisfy the demands of their business partners in terms of collaboration, integration, and more efficient information transmission by implementing cloud accounting solutions.

Additionally, by implementing cloud accounting, SMEs can speed up operations, reduce mistakes, and improve interactions with business partners for SMEs who want to stay competitive and satisfy the expectations of their business partners; in a world where business is becoming more and more connected, adopting cloud accounting becomes essential. This research is supported by (Rawashdeh and Rawashdeh, 2023) and (Kariyawasam, 2019).

Analysis of Effect of Coercive Pressure on Cloud Accounting Adoption. The analysis's findings show that coercive pressure significantly increases the likelihood that small and medium-sized businesses will embrace cloud accounting. In this case, coercive pressure refers to the elements that force SMEs to embrace cloud accounting solutions because of adjustments in rules, legal obligations, or pressing needs that cannot be ignored. Coercive pressure from authorities or regulators that mandates using more structured and documented accounting procedures may occasionally be used by SMEs. For instance, new tax laws or accounting standards can require SMEs to provide financial reports that are more open and precise. Adopting cloud accounting may enable SMEs to comply with these legal requirements effectively in this situation.

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Coercive pressure may come from other parties who demand more sophisticated and integrated accounting systems, such as banks or business partners. To be eligible for loans or further financial assistance, banks may demand that SMEs provide thorough and organized financial reports. In such circumstances, SMEs can achieve these standards and increase their reputation by implementing cloud accounting in the eyes of interested parties. Urgent commercial needs may also result in coercive pressure. For instance, SMEs expanding quickly could find manually managing financial data challenging. In this situation, SMEs can become more accurate and efficient in their financial management, allowing them to handle growing commercial constraints. Coercive pressure generally has a favourable impact on SMEs' adoption of cloud accounting. SMEs typically employ cloud accounting solutions as an effective reaction when changes in rules, regulatory obligations, or urgent business needs must be addressed. Adopting cloud accounting can help SMEs effectively meet these objectives and criteria, increase their reputation with key stakeholders, and improve the sustainability and expansion of their companies. This research is supported by (Al-Okaily et al., 2022) and (Hamzah and Suhardi, 2019)

Analysis of Effect of Government Support on Cloud Accounting Adoption. According to the analysis's findings, support from the government significantly increases the likelihood that small and medium-sized businesses will use cloud accounting. The government plays an essential role in promoting technology use in the SME sector and facilitating the expansion and sustainability of small and medium-sized firms. The government can offer incentives and economic stimulus to entice SMEs to use cloud accounting solutions. The government may provide subsidy programs, tax incentives, or funding for technology assistance to SMEs to lower the cost of cloud accounting solutions and the financial hurdles to technology adoption. Additionally, the government might offer SMEs specialized training and instruction about the advantages and application of cloud accounting.

The government can facilitate the development of cloud accounting systems that better meet the needs of SMEs through partnerships between SMEs, technological firms, and research institutes. The government may support widespread SME adoption of cloud accounting by fostering an innovative atmosphere. Overall, government support helps encourage SMEs to use cloud accounting. The government can assist SMEs in overcoming obstacles to implementing cloud accounting solutions through incentives, training, the development of digital infrastructure, and the support of innovation ecosystems. Adopting cloud accounting enables SMEs to improve operational efficiency, financial management, and competitiveness in the digital era. This research is supported by (Al-Okaily et al., 2022) and (Hamundu et al., 2020).

Analysis of Effect of Provider Support on Cloud Accounting Adoption. According to the investigation findings, support from service providers has a considerable beneficial influence on SMEs' (Small and Medium Enterprises) adoption of cloud accounting. Cloud accounting service providers are essential to helping SMEs adopt and use cloud accounting systems successfully. When SMEs use cloud accounting, service providers can advise and provide technical help. They may help set up, integrate, and customize cloud accounting solutions with current infrastructure. This assistance supports successful implementation while assisting SMEs in overcoming technical obstacles. Service providers can also train and educate SMEs on how to use cloud accounting systems effectively. To help SMEs comprehend the features and functions of cloud accounting solutions and how to utilize them for their company's purposes best, they can arrange training sessions webinars, or give instructional materials. With this support, SMEs may

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E-ISSN 2549-8800
P-ISSN 1410-3591

fully use cloud accounting solutions and improve their capacity for effective money management.

Additionally, service providers may offer recurring upgrades and improvements to cloud accounting solutions. Service providers assist SMEs in staying current with the most recent technical developments in the accounting area by supplying software updates and new features. With this assistance, SMEs may continuously increase the efficiency and effectiveness of their financial management. Responsive customer service is another aspect of service provider assistance. When employing cloud accounting solutions, SMEs can depend on service providers' technical help to handle any problems or inquiries that may come up. This research is supported by (Hamzah and Suhardi, 2019) and (Al-Okaily et al., 2022). Small and medium-sized businesses (SMEs) can adopt and use cloud accounting solutions more quickly when they receive reasonable customer assistance. Overall, service provider support has a favourable impact on SMEs' adoption of cloud accounting. Service providers help SMEs embrace and make the most of cloud accounting solutions by offering advice, training, upgrades, and quick customer support. With this help, SMEs' capacity for financial management is strengthened, operational efficiency is improved, and business growth in the digital age is supported.

CONCLUSION

Based on the test results, it can be concluded that Relative Advantage does not have a significant effect on cloud accounting adoption, Complexity has a significant impact on cloud accounting adoption, Security Concern has a significant effect on cloud accounting adoption, Top Management Support has a significant effect on cloud accounting adoption, Adequate Resources has a significant impact on cloud accounting adoption, IT Competence does not have a significant effect on cloud accounting adoption, Competitive Pressure has a significant effect on cloud accounting adoption, Trading Partner Pressure has a significant impact in cloud accounting adoption, Coercive Pressure has a significant effect on cloud accounting adoption, Government Support has a significant effect on cloud accounting adoption, and Provider Support has a significant impact on cloud accounting adoption.

Recommendations for further research may include Involving a larger sample size to enhance statistical validity, Expanding the research scope to include SMEs from various industry sectors and geographical regions, and Identifying other factors that may influence cloud accounting adoption, such as cultural factors or regulatory policies—examining the impact of cloud accounting adoption on the financial and operational performance of SMEs Exploring the influence of mediating variables or moderating variables in the context of cloud accounting adoption among SMEs and applying different research methods, such as case studies or experimental research, to deepen the understanding of cloud accounting adoption in SMEs.

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