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## **DETERMINANT FACTOR OF CONTINUOUS ACCOUNTING IMPLEMENTATION BASED ON INDONESIA BANKING'S EMPLOYEES**

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### **ABSTRACT**

This study aims to examine and analyze the influence of digital capabilities, cybersecurity awareness, green human capital, gender and experience on the continuous accounting implementation. This study uses primary data in the form of questionnaires. The sample in this study was 614 employees of the finance and information technology division at banks registered with the Bank Based on Core Capital Group (KBMI). The result of this study shows that digital capability has no influence on continuous accounting implementation, cybersecurity awareness has a positive influence on continuous accounting implementation, green human capital has a positive influence on continuous accounting implementation, gender has a positive influence on continuous accounting implementation, and experience has no influence on continuous accounting implementation.

**KEYWORDS:** Continuous Accounting Implementation, Banking, Indonesia

### **1. INTRODUCTION**

Accounting as one of the fields that produce products in the form of services has an impact on the industrial revolution. The practice of accounting, under this technological revolution (Abakpa, 2021), is set to change through the adoption of new strategic techniques in the profession, as accounting professional bodies, practitioners and other related parties are no longer the only parties involved in the design of accounting practices (Al-Htaybat et al., 2019). The added value of an accountant can be done by increasing the ability to understand the digital world (Gupta et al., 2022). Digital technology is also a powerful tool for industrial disruption to create the latest digital solutions and commitment in the acceptance of new digital technologies so as to provide benefits for industry and humans (Khin & Ho, 2018). Furthermore, the capability of technology is one of competitive factor that lift up company value (Ramdansyah & Khurosani, 2020).

Companies need to pay attention to cybersecurity from their company operations. Indeed, organizational change is important since need to improve in their know-how and know-what to further enhance their adaptive capacities (Eketu & Nwuche, 2019). With the company's attention to



cybersecurity, it is hoped that it can minimize the losses that cybercrime can cause. In addition, previous research has not discussed how to increase awareness in the field of cybersecurity (Haapamäki & Sihvonen, 2019; Havakhor et al., 2020; Li & Xu, 2021; Zhang et al., 2021). The implementation and transition to a more comprehensive accounting function will result in some displacement and disruptions such as cybersecurity risks (Gulin et al., 2019; Muravskyi et al., 2021). Practice has proven that the behavior of green participation of employees not only promotes the development of the physical and mental health of the employee, fulfills his job duties or environmental intentions of protection, and at the same time achieves environmental performance and helps the development of the organization (Yang, 2019). When employees use this empowerment to achieve their green goals, it is referred to as green human capital (Hameed et al., 2020). Eco-friendly workplace behavior in the role is a kind of eco-friendly behavior in the workplace employees adopt to meet their job requirements and be in line with the organization of rules and regulations (Zhang et al., 2019). On the other hand, the use of technology is influenced by gender where men have a higher level of technology use than women (Gillam & Waite, 2021). The work experience of accounting information system users affects performance because the longer the work experience, they have, the better the understanding of a task.

Based on the description above, this study examined how much digital capability, cybersecurity awareness, green human capital, gender and experience affect continuous accounting implementation in Indonesia banking. Thus, the title of this study is “Determinant Factor of Continuous Accounting Implementation Based on Indonesia Banking’s Employees”.

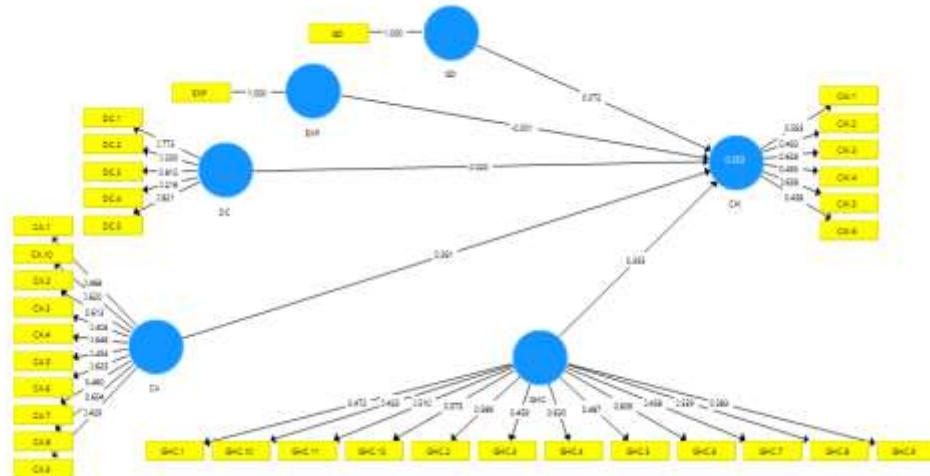
## 2. METHODS

This is quantitative research using questionnaire data while type of research is descriptive and associative. In this study, the population is banking employees in Indonesia which the bank is registered in bank groups based on core capital two until four as Financial Services Authority classification. Sampling technique is purposive sampling so that the sample in this research is employees that working in finance and information technology department. Total sample in this research is 614 respondents.

## 3. RESULT AND DISCUSSION

This study tested digital capability, cybersecurity awareness, green human capital, gender and experience towards continuous accounting implementation. Before conducting further testing, this study conducted validity, reliability and multicollinearity tests. Validity test shows item DC 2 and DC 4 are invalid since outer loadings value less than 0.3, while the rest items are valid. Afterwards, reliability test was performed then the Cronbach's alpha is more than 0.5, indicates that all variable is reliable. The results of the multicollinearity test with VIF value of <10, indicating that there is no

multicollinearity problem in this model. After testing the quality of data, hypothesis test was performed and the result is presented in Figure 1



**Fig. 1. Hypothesis Test Diagram**

Based on Figure 1, it shows a coefficient of determination value of 34.7% which means that variations of the dependent variable can be explained by independent variables while the remaining 65.3% is influenced by other variables outside this study. The regression results are as follows.

$$\text{CAI} = \alpha + 0,020\text{DC} + 0,261\text{CA} + 0,355\text{GHC} + 0,072\text{GD} - 0,001\text{EXP} \dots \quad (1)$$

**Table 4**  
**Hypothesis Test Results**

Variable	Coefficient	T-Statistic	P-Values	Adjusted R <sup>2</sup>
DC → CAI	0,020	0,359	0,720	0,347
CA → CAI	0,261	2,785	0,006*	
GHC → CAI	0,355	4,150	0,000*	
GD → CAI	0,072	2,227	0,026*	
EXP → CAI	-0,001	0,048	0,962	

Note: CAI (*Continuous Accounting Implementation*); DC (*Digital Capability*); CA (*Cybersecurity Awareness*); GHC (*Green Human Capital*); GD (*Gender*); EXP (*Experience*)

\*) Sign level 5%

Based on table 4, the hypothesis test results show that the digital capability variable for continuous



accounting implementation shows a positive regression coefficient of 0.020 and a t-statistic of 0.359. The probability indicates a value greater than 0.05 which is 0.720. This result means that the significance level is greater than  $\alpha = 5\%$ , so it can be stated that digital capability has no influence on continuous accounting implementation. Based on Indonesia's banker confirm that they would like to implement continuous accounting since the system is user-friendly already. The term "user-friendly software" refers to a technical solution that is simple and intuitive to use for all types of users (or at least most). Behind the scenes, the software is complex and feature-rich and anyone can understand how to operate a computer.

Based on table 4, the cybersecurity awareness variable for continuous accounting implementation shows a positive regression coefficient of 0.261 and a t-statistic of 2.785. The probability indicates a value smaller than 0.05 which is 0.006. This result means that the significance level is less than  $\alpha = 5\%$ , so it can be stated that cybersecurity awareness has a positive influence on continuous accounting implementation, the higher the cybersecurity awareness then the higher usage of continuous accounting implementation. Today's cyberthreats pose a challenge to complex and ever-evolving security systems. Therefore, it is necessary to implement several approaches to develop physical and virtual technology and information security. Combating cyberthreats can be done by strengthening physical security (Zhang et al., 2021). Governments as well as private organizations that possess sensitive information must, of course, protect their territories from physical attacks seriously. A combination of security protections such as passcodes, card IDs to biometric proofs can keep bad bidders out. In addition to carefully granting access to certain parties, strengthening physical security must also be done by proper maintenance and physical isolation of servers and other devices at all times. This is very important to prevent attackers from tampering with the system and gaining manual access to the facility. Cyberthreats can also be prevented by finding and fixing facility vulnerabilities. Security risk assessment is the first step to create a secure information technology environment. Listing assets and identifying their vulnerabilities can classify attack levels and apply protection accordingly. Performing kite tracking of all information and security incidents is also important for keeping an eye on the status of an IT network organization. Techniques such as virtual private network (VPN) and multi-factor authentication (MFA) can be used to secure unreliable connections and networks and prevent security. Updating systems regularly and deploying timely software to patch system vulnerabilities can provide good protection to network devices both organizations and governments. In contrast to perimeter-based system defenses such as firewalls and proxies, preventing attacks from intruders requires a different strategy. This is because insider attacks often go undetected, especially since they already have easy access to important assets (Li et al., 2019). Countering insider attacks can be done with the help of machine learning and artificial intelligence. Through this technology, basic behavior can be defined for all accounts and user entities in the network. Comparing users' recent activity to baseline behavior can help detect suspicious activity and address IT



administrators. Automated response to cyber threats is also one of the solutions to combat cyber-attacks. So that, the continuous accounting implementation is needed to do to decrease cybercrime. Based on table 4, the green human capital variable for continuous accounting implementation shows a positive regression coefficient of 0.355 and a t-statistic of 4.150. The probability indicates a value smaller than 0.05 which is 0.000. This result means that the significance level is less than  $\alpha = 5\%$ , so it can be stated that green human capital has a positive influence on continuous accounting implementation, the higher employees that have green values then the higher usage of continuous accounting implementation. Green human capital is regarded as one of the primary points individuals need to develop in the era of environmental degradation. GHC refers to “the summation of employees’ knowledge, skills, capabilities, experience, attitude, wisdom, creativities, and commitments, etc. about environmental management and environmental concern” (Ma et al., 2021). This is a substantial manifestation of responsibility and efforts to make a positive contribution from employees in particular to sustainable development in general. This behavior has an important role to promote environmental issues in the daily life of each employee so that it will make employees aware of the more economical use of natural resources and encourage environmentally friendly products. The employees that working in finance department could use technology system so their work is more efficient.

Based on table 4, gender variables for continuous accounting implementation show a positive regression coefficient of 0.072 and t-statistics of 2.227. The probability shows a value of 0.026. This result means that the degree of its significance is less than  $\alpha = 5\%$ . This research has succeeded in proving that gender has a positive influence on continuous accounting implementation. This means that there is difference between female and male for implementation of continuous accounting. This can be seen from the low participation of women in the profession of lecturers, researchers, students and ICT players in the industry. This situation occurs due to the influence of gender bias which identifies technology with masculinity so that women are reluctant and even afraid to take part in technology (Bendell et al., 2020). This is the duty of all parties to change the mindset, by placing the same proportion and position for women in various fields, especially ICT. In the social and economic fields, there has been an increase in the number of startups founded by women in recent years. Even though this number is still less than used technology by men, this shows that Indonesian women are starting to show their presence in using ICT in a positive way.

Based on table 4, the experience variable for continuous accounting implementation shows a negative regression coefficient of -0.001 and t-statistic of 0.048. The probability indicates a value greater than 0.05 which is 0.962. This result means that the degree of its significance is greater than  $\alpha = 5\%$ . This research has succeeded in proving that experience has no influence on continuous accounting implementation. This is supported by the We Are Social report, there are 204.7 million internet users



in the country as of January 2022. That number edged up 1.03% compared to the previous year. In January 2021, the number of internet users in Indonesia was recorded at 202.6 million. The trend of the number of internet users in Indonesia has continued to increase in the last five years. When compared to 2018, currently the number of national internet users has jumped by 54.25%. Meanwhile, the internet penetration rate in Indonesia reached 73.7% of the total population in early 2022. The total population of Indonesia was recorded at 277.7 million people in January 2022. In 2018 the internet penetration rate in Indonesia only reached 50% of the total population. This means that the level of national internet penetration has increased quite rapidly in recent years. The government is expected to continue to support the expansion of internet coverage to all corners of the country. Because, in this digital era, the internet can greatly assist the public in accessing information, both for educational, business and entertainment purposes.

#### **4. CONCLUSION**

As research into continuous accounting implementation is being further understood and studied. Furthermore, technology issues have become more distinguished, there is still a research gap in exploring in accounting practices. This paper analyses how digital capability, cybersecurity awareness, green human capital, gender and experience influence continuous accounting implementation. The empirical result of this study concludes that digital capability has no influence on continuous accounting implementation, cybersecurity awareness has a positive influence on continuous accounting implementation, green human capital has a positive influence on continuous accounting implementation, gender has a positive influence on continuous accounting implementation, experience has no influence on continuous accounting implementation.

Furthermore, the implication of this study for Indonesia's banking – they have to increase their cybersecurity awareness through action plan with enforcement from top management. For example, as one of preventive of cybercrime, the company dispatch key employees to have cybersecurity training regularly that funded by company. And also, to ensure that employees implement green concept in their lifestyle, the company could give the employees reward for the one who did it. The implication of this study for regulator – they could create some regulation to decrease cybercrime in Indonesia and collaborate among regulator such as Central Bank of Indonesia, Financial Authority Services of Indonesia, Indonesia Stock Exchange and others stakeholder to minimize the cybercrime as one of real action from cybersecurity awareness. In fact, the respondent in this study is employees that working in finance and information technology department of Indonesia's banking, whereas bias might be come up. Therefore, future researchers can analyze this further by focusing on one department only.



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