

DIGITALIZED ACCOUNTING AND ORGANIZATIONAL LONGEVITY IN THE CONTEMPORARY CONTEXT

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ABSTRACT

Information technology has been growing and developing at a rapid pace, ushering in the digital revolution in our everyday economic, social, and cultural lives. Its influence on accounting study is expanding as the internet, mobile technology, and digital economy tools produce data with a depth, breadth, and diversity. Experts predict that the future of digital accounting will grow at a substantial rate of 8.6 percent. Accounting's Digital Transformation has spread throughout the business world. Accounting is a classic profession, with established accounting rules and concepts that have remained unchanged for many years. Globalization of business, tighter laws, and a plethora of technical solutions and developments, on the other hand, are not obliging the accounting profession. The requirement for quick adaptation and transformation of business practise and business processes without losing essential accounting rules and principles is one of the profession's challenges. This article aims to depict how technology has brought about improvements in recent times using conventional methods, which were originally defined by manually sitting for an hour to upgrade without any visual display. The study looks into the need and future trends of digitalisation in accounting as well as to identify the accounting automation systems those are widely used in present time. Due to digital technology, the accounting industry, like many others, is witnessing a need for transformation. As a result, the aim of this research is to see how digital accounting organisations may put up a general business model in order to be a successful digitalized company.

Keywords: Information Technology, Digital Transformation, Globalization, Technical Solutions, Adaptation, Rules and Principles.

INTRODUCTION

The growing digitalization of India has paved the way for new development opportunities in a number of conventional sectors. Businesses are increasingly moving online, whether it's as simple as doing grocery shopping or visiting a doctor. The good news is that it's not just consumers who are going online; businesses, particularly small firms that have been locked in the offline world, are quickly adapting to the internet. Take, for example, bookkeeping, which is an enormously sophisticated and confidential topic that corporations have always done manually. With the development of digital solutions, small business ledger administration is no longer the most difficult chore.

Many of these tiny firms are economic engines. The MSME sector in India accounts for 29 percent of the country's GDP and over half of all exports. It's also one of the most major sources of employment. While the majority of commerce has moved online, small-scale retail has had a tough time adapting since its methods have remained offline. These businesses have a lot of potential to grow if they use digital payments and account management. The availability of digital infrastructure in the form of high-speed internet access, as well as the government's emphasis on "Digital India," has been two main drivers of this digital revolution. The extraordinary success of digital payments in India has served as a beacon for many enterprises. It's no surprise that it has received a lot of attention throughout the world, with Microsoft founder Bill Gates being the most recent to commend it. According to RBI statistics, digital payments surged at a CAGR of 55.1 percent between 2015-16 and 2019-20. The digital bookkeeping industry stands to benefit greatly from this accomplishment.

Digital bookkeeping is a "must have" tool for small companies since it allows you to access your accounts at any time, from any location, without having to rummage through reams of paper or depending on your memory. Apart from that, there are a number of benefits to using digital accounting. The use of technology to automate time-consuming number crunching operations not only saves time, but also helps these companies to provide actionable insights, resulting in increased productivity and efficiency.

In India, the retail industry, particularly the small store owners, are riddled with "credit" risk. A big proportion of consumers deal on credit, and obtaining receivables may be hence a difficult, if not an unpleasant, process. According to estimates, \$400-\$500 billion in retail transactions in India occurs on credit. Because of inadequate record-keeping, retailers in numerous situations wind up losing money. These are the conditions for which digital accounting apps are designed.

One may keep a record of cash outflows and receivables at one location. Businesses can better manage and plan their cash cycles if they have visibility for both of these. The software also provides payment reminders to ensure that receivables are received on schedule. Furthermore, they do not require additional staff to complete these duties, resulting in increased corporate efficiency.

As business demands expand beyond bookkeeping, there are several opportunities in digital account management. However, considering the high number of small and medium-sized enterprises in India, digital bookkeeping has enormous potential even at this early stage. With an estimated 840 million internet users by 2023, the digital accounting business is forecast to grow at an annual pace of 8.5 percent.

Objective of the study

- To identify the need to adopt digitalisation in accounting.
- To identify the accounting automation systems which are presently u
- To identify the future job expectation in the era of digitalisation.

REVIEW OF LITERATURE

To meet changing business and market requirements, digital transformation is the process of employing digital technology to build new—or adapt existing— business processes, culture, and consumer experiences. Changes in consumer expectations surrounding products and services drive digital transformation, which involves rethinking how a company leverages technology, people, and processes to pursue new business models and income sources. (Peter, Kraft, & Lindeque, 2020). Digital accounting is important in determining superior organizational results, such as financial reporting accuracy, accounting information usability, and strategic decision efficacy, according to this study. The resource-based view (RBV) is a management paradigm for determining which strategic resources a company may employ to gain a long-term competitive advantage. (Barney, 1991)

In order to keep adding value for the company, accountants need to developed new skills and acquire new knowledge regarding the use of artificial intelligence and other digital solutions in modern business environment. There is highlighted the need of all employees (including accountants) for development of critical thinking and problem solving, high level of adaptability, flexibility and interpersonal interaction; it is required to teach continuously (David, 2015)(Marcello, T, D, & J, 2017). Accountants are getting more engaged to their customers and boosting their advice services when it comes to everyday business operations as accounting procedures become more automated and less time-consuming.(I, A, & A, 2016) Looked at how digitalization and automation are utilized to eliminate or reduce regular and repetitive work, allowing personnel (accountants) to focus on more creative, non-routine, and non-structured jobs that demand more thinking and extra abilities. This shift in mindset will have an influence on the actions of seasoned accountants in the future. Because most services are now cloud-based, and financial data is more readily available, businesses (clients) are more inclined to switch accounting firms than in the past if they are dissatisfied with the services they are receiving.

To determine if accounting jobs and procedures can be automated, it is necessary to distinguish between routine operations that are readily automated and non-routine tasks that are difficult to do using machines or software. Jobs and tasks that demand critical thinking, high-level creativity and training, as well as human touch, will not be automated anytime soon. Routine jobs, on the other hand, those do not necessitate a high degree of expertise and training and only require a little amount of human interaction, may be readily mechanised (Kim, Y., Kim, & K.,, 2017). This resource has the qualities of being precious, scarce, inimitable, and substitutable. In this case, digital accounting is useful resources that may help a company achieve long-term competitive advantages and high organizational performance in competitive markets and settings. Best digital accounting has the ability to improve financial reporting quality, accounting data utility, and strategic decision-making efficacy.(PHORNLAPHATRACHAKORN & KALASINDHU, (2021))

METHODOLOGY

The relevant professional and academic literature was researched and evaluated in order to fulfill the aims of the study. We chose the most relevant (for this paper's topic) papers that were authored in English and for which the complete paper was available.

ANAYLSIS

• Need to Adopt Digitalisation in Accounting.

Accounting today predicts that the accounting software industry will expand at an 8.6 percent annual pace beginning in 2018 and will reach a global value of \$11.8 billion by 2026. Accounting firms are increasingly relying on next-generation accounting software to automate time-consuming and repetitive activities and rethink existing business processes. They're abandoning standard accounting software in favour of cutting-edge technologies. When it comes to micro, small, and medium businesses, they play a critical part in the development of a country's economy. As a result, reorganising them in areas where digital transformation may make a difference is crucial. Because digital accounting has transformed accounting and brought several benefits to organisations that perform accounting tasks, it is now more important than ever for businesses to adopt it. It will make their accounting chores more efficient by strategically planning, organising, and channelling their financial operations.

Technology is revolutionising not just key operating aspects of organisations, such as the value-added supply chain, but also essential activities such as human resources, finance, and buying. Furthermore, accounting systems and procedures are being disrupted at a rapid rate. E-business, Enterprise Resource Planning (ERP), and cloud computing are three of the most significant technological breakthroughs. Further, the digital tools are helping CAs carry out their tasks effortlessly, accurately, and in minimum time. Some of these tasks are bulk replication of vouchers, bulk creation of vouchers, complete GST overview, voucher auditing, finding minimum/maximum cash balance in a year, amount-wise sorting of vouchers, and much more. These tasks are made easy by various digital solutions such as management of data quality, paperless accounting, creation of transparency, real-time reporting, uniformity of systems, big data analysis, and cloud computing, etc.

Some of the reasons why an organisation should utilise accounting software are as follows:

1. Financial and Time Savings

You may save time and money by using digital accounting. It not only expedites accounting activities such as statements, reporting, invoicing, and budgeting, but it also eliminates the need to hire a bookkeeper to double-check the accounts' accuracy. Furthermore, because the accounting tool can automatically capture the majority of the data, there is no space for error. Another way that digital accounting may help you save money is by keeping track of payables and receivables so that you know where your money is going.

2. Financial Reports Are Easily Accessible

The financial management team can prepare financial reports in minutes using accounting software. Cash flow statements, profit and loss statements, and balance sheets are examples of

these reports. The best aspect is that using most of these tools does not need much training. As a result, reports may be generated without the assistance of a financial professional.

3. Enhance Data Security

As the frequency of cyber-attacks increases, it is more important than ever to prioritise data protection. The cutting-edge accounting software is protected by additional security levels such as approved access, two-factor authentication, and frequent backup. Many companies provide additional security measures such as encryption, firewall protection against phishing attempts, data storage in multiple data centres, and so on.

Accounting Automation Systems

1. Xero

One of the most popular platforms for small businesses and accountants is a popular option for small businesses and accountants. Access to the company's financial data is granted to all appropriate parties, including external accountants and consultants. The key advantage is that Xero provides an advanced and comprehensive platform for accountants, with an interface that non-financial personnel can readily understand and use. Clients just connect to the platform and obtain the information they want; financial controllers and accountants do not need to create reports and records for the rest of the organisation to consume. Even as a "plug and play" solution, Xero offers all the horsepower and features that most small businesses would ever want.

2. Quick Books

For smaller businesses, this is the default choice. QuickBooks is the most popular accounting automation programme on the market, with over 3.4 million small companies using it. It's intended to be user-friendly for non-finance professionals running their own businesses, similar to Xero, and to facilitate collaboration with external accounting consultants. The majority of major payment processors, including Square, PayPal, and Stripe, are natively integrated with QuickBooks. As a result, ecommerce and retail businesses don't have to keep track of payments manually. They'll all show up in QuickBooks on their own.

To assist automate those usual annoyances, the platform also provides billing and receipt tracking features. QuickBooks Enterprise, a sibling product designed for larger enterprises with more complicated requirements, is also available for organisations looking to grow in the future.

3. Net Suite

Netsuite is a well-known ERP system for bigger businesses. Unlike Xero and QuickBooks, which are designed for small enterprises, NetSuite is designed for bigger corporations (and those planning to grow in a hurry). Accounting is integrated with many other fundamental duties supervised by CFOs in one of the most common enterprise resource planning (ERP) packages available. Yes, it aids in the automation of fundamental accounting functions such as payables and receivables, compliance management, and general ledger. However, the entire suite contains a wide range of business performance tools, HR and administrative software,

inventory, logistics, supply chain management, and customer relations. Business executives can handle all of these issues from a single platform (NetSuite), reducing time and increasing visibility in the long term. However, while NetSuite is more extensive than the majority of the other tools in this article, it is also more difficult and takes much longer to get up and running. For many businesses, switching to an ERP is a major choice, and CFOs should take their time.

4. Microsoft Dynamics GP

Microsoft Dynamics GP is another popular ERP for established businesses. Another popular ERP solution is Microsoft Dynamics GP, which integrates accounting with a variety of other key business functions. It automates not just certain accounting activities, but also the communication between these operations, bringing them all together in one spot. Record a business transaction, for example, and it will be instantly synchronised with the other finance operations that are involved. Accounting, as well as financial planning, inventory, and payroll, are all examples of this. There is a learning curve to utilising the product, just as there is with NetSuite. As one reviewer described it, it's "simple but complex because navigating is challenging for someone who is just learning." If you don't know how to use all of the functions, you'll be lost."

5. Black Line

BlackLine is a credit card reconciliation and administration tool that focuses on automation. Another popular option is BlackLine, which is designed to automate particular accounting operations. It's self-described "continuous accounting" method allows organisations to check for fraud and mistakes on a regular basis rather than waiting until the end of the year to address them all. Because many of the manual, time-consuming stages have been removed, users should expect fewer fraud and mistake rates. BlackLine, for example, automatically reconciles credit card payments so finance teams don't have to read through monthly card statements. The most major benefit is the opportunity to eliminate manually balancing payments in spreadsheets. BlackLine does the majority of this job automatically.

6. Wave

For sole traders and freelancers, Wave is a straightforward (and free) choice. Wave is another excellent alternative for small enterprises; it caters to organisations with 1 to 9 employees, as well as solopreneurs and freelancers. Wave is completely free to use for accounting, invoicing, and receipts, which is a huge benefit for those businesses. Customers may track an unlimited amount of revenue and spending for free, as well as add partners and accountants, link bank accounts and credit cards, and pretty much anything else they need. If you want to manage online payments through the site, you will just have to pay once. There is a charge for credit card processing. But that's all there is to it! So there's a lot to like for fledgling businesses and lone traders.

7. Fresh Books

Accounting software for organisations that provide services. Along with Xero and QuickBooks, FreshBooks is a global leader in cloud-based accounting software. It also takes special effort in

developing solutions for service-oriented businesses. "If you are a service-based firm, FreshBooks is built for you," according to FreshBooks. FreshBooks is built specifically for you if you are a lawyer, a marketing agency, a plumber, an interior decorator, and IT professional, a therapist, an architect, or a web professional – if you create value for your customers by applying your time and expertise to other people's problems, thereby running a service-based business." It does this through simple and effective invoicing features, and it is easier to learn and use than QuickBooks, according to reviewers.

8. Deltek

Accounting and project management are critical for professional services organisations. Deltek Vision stands apart from the rest of the goods on this list. The platform is half accounting tool, part project management software, and was created specifically for professional services organisations. The accounting staff may reconcile transactions and handle expenditure reports for each of a firm's projects and clients. Project leaders may track work progress, report to clients, and manage time all at the same time. It's essentially an ERP for professional services firms (as we saw above). If that's the case, Deltek Vision might be precisely what you're looking for.

9. Free Agent

For (very) small firms, this is a tax and accounting tool. FreeAgent is another excellent option for freelancers and small enterprises. The programme simplifies and clarifies critical accounting operations for both novices and seasoned specialists. It assists (and even automates) small company tax files, and depending on your bank, you may be able to feed transactions directly into the platform, making things even faster. The option to construct and send out customer bills and account statements is a nice feature that eliminates the need for paperwork even further. Many reviews praised FreeAgent's customer service and resources. The solution is designed to be exactly that: a solution for individuals who want quick and simple accounting.

10. Spendesk

Accountants adore our expense management system! Spendesk isn't an accounting tool in the same way that the others on this list are. Accountants, on the other hand, are completely enamoured with it! This is because it automates many key accounting tasks and eliminates much of the tedious data entry that accountants must deal with. Every payment processed through the platform is assigned a general ledger code, along with a receipt. At the end of the month (or at any time!), you can rapidly export all transactions to your preferred accounting application (or spreadsheet). The higher degree of compliance surrounding payments is the most beneficial component for accounting staff. Employees spend appropriately by default, and receipts are connected to 95 percent of all payments practically quickly. As a result, expenditure management is a dream comes true for finance teams and managers.

• Future Job Expectation in the Era of Digitalisation

The accounting and auditing professions will undoubtedly change as a result of the present digital upheaval sooner rather than later. Experts may focus on offering greater value to their

clients when time-consuming activities are handled by robots, decreasing both cost and time spent on the given duties. Because many of the earlier activities will be performed by computers, accountants and auditors will be able to focus on more particular responsibilities as a result of the automation of ordinary accounting operations. Traditional accounting practises such as in-house invoicing and trip invoicing will be replaced by computers. Auditing processes will be automated and improved tools for detecting risk and fraud will be available. Future auditors will be able to focus on assessing outputs rather than spending hours gathering information from financial statements. (Forbes, 2018)

Accountants and auditors' future professions will revolve upon analysing, reporting, and developing desired outputs utilising advanced information systems and artificial intelligence. Sophisticated information systems will handle data security, linking various sections of the financials that will become part of big data. Management accounting and financial accounting activities are evolving as a result of the revolution. Management accounting occupations will become more precise and detailed in the future due to the computer's ability to collect and combine the information essential for managers to make suitable judgments. Accountants in the sector might therefore concentrate their efforts on preparing and evaluating data for those who are interested. The excessive volume of information that will be available may pose a dilemma for accountants. This means that accountants' tasks will be to identify relevant and useful information in order to make judgments. These duties need good communication skills in order to clearly communicate the most essential outcomes. Despite the fact that computers are taking over, one important component is that data quality will remain critical.

To be able to deliver quality data, someone who can transfer information and function as a service agent when working on transferring knowledge to the systems is essential. This work cannot be completed without the assistance of a subject matter expert. As time passes and robots become a part of the everyday responsibilities of accounting and auditing professionals, there will be a need for both user-level assistance and someone capable of resolving technical system issues. We do not know the specific job descriptions of future accountants and auditors, but we have produced a list of potential future job title names based on existing facts, which is supplied in the table below.

Now that we've seen what kind of jobs could be accessible in the future, we need to figure out how to adapt and overcome in order to be the type of employee that employers are looking for. To begin, a basic understanding of accounting and auditing will always be required; hence, the abilities listed below are ones that are required in addition to what accountants/auditors should already be familiar with. To address this issue, we categorised the skills into "Hard Skills" that are more technical and "Soft Skills" that are not normally taught in regular schools.

Analyses, understanding of software and its capabilities, and data security expertise are examples of "technical or hard" talents. These are more concerned with understanding how to communicate with programmes, AI, robots, and the broader digitalization process that will automate routine work. As previously said, many activities will become hybrid human-robot tasks, necessitating the necessity for humans who understand how to engage with robots. (Daugherty & Wilson, 2018) In contrast, "social" or "soft" skills are generally more difficult to acquire in a school context; they require patience, understanding, and the ability to adapt. Soft skills are becoming increasingly important as they help employees to bridge the gap

between computers and humans. While technical talents have long been appreciated, soft skills are becoming increasingly important as they enable workers to bridge the gap between computers and humans. These soft skills will become increasingly more important as the accounting and audit professions transition to a more strategic and insight-based area. Clients will perceive their Accountant/Auditor as more than just a source of financial statistics if they master these skills. They will see their Accountant/Auditor as someone who knows their business well and out and can provide valuable knowledge. As a result, the quiet, back-office accountant's days are numbered, and companies will increasingly require adaptability, inventiveness, sales skills, outstanding communication, and customer-oriented support capabilities. (Marr, 2018)

While the notion of requiring so many skills may not seem intimidating, it is not necessary or expected that every employee be adept in all of them. As previously said, jobs would undoubtedly grow more specialised, necessitating the acquisition of certain skills. The recommendation here is to examine numerous fields, pick the most intriguing ones, and then concentrate in only a few that has a bright future.

CONCLUSION

Some of us are concerned about automated processes. We have probably heard about the impending robot takeover, in which occupations will be automated and experience will be irrelevant. It is undoubtedly, an alarming call. However, the automation technologies we have seen, do not replace our accountants; rather, they set them free. Our specialists will have more time to use their knowledge and expertise to provide advice and strategic insights. They now spend hours of every month just copying and pasting or re-formatting spreadsheets. Tomorrow, they may be restructuring the financial structure or coming up with creative methods to save the time and money of the organization. Above all, those laborious duties aren't making anyone happy. They heavily cost the organisation in terms of money, manpower and technical errors, and they drive accountants insane. This is precisely why software is developed.

The advantages of digitising processes are not just for employees, but also for customers. Accounting technology has eliminated the need for on-site consultations because both accountants and clients can access real-time data remotely and examine, update, and comment on their accounts at the same time. As a consequence of the speedy and more efficient operations, a firm may engage with its clients in the most convenient methods and serve more clients.

Businesses are finding it simpler to run their operations and serve their consumers more effectively owing to accelerated digital technology. To produce timely financial insights and stay ahead of the competition, these technologies must be adopted. Organizations are building a "paperless office" inside their financial divisions as they face increasing demand to optimise expenses, pricing, and efficiency. Organizations merely need to install the correct system and technology to start reaping the benefits of the digitised business environment in finance and accounting once the relevant regulatory frameworks are in place. At the individual, organisational, national, and international levels, digital technology combined with "big" data and predictive analytics are having a considerable influence on professional activities.

Overall, we anticipate a prosperous and inventive future in which human-machine collaboration will be critical and individuals with the necessary skill sets will thrive. However, because the future is unclear, more research will be needed to guide businesses, accounting and auditing professionals and society as a whole in the right way.

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