



Digitization Of Msmes In The Perspective Of Managerial Accounting: The Role Of Digital Accounting Systems In Efficiency, Cost Control, And Decision-Making

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ABSTRACT

Digitalization has become an important part of the development of Micro, Small, and Medium Enterprises (MSMEs) management. The use of technology is not only related to marketing and transactions, but can also be applied to the process of recording, processing, and utilizing accounting information for managerial needs. This review article aims to analyze the role of digitization of MSMEs in the perspective of managerial accounting, especially on information quality, efficiency, cost control, and decision-making. The method used is a literature review of journal articles published in the 2021–2026 period. The results of the study show that the digitization of accounting systems can improve the accuracy and timeliness of information, reduce administrative costs, and help management obtain a better basis for information in making decisions. Digitalization can also strengthen the functions of planning, control, and evaluating performance. However, its implementation still faces obstacles in the form of limited digital and financial literacy, human resource capabilities, costs, data security, and organizational readiness. Therefore, the digitalization of MSMEs needs to be followed by improving managerial accounting competencies so that the data generated by technology can be converted into information that is useful for business management.

Keywords: *digitization of MSMEs, managerial accounting, accounting information systems, cost control, decision-making.*

1. INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have an important role in economic activities and are one of the sectors that carry out many business activities with limited resources. The development of digital technology provides opportunities for MSMEs to improve business processes, including sales, payment, data management, and financial recording activities. Research on the adoption of digital technology in micro and small businesses in Indonesia shows that the use of technology has developed in various business processes and can support business innovation (Sarfiah et al., 2022).

Discussions on the digitization of MSMEs often focus on the use of social media, marketplaces, and digital payments. In fact, digitalization also has an important meaning for the company's internal activities, especially financial information management. Accounting systems that were previously carried out manually can be transferred to digital applications or cloud-based systems so that the process of recording and processing transactions becomes more structured (Hidayati et al., 2023).

The link between digitalization and accounting becomes increasingly important when financial information is used not only to meet reporting needs, but also to help business owners plan, control, evaluate, and make decisions. In this context, managerial accounting plays the role of an internal information provider that helps management reduce uncertainty and choose more appropriate decision alternatives.

Research by Ratmono et al. (2023) shows that digitalization in management accounting systems can improve the accuracy and timeliness of accounting information and reduce costs, which further supports the effectiveness of decision-making in MSMEs. These findings show that accounting technology can be part of the managerial process, not just a transaction recording tool.

Based on these conditions, this article aims to review research on the digitalization of MSMEs by placing managerial accounting as the main perspective. The discussion is directed at the relationship between digitalization and the quality of accounting information, efficiency, cost control, decision-making, and the performance and sustainability of MSMEs.

2. REVIEW METHOD

This article uses a literature review method with a descriptive-qualitative approach. The literature was selected based on its relevance to the themes of digitization of MSMEs, digital accounting, management accounting systems, cloud accounting, accounting information systems, management control, decision-making, and MSME performance.

The sources used are prioritized in journal articles published in the 2021–2026 range. Relevant articles are compared based on research focus, research objects, methods, and findings related to the use of technology in accounting and managerial processes. This approach is used to obtain an overview of research developments and identify the benefits and challenges of accounting digitalization for MSMEs.

3. RESULTS AND DISCUSSION

3.1 Digitization of MSMEs and Changes in the Accounting System

Digitalization is changing the way MSMEs manage financial data and information. Recording transactions that were previously done through books or spreadsheets can use accounting applications that are able to store and process data more systematically. These developments make the accounting process more integrated with operational activities.

Digitization of accounting systems can improve the accuracy and timeliness of information and help reduce costs. Better quality information can then be used to increase the effectiveness of management decisions in MSMEs (Kusumawardhani et al., 2024).

These changes also show that digital transformation is not just about replacing recording media from paper to applications. Digital transformation requires adjustments to work processes, organizational capabilities, and the readiness of human resources so that technology can provide benefits that suit business needs (Ben Slimane et al., 2022).

3.2 Digitalization as a Support for Managerial Accounting

Managerial accounting provides information that management uses for planning, control, evaluation, and decision-making. When accounting systems have been digitized, transaction data can be processed more quickly so that internal information can be available when needed by the owner or manager.

Ratmono et al. (2023) found that the digitization of management accounting systems has a positive effect on the accuracy and timeliness of information as well as cost reduction. These two aspects then become mechanisms that help improve the effectiveness of management decision-making.

Digitalization can also drive changes to management control systems. The use of technology can increase the automation and standardization of control processes, while demanding that organizations have new capabilities in interpreting data and using it for strategic needs (Fähndrich & Pedell, 2024).

3.3 Digitization and Cost Control

Cost control is one of the important functions of managerial accounting because business owners need to know the type, amount, and pattern of expenses that occur in operational activities. Digital systems help transactions be recorded in a more structured manner so that expenses can be monitored and compared to business targets or plans.

Research by Ratmono et al. (2023) shows that the digitization of management accounting systems is related to cost reduction. These reductions can arise because administrative processes become more efficient and cost information can be obtained faster to support decisions.

Digitalization can also increase the maturity of management control systems in small and medium-sized enterprises because the available data can be used for more systematic monitoring and evaluation (Broccardo et al., 2024). Thus, digital systems can help MSMEs move from control that is only based on estimates to more data-based control.

3.4 Digitization and Quality of Accounting Information

Information quality is an important factor in managerial accounting because the information used in decisions must be relevant, accurate, and available at the right time. Errors in recording or delays in information can affect decisions regarding prices, inventory, production, and resource use. The results of research on Indonesian MSMEs show that the digitization of accounting systems has a positive effect on the accuracy and timeliness of accounting information (Kusumawardhani et al., 2024). These results are in line with the research of Ratmono et al. (2023) which shows that information quality is one of the pathways that connects the digitization of management accounting systems with the effectiveness of decision-making.

However, the use of technology does not automatically guarantee the quality of information. Incorrect or incomplete data can still produce less useful information. Therefore, the quality of information also depends on user competence, work procedures, and organizational readiness in managing digital systems (Itsnaini et al., 2025).

3.5 Digitalization and Managerial Decision Making

MSME owners must make various decisions related to selling prices, purchases, inventory, production, labor, and business development. These decisions require information regarding the company's financial and operational condition.

Digitization of accounting systems can provide more accurate and timely information so that management has a better basis in making decisions (Kusumawardhani et al., 2024). In a study of 536 urban MSMEs in Indonesia, digitalization of management accounting systems has been proven to support the effectiveness of decision-making through improving information quality and reducing costs (Ratmono et al., 2023).

With information available more quickly, business owners can evaluate sales, costs, profits, and cash conditions without having to wait for a manual recapitulation process. These conditions can help MSMEs respond to market changes and make decisions faster.

3.6 Cloud Accounting as a Form of Accounting Digitization

Cloud accounting is a form of digitalization that allows accounting data to be stored and accessed through an internet-based system. For MSMEs, this system can provide flexibility because information can be accessed without having to rely on physical document storage.

Research by Ritchi et al. (2024) on SMEs in Indonesia identified seven factors that influence decisions to implement cloud accounting, namely security, ease of use, human resources, time, communication, cost, and system function. These findings

show that the selection of accounting technology must be adjusted to business capabilities and needs. Systems that are too complex or expensive are not necessarily suitable for MSMEs with limited resources. Therefore, aspects of benefits, costs, security, and user capabilities need to be considered simultaneously.

3.7 Success Factors for Digitizing MSME Accounting

The success of accounting digitization is influenced by organizational readiness and human resource capabilities. Research on the implementation of accounting digitalization in MSMEs shows that organizational readiness, technology benefits, business expectations, and supporting conditions are factors related to the implementation of digitalization (Itsaini et al., 2025).

In addition, human resource and financial management capabilities are important aspects in the use of accounting digitalization. Accounting digitalization supported by human resource competencies and good financial management can contribute to the sustainability of MSMEs (Aulia & Rizki, 2025).

Thus, MSMEs are not enough to just buy or use accounting applications. Owners and employees need to understand how to enter data, read reports, interpret information, and connect it to operational and strategic decisions.

3.8 Digitalization, Performance, and Sustainability of MSMEs

The goal of digitization is not only to speed up administrative work, but also to improve the ability of businesses to manage resources and maintain performance. Better accounting information can help owners evaluate products, control costs, assess profits, and determine resource usage.

Research on accounting digitization and MSME performance shows that digital capabilities in the field of accounting can support decision-making processes and business performance. This relationship shows the importance of the ability to transform digital data into information that can be used for managerial decisions.

Conceptually, the relationship can be summarized as follows: the digitization of MSMEs → digital accounting systems → improving information quality and efficiency → cost control and planning → managerial decision-making → the performance and sustainability of MSMEs (Ratmono et al., 2023; Kusumawardhani et al., 2024).

4. CHALLENGES OF ACCOUNTING DIGITIZATION IN MSMEs

Although it has various benefits, the implementation of accounting digitalization still faces a number of obstacles. Limited digital literacy and financial literacy can make it difficult for MSME actors to understand the systems and information produced. In addition, limited human resources can cause existing applications not to be utilized optimally (Ritchi et al., 2024).

Cost is also a consideration because the implementation of a digital system can require the cost of devices, applications, internet connections, training, and maintenance. On the other hand, data security is an important concern because accounting systems store information related to transactions and the financial condition of the business (Ritchi et al., 2024).

These challenges show that digital transformation needs to be carried out gradually. MSMEs should choose technology that suits the scale and needs of the business and provide training so that

users can use the system effectively.

5. IMPLICATIONS OF DIGITALIZATION ON MANAGERIAL ACCOUNTING

Based on the results of the study, digitalization has several implications for MSME managerial accounting practices. First, digitalization can support planning because income and expense information is available in a more structured manner. Second, digitalization can strengthen cost control because transactions can be monitored and analyzed more systematically.

Third, digital information can be used to evaluate performance through a comparison between revenue, costs, profits, and business targets. Fourth, digitalization can improve the quality of decision-making because information is available more quickly and accurately (Kusumawardhani et al., 2024).

The most important implication is the change in the accounting function from an administrative activity to a strategic source of information. The digital system will provide greater value if MSME owners not only use applications to create reports, but also use this information to plan and control business activities (Ratmono et al., 2023).

6. CONCLUSION

Based on the results of the literature review, the digitization of MSMEs has a strong relationship with the application of managerial accounting. Digitization of accounting systems can improve the accuracy and timeliness of information, reduce costs, increase efficiency, and support the effectiveness of managerial decision-making. Digitalization also provides opportunities for MSMEs to strengthen the functions of planning, cost control, and performance evaluation. However, these benefits will not be optimal if they are not supported by human resource competence, organizational readiness, digital and financial literacy, system security, and the ability to understand accounting information. Therefore, the digitization of MSMEs should be seen as a process of managerial transformation, not just a change in the recording media. The use of accounting technology needs to be accompanied by an improvement in managerial accounting capabilities so that the data generated can be used for planning, control, evaluation, and decision-making. With this approach, digitalization can be a strategic instrument to improve the performance and sustainability of MSMEs.

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