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THE IMPACT OF DIGITAL COMMUNICATION TOOLS ON THE ACCURACY AND EFFICIENCY OF FINANCIAL REPORTING

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Abstract

This study aims to map the impact of digital communication tools on the accuracy and efficiency of financial reporting in response to the continuous evolution of technological innovations. The focus of this research is to delve deeper into how digital communication tools significantly influence the financial reporting process, referencing relevant prior studies and communication theories. By employing constructivism and a literature review method of 30 related journal articles, this study is expected to provide insights and experiences on the use of digital communication tools in financial reporting across various sectors as considerations for adopting technology through its impact. The Diffusion of Innovations Theory is used to understand how digital communication tools are adopted and their considerations in enhancing financial reporting outcomes. The results of this study are expected to provide an overview and insights into the impact of digital communication tools through five key factors of innovation diffusion related to accuracy and efficiency to be considered for innovation adoption and strategies to improve performance in financial reporting.

Keywords: Digital Communication Tools, Financial Reporting, Technological Innovations, Diffusion of Innovations Theory

Introduction

Technological advancements and globalization push various sectors to work faster and more accurately, including the economic sector, where workers must continuously develop and adapt to the innovations in digital communication tools. Digital communication tools can be understood as digital products such as devices or applications used for various digital

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communication processes, in this context, to assist in financial reporting. The presence of these tools in the economic sector is related to the digital economic progress, which, according to Calimanu (2023), has driven rapid growth where various businesses are conducted online, offering new opportunities to expand their reach and scale. The push for using digital communication tools and data digitization in accounting is considered essential by various parties as it is seen as a key for businesses from various industries and educational programs (Jans et al., 2023). This research is essential, considering human ability to respond to technological advancements is crucial to enhance competence and communication, particularly in financial reporting, by examining the impact of digital communication tools on the financial reporting process.

The presence of digital communication tools in financial reporting has made the process more sophisticated and impactful, particularly concerning transparency, accuracy, effectiveness, and efficiency (Sugito, 2024). Descriptive studies have presented existing findings but have not explained the detailed context of these impacts on accounting innovation development within specific industries (Susetyo et al., 2016; Nur et al., 2023; Mudijyanti et al., 2023; Salsabila & Rahman, 2023). Researchers have found that despite the ease brought by technological innovations in digital communication tools, there are impacts on human resources (Najmuddien et al., 2023). Although ease is obtained with existing technology, optimal utilization has not been achieved, leading to various issues (Santosa & Salma, 2023). Additionally, many studies have used quantitative research to present significant positive relationships between digitalization and efficiency, lacking detailed explanations of user experiences and challenges faced in implementing digital communication tools (Anjarwati et al., 2023; Tiffani, 2023).

Given the above, this research aims to address the gaps in previous studies by presenting new theories to explain the impact of digital communication tools from various perspectives. As technology innovations continue to evolve, this study aims to provide deeper insights to understand and formulate concrete steps for stakeholders, particularly in communication, through related theories. Additionally, this study will present new perspectives on the challenges of implementing existing technology innovations on the accuracy and efficiency of financial reporting through the Diffusion of Innovations Theory (Rogers, 2003) to explain how the spread of innovations or new technologies evolves over time, thus offering new perspectives on the impacts that drive the adoption of digital communication tools by relevant parties, particularly concerning creating more accurate and efficient financial reporting through literature studies and constructivism perspectives.

The use of digital communication tools is believed to enhance the accuracy and efficiency of financial reporting across various business sectors. Digital communication tools are deemed capable of providing various conveniences such as increased efficiency, productivity, flexibility in decision-making processes (Rammal et al., 2023). Furthermore, the presence of this technological innovation can reduce manual errors and speed up reporting processes and other important aspects such as transparency and trust in financial data (Sugito, 2024). On the other hand, various challenges and impacts also arise in the adoption of digital communication tools, such as difficulties for human resources to adapt to technological innovations (Aryani & Utami, 2023) or threats to data security, increased setup and training costs (Rajneel, 2023), potentially reducing efficiency during the technology transition period. Therefore, the conclusion is drawn that the presence of digital communication tools for the accuracy and efficiency of financial reporting needs to be examined more deeply from various aspects, particularly the readiness of human resources to accept and adapt to technological changes.

Literature Review

The primary focus of this study is the significant impacts that arise from the perception and experience of using digital communication tools on the accuracy and efficiency of financial reporting. Thus, to answer the research questions, previous studies related to the topic are necessary, grouped by the relationships between variables or related aspects or issues that align with the research needs. The first group of studies relates to the use of Digital Communication Tools in various business, industrial, and educational sectors, particularly in handling finance or accounting as the main discussion in the research (Najmuddien et al., 2023; Irma, 2023; Aryani & Utami, 2023; Sugito, 2024; Poltoratska et al., 2024). These studies present case studies or discussions on the impact of digital communication tools or innovations in accounting in facilitating the processing and management of financial data. The findings in related studies are then presented through several interrelated impacts, both advantageous and obstructive to the accuracy and efficiency of financial reporting in related sectors.

The next research pattern is studies using certain methods to determine the impact of digitalization and technological innovations in financial reporting. Some studies conduct literature reviews or meta-analyses on this issue to understand the impact of digital communication tools experienced by society and the government (Polyakov & Kovshun, 2021; Jans et al., 2023; Sugito, 2024). Additionally, some studies present case studies (Rammal et al., 2023; Aryani et al., 2023; Hakiki, 2023; Afridi et al., 2023) by conducting specific research on companies or business sectors and certain community organizations to understand the impacts and challenges that arise from technological advancements and the adoption of technological innovations in their work environments.

The third research pattern shows that some studies do not use any theory to explain the impact of digital communication tools. However, some studies demonstrate the use of varied theories, such as Irma (2023) employing the Stewardship Theory to explain that general public interest and stakeholder interest, in particular, become the primary consideration in decision-making. The Technology Acceptance Model (TAM) is also used to test technology acceptance by users in existing studies (Afridi et al., 2023; Hakiki, 2023). Moreover, the theory used in this study, Diffusion of Innovations Theory (Jayanthi & Dinaseviani, 2022; Wang et al., 2023), is also seen in previous studies, perceived to explain how the impact of an innovation is adopted or not and to explain the presence of technology gaps in society.

Overall, previous studies relate to this research, focusing on the impact of digital communication tools, varying in their form across different sectors when discussing the accuracy and efficiency of financial reporting. Additionally, some studies show aspects not discussed or intentionally excluded, such as certain theories or methods. The impacts presented often indicate more positive effects, thus lacking attention to technical or social issues, particularly related to communication, which will be discussed in this research in detail through literature studies and existing theories.

The difference and novelty of this research can be seen from the focus that presents an understanding and implementation of the impact of digital communication tools through meta-analysis of previous studies to provide considerations for adopting technological innovations through the theory offered by this research. Inline with Diffusion of Innovations Theory, new technological innovations, in this case, digital communication tools for financial reporting, often present predictable impacts due to human resources' unpreparedness to face changes and the lack of understanding of the benefits of new technology, thus potentially impacting the accuracy and efficiency of financial reporting. Additionally, this research also presents the varying impacts felt by different industries related to the use of digital communication tools as shown in previous studies, including Veleva & Tsvetanova (2020) and Kordova & Hirschprung (2023) regarding the varying effectiveness of digital communication tools between industries depending on the needs of those industries. Therefore, this research is expected to identify and provide insights into the potential impacts due to obstacles in using digital communication tools, both positive and negative, predicted impacts, and effective strategies and understanding of the different impacts felt by different industries in adopting technology in the context of the accuracy and efficiency of financial reporting.

Method

The main unit of analysis in this research will focus on specific processes in financial reporting using digital communication tools that assist in these processes and are expected to show real impacts on the accuracy and efficiency of financial reporting results. Furthermore, this research design is qualitative to uncover existing facts or realities through previous studies related to the discussed issue. By using the literature review method and meta-analysis, the author hopes to present and analyze various data from previous research to find general yet specific patterns and conclusions. Data collection is done by searching for previous studies with specific keywords and focusing on the use of technological innovations in financial reporting processes in the form of journal research articles. After collecting the studies, the author will gradually select these research articles to identify the general impacts that construct and emerge related to the discussed research issue, thus obtaining specific conclusions and data. Ultimately, the collected data will be analyzed through the stages of qualitative research aligned with the thoughts of Miles and Huberman, adopted by Bingham and Witkowsky in five stages: organizing data, selecting data, understanding data, interpreting data, and finally explaining data (Bingham, 2023).

Results

Through the literature study conducted in this research, the researchers found several findings related to the impact of using digital communication tools on the accuracy and efficiency of financial reporting, which can be categorized into two classes: positive and negative impacts. The impacts identified by the authors are divided into those related to the advantages perceived after usage, or positive impacts, and those related to challenges or difficulties faced after using digital communication tools, or negative impacts, which can be considerations for adopting or transferring technology to be used in a more accurate and efficient financial reporting process.

Positive Impacts of Using Digital Communication Tools

Increased Accuracy and Efficiency of Financial Data

The presence of digital communication tools in financial data processing or accounting shows improvements in accuracy and efficiency in various financial reporting processes, including the collection, processing, and reporting of more accurate financial data while reducing data manipulation (Rajneel, 2023; Sugito, 2024). This is also based on how digitalization simplifies accounting tasks by automating data entry, simplifying accounting processes, and reducing the time needed for data processing (Najmuddien, 2023; Anjarwati et al., 2023). Additionally, in certain sectors, the implementation of digital technology has shown increased efficiency in financial resource management and service quality (Rammal et al., 2023). Therefore, it can be said that the use of digital communication tools and various digital technologies in tasks related to financial reporting, such as collecting, analyzing, and auditing data, yields positive results in the efficiency and effectiveness of the audit process (Nissa et al., 2024). Digital communication tools are essentially designed to simplify human tasks, so when used correctly, they can make work more accurate and efficient, reducing various potential errors, especially when dealing with financial data, which is crucial for the sustainability of various sectors.

Transparency and Ease of Access to Information

The use of digital communication tools in financial reporting is a form of accounting digitalization. One positive impact is the rapid and real-time access to financial information. Therefore, digital information technology makes information exchange easier and cheaper, and when digital communication tools are used in financial reporting, the easy access enhances transparency in conveying the company's achievements and successes to the parties in need, such as stakeholders (Anjarwati et al., 2023; Irma, 2023; Suryani et al., 2024). In the government sector, when digital technology is used, specifically digital communication tools for financial reporting, its presence can enhance government transparency and accountability, providing responsibility to the public. When data is transparent and accessible, the government can more easily understand citizens' information needs and make the reporting process more dynamic and transparent (Biancone et al., 2024). In some studies, digitally prepared financial reports tend to be more structured and organized due to the ease of data entry, increasing transparency in financial management. For small businesses such as SMEs, this helps and facilitates owners to better understand profits and losses through prepared financial reports, ultimately leading to better financial decision-making (Aryani & Utami, 2023).

Ease of Communication and Effective Decision Making

The presence of digital communication tools allows related parties to communicate more easily, one form being the use of applications or social media. In research related to Accounting Information Systems (AIS), the application of up-to-date technology and AIS adjustments for its users is considered essential as it can improve performance and affect the reporting process through communication facilitated by technology, wherever they are, ultimately easing business decision-making (Hakiki, 2023). Social media platforms and certain websites as digital

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communication tools also allow users to ask questions and receive financial information they need quickly without face-to-face meetings. This is believed to increase trust and feedback among involved parties (Veleva & Tsvetanova, 2020). In the SME business sector, monitoring financial performance through financial reports can ease better and timely decision-making. In other examples, using chatbot applications and real-time data analytics speeds up information processing, allowing faster and more accurate decision-making based on data (Anjarwati et al., 2023; Poltoratska et al., 2024). The ease provided by technological advancements and the use of digital communication tools has been proven in previous studies to facilitate interaction and higher information accessibility, even in critical times like the COVID-19 pandemic, where the use of various digital communication tools for information and data exchange increased, with all activities conducted online, including financial reporting, changing how people work daily (Afridi et al., 2023).

Enhancing Competitiveness and Innovation in Management

In previous research, the presence of digital communication tools that facilitate financial reporting can encourage a business or organization to be more competitive and advance their innovations in line with the times. In an organization, when digitalization occurs in various tools used in work, optimization can happen due to the presence of a single database for all parties in need, maximizing the implementation of Agile/Scrum principles within teams in the organization, and strengthening the flexible approach of team work systems, supporting quick innovation and adaptation to changes (Poltoratska et al., 2024). Moreover, digitalization in financial reporting processes is believed to enhance the competitiveness of small business sectors like SMEs in the market, allowing them to respond quickly and follow market changes through faster and more efficient digitalization (Anjarwati et al., 2023). Ultimately, the use of digital communication tools can drive certain parties to compete with innovations to increase productivity, directly related to the financial reporting process.

Increasing Stakeholder Trust

Research shows that the presence of digital communication tools also increases stakeholder trust. This means that with the improvement in the quality of financial reporting and transparency resulting from the use of existing technological innovations, trust can be built among various stakeholder groups in the related sector. This is based on the fact that good financial reports contribute to business sustainability in the long term, and communication can be easily established with the use of good technology, providing positive impacts, for example, in the investment field, where stakeholder trust ultimately increases the company's value with financial transparency (Nanjundaswamy et al., 2022; Suryani et al., 2024). Eventually, technological advancements in communication for accounting or financial reporting positively impact social relationships among related parties. Another example is in the government sector, where a well-executed digital communication strategy strengthens the relationship between citizens and local authorities, enhancing citizen involvement in city branding processes due to growing trust (Maziashvili et al., 2023).

Previous literature studies show several positive impacts of using digital communication tools, especially in accounting or financial reporting processes. Its use is said to result in greater efficiency and transparency in managing information resources (Zhelev & Kostova, 2024). When discussing accuracy and efficiency, it directly relates to how humans or workers in the related field can utilize various tools that ease their work. Accuracy and efficiency are related to other work aspects; when a financial report is accurately and efficiently prepared, other benefits will emerge as outlined above. The existing research also found similar patterns in the positive impacts felt by various business sectors and governments, all related to the accuracy and efficiency of financial reporting.

Negative Impacts of Digital Communication Tools

Although the literature shows positive impacts from using digital communication tools, some studies also indicate negative impacts, posing challenges that need attention when adopting digital innovations, especially regarding the accuracy and efficiency of financial reporting. These impacts are categorized and will be discussed in-depth by the author.

Security and Privacy of Financial Data

A primary concern is that using digital communication tools poses various challenges related to data security and privacy due to the use of certain applications or the internet that are vulnerable to attacks. Some literature shows that data breaches and cyber-attacks are major concerns for parties using digital communication tools, necessitating strict and definite policies and security measures to ensure data security (Sugito, 2024; Najmuddien et al., 2023; Rajneel, 2023). Especially considering that financial data is crucial for the sustainability of businesses and organizations, it must be well-protected. Using digital tools for financial reporting ultimately requires prioritizing protection (Veleva & Tsvetanova, 2020). Therefore, users need to back up data and take various other measures to keep financial data secure, which some might find makes the work complex and inefficient.

Dependency on Technology

Besides security risks, the literature also shows that dependency on technology, in this context, digital communication tools, can become problematic if technical disruptions or system failures occur, endangering data (Najmuddien et al., 2023). Dependency on digital technology can also pose security risks, as previously mentioned, making users need to ensure that the technology used is safe and reliable, which is an aspect of human dependency on technology (Biancone et al., 2024). When technology used requires the internet, it pushes users to stay connected, causing anxiety and work pressure during internet instability, with unclear policies on how such issues will impact workers, especially when project performance dissatisfaction arises. Ultimately, this impact in the literature is believed to burden or disturb financial staff, affecting their performance in preparing financial reports (Afridi et al., 2023). This issue arose during the COVID-19 pandemic, which forced workers to rely on communication technology. Besides security concerns and problems caused by digital system errors, the literature also shows that digital communication tools for analysis reduce the human analytical and interpretive role in the audit and financial reporting process (Nissa et al., 2024). Dependency on technology raises concerns about how workers' performance should indirectly improve, but various system disruptions make workers in various sectors struggle, leading to decreased accuracy and efficiency in financial reporting.

Technological Gaps and Skills in Managing Digital Products

Another negative impact found in the literature is the difficulty of human resources in managing or using technology, necessitating skilled and knowledgeable human resources to manage digitalized accounting systems to operate the tools effectively (Anjarwati et al., 2023). In certain areas, such as journalism, although there are various advantages, technological access and skill gaps still exist, affecting how products are generated and decision-making processes occur (Holman & Perreault, 2023). Additionally, when discussing technology, users must fully understand how to operate it to avoid various errors. The literature also shows that using technology in financial reporting processes allows for data input automation, but if input or automation errors occur from the beginning, the generated data will be inaccurate (Rajneel, 2023). These impacts and challenges burden workers to use technology correctly, especially when dealing with new technology, requiring related parties to relearn, hindering work and productivity efficiency.

Implementation and Training Costs

Implementation and training costs are related to how technological advancements and the use of digital communication tools push various sectors to adapt, making workers or employees need to evolve or be replaced by more skilled employees. Parties, especially those unfamiliar with digital technology, must be ready to face the impacts and challenges of implementing accounting digitalization (Anjarwati et al., 2023). Moreover, companies must be prepared for technological changes, pushing employees to undergo training to better understand how digital communication tools are used, especially in financial reporting. In certain sectors, like SMEs, education on digital-based financial report preparation is crucial and needs socialization as many parties need guidance in understanding evolving technology (Aryani & Utami, 2023). Additionally, several factors hinder the implementation of digital communication tools, such as lacking capital for using these tools or training, which needs addressing to enhance company effectiveness and competitiveness (Prodanchuk et al., 2023). Therefore, research shows that despite many benefits, implementing various technologies also relates to organizational or business structural unpreparedness, low employee motivation to evolve, and inadequate IT infrastructure to utilize existing technological innovations (Poltoratska et al., 2024). The inappropriate use of digital communication tools and ineffective training will ultimately harm the company.

Resistance to Change

The presence of resistance to change is another impact felt in previous literature. Through Aivazidi and Michalakelis's (2022) research, resistance to adopting new technology is found, especially from individuals unfamiliar with the technology. When digital communication tools unfamiliar to certain parties are used, they will feel burdened by the changes. This slows implementation and reduces the efficiency of digital financial reporting. For example, in the government sector, using new technology helps reduce resistance from government employees, but indications show that resistance to change still exists, related to additional workloads from new technology and increased administrative activities (Biancone et al., 2024). Additionally, during certain conditions like pandemic lockdowns, experienced workers accustomed to old methods tend to feel dissatisfied with project performance despite using digital communication tools (Afridi et al., 2023). There are also instances where long-serving employees in financial reporting using old methods may struggle to adjust to new technology, fearing that technology might replace their roles (Nissa et al., 2024).

Through existing literature, achieving the maximum potential from financial control digitalization requires clear and precise strategies in training and employee development, modernizing IT infrastructure, and enhancing data management system integration (Zhelev & Kostova, 2024). Furthermore, choosing digital communication tools impacts related tasks. An example of a digital communication tool, like AI, can ease tasks by providing simultaneous translation, data summaries, and message suggestions, reducing language barriers and enhancing communication accuracy and effectiveness, including in financial reporting (Hazlehurst et al., 2023). Many considerations are needed when adopting technology, as previous literature often shows that high skill differentiation towards technology within a work team tends to create conflicts and communication difficulties compared to teams with uniform skills. Teams dissatisfied with their performance might change their routines or technology to achieve better goals (Lane et al., 2024). Thus, every individual or group must be prepared to evolve with technology to avoid negative impacts from digital communication tools, avoiding conflicts that affect accuracy and efficiency in financial reporting.

Diffusion of Innovations Theory in the Context of Application and User Perception of Digital Communication Tools

The Diffusion of Innovations Theory is closely related to technology, especially when discussing how a technological innovation can be adopted and used by society. According to Rogers (2003), diffusion involves the process by which an innovation is communicated through certain social groups, where communication aims to achieve a shared understanding that can lead to convergence or divergence of meanings among them. Essentially, the use of digital communication tools in a sector represents an effort to converge to follow the progress of time, which aligns with Polyakov and Kovshun's (2021) view that it is expected to increase productivity by enabling faster and more efficient adoption of innovations, accelerating the digital transformation process, and boosting digital economic growth (DE). Using digital communication tools for financial reporting is an example of how companies or certain parties try to improve their performance with the help of technology, thus requiring innovation in the work environment.

The diffusion of innovation impacts the creation of new industries and jobs, providing ways to address the challenges of unemployment often associated with digital transformation. To understand how the implementation and perception can be shaped by the use of digital communication tools, the author attempts to explain this through the Diffusion of Innovations Theory. Rogers (2003) presents five characteristics of innovation that affect technology adoption, ultimately resulting in its use by certain parties, which is expected to provide positive impacts and the ability to avoid negative impacts or challenges in the context of this research to achieve accuracy and efficiency in financial reporting. The five characteristics are Relative Advantage, Compatibility, Complexity, Trialability, and Observability.

Relative Advantage refers to how digital communication tools are seen as more beneficial to use than previous methods in a sector. Digital communication tools are expected to provide relative advantages in financial reporting by increasing the accuracy and efficiency of the work through automation and reducing potential human errors. Additionally, using new technological innovations allows companies to see how technology can improve productivity and transparency as considerations for adoption, as discussed earlier. According to Rogers (2003), the level of relative advantage can be measured economically, but social prestige, convenience, and satisfaction are also important components, and the greater the perceived benefits of a technological innovation, the faster its adoption rate.

Next, Compatibility of digital communication tools also needs to be considered, as the tools are expected to meet the needs of individual users or specific businesses. Each digital communication tool has its usefulness, and not all technology is applicable or suitable for every sector. Inline with Rogers' (2003) view, a technology that does not align with the general values and norms within a social system is less likely to be adopted as quickly as one that does. This relates to resistance to technology; as previously mentioned, in certain conditions, experienced workers accustomed to old methods might struggle to adapt and feel dissatisfied with new digital communication tools (Afridi et al., 2023). Companies and individuals must carefully consider using compatible digital communication tools and other technological innovations to provide satisfactory results.

Complexity of a technological innovation often presents challenges when discussing digital communication tools used to simplify work. Complexity is understood as the extent to which an innovation is perceived as difficult to understand and use. This is closely related to how human resources respond to the presence of technological innovation in their environment. Rogers (2003) also discusses that the relative level of knowledge and expertise, usually measured by various job specializations of members and their professionalism level indicated by formal training, is related to this complexity. Therefore, employees and companies must be prepared to face the impacts and challenges needed to enjoy the conveniences provided by digital communication tools. However, various digital communication tools are also designed to be user-friendly, which can be a consideration for adoption and use.

Trialability, according to Rogers (2003), is the extent to which an innovation can be tested on a small scale before being fully adopted. Trialability is one way how a communication tool can be evaluated as useful or helpful directly by the users. At certain levels, digital communication tools will be used by some employees first, and if the tool is found to be difficult to use, it will then be abandoned. With the continuous development of technology and the offerings of various innovations to assist work, particularly in financial reporting for accuracy and efficiency, various digital communication tools, including applications, offer trials or demo modules that allow users to evaluate the benefits before fully adopting them, and also allow related parties to implement 'learning by doing' without having to experience detrimental impacts that might affect their work.

Observability is understood as the extent to which the results of an innovation can be seen by others. Rogers (2003) explains that the easier it is for individuals to see the results of an innovation, the more likely the technology or innovation will be adopted, which relates to the positive impacts of using digital communication tools in the context of this research. When stakeholders can see an increase in accuracy and efficiency that can be easily observed, it also provides benefits for the business. One example previously discussed is the government using digital communication tools for information accountability to citizens and making the reporting process more dynamic and transparent (Biancone et al., 2024). Ultimately, trust and beneficial impacts for both parties will be built when digital communication tools provide clear ease for various parties.

Using the Diffusion of Innovations Theory, it can be understood that predicted implementation and perception can be formed through understanding relative advantages from existing real experiences and compatibility with existing systems, becoming considerations whether an innovation or tool fits the needs and can be adjusted to the work environment. Moreover, when a tool has low complexity and is easy to use by its users, negative impacts such as challenges like implementation costs and the need for intensive training that might affect accuracy and efficiency can also be avoided. This is also related to the trial phase before full implementation, giving a sector the opportunity to assess for itself how digital communication tools can impact their work.

Discussion

Through previous literature studies related to the impact of digital communication tools, especially on the accuracy and efficiency of financial reporting, several positive impacts provide benefits and negative impacts that present challenges that users must face when a technological innovation is adopted in their environment. The first group of impacts includes increased accuracy and efficiency of financial data, transparency and ease of access to information, ease of communication and effective decision-making, increased competitiveness and innovation in management, and increased stakeholder trust. While the negative impacts presenting challenges include potential attacks on financial data security and privacy, dependency on technology, the emergence of technological gaps and human resource skills in managing digital products, implementation and training costs, and resistance to change. Through Rogers' (2003) Diffusion of Innovations Theory, it can also be understood how the implementation and perception of digital communication tools can be formed and provide views and considerations for related parties to predict and take appropriate steps to avoid technological impacts that might hinder performance affecting accuracy and efficiency, especially in financial reporting.

Using the Diffusion of Innovations Theory in the context of analyzing the impact of digital communication tools in financial reporting provides findings that digital communication tools offer conveniences such as speed, accuracy, and efficiency, which can be considered for adoption. The benefits provided through research literature also offer confidence to potential users about the technology's effectiveness, thus giving the opportunity for better decision-making. However, the complexity of the technology, which presents challenges, can also cause difficulties and obstacles. Moreover, the high implementation costs and the need for training for tools that are complex to use also become significant challenges. Eventually, every sector must ensure the compatibility of digital communication tools with the work environment and needs; the presence of trials for various technologies on a small scale can reduce uncertainty and provide the opportunity for learning by doing. Observing positive results will encourage further adoption and use of digital communication technology tools, especially related to financial reporting, and provide evaluation through the existing negative impacts or challenges.

Although it can be said that various scientific studies relate to this topic, discussions about digital communication tools, technological development, and innovation, according to the author, are topics that will continue to present different results. This is because literature from various previous studies shows that each business sector or certain group shows different responses and impacts, but they are still interrelated. This occurs because each sector has different needs and adaptation methods; not only that, the ability of human resources, social environment conditions, and the presence of certain conditions like the pandemic also affect the impact of digital communication tools, including how the accuracy and efficiency of financial reporting can be achieved.

This research is expected to provide a detailed overview of the impacts experienced from using digital communication tools in various sectors, particularly for the accuracy and efficiency of financial reporting. Digital technology development will continue, requiring humans and the work environment to be ready to face changes and adapt to technology to avoid being left behind. However, knowing the technological impacts and efforts to predict their implications will allow unwanted situations to be avoided through appropriate steps formulated. Ultimately, openness to innovation, both horizontally and vertically, becomes a key guideline to understanding and achieving maximum benefits (Wang et al., 2023). Although these real impacts can be seen, decision-making in each sector becomes a significant responsibility that needs to be deeply considered. Optimization and continuous evaluation of technology adjustment in financial reporting are necessary to ensure the accuracy and effectiveness of the technology used.

Conclusion

This study presents the impacts of digital communication tools on the accuracy and efficiency of financial reporting processes, shown through previous literature analysis indicating both positive impacts and challenges that need to be addressed when using technological tools. This study provides results that can be considerations in using digital communication tools and raises important questions about optimizing digital communication tools in financial contexts by presenting the Diffusion of Innovations Theory. The continuous development of technological innovations and the use of digital communication tools in various work needs encourage society to keep developing and adapting, understanding the technical and social impacts of related technologies. However, this research is limited by its focus on digital communication tools' impact on the accuracy and efficiency of financial reporting, meaning the results can be further studied more deeply by introducing different new variables. To overcome these limitations, further research is needed, including more comprehensive studies with different methods or theories, to better understand the impact of digital communication tools, which will continue to change according to the times.

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