

EXAMINE THE SIGNIFICANCE OF INFORMATION TECHNOLOGY ON ACCOUNTING AS WELL AS THE CHALLENGES

Abstract

Keywords:

*Information technology,
business functionality,
accounting process or
operations, automatic
accounting system*

Information technology improves accuracy and structure of accounting systems for businesses through which businesses develop their performance patterns according to requirements. Through innovation in information technologies, employees and businesses can share their thoughts about handling business functionalities according to requirements. It can improve the quality in automatic accounting processes however, sometimes, employees face challenges in functionalities of accounting operations. It can decline efficiency in service patterns and reduce qualities in performance structure within businesses. Through arrangement in financial accounting systems, IT can develop performance patterns without any issues.

Author correspondence: Madhusudhana Rao Yeluri (ms_yeluri@yahoo.com)

1. Introduction

The significance of information technology helps in incorporating the ability to improve the usage of computerised systems to control financial operations through recording and tracking. It improves the quality of accounting operations through which financial movements are improved in a way to handle financial transactions. Through the assistance of IT, businesses can easily track their different business functions regarding accounting, service management and other business operations. This study intends to understand the role of IT in accounting operations and challenges regarding functionality of these technologies. Creativity and innovation through IT can improve the idea of incorporating effective decisions according to the requirements in terms of performance development.

On the other hand, functionalities of IT are difficult to understand due to which most of the businesses would not adopt this technology due to lack of experiences and knowledge of employees. The cost of information technologies is high which can also impact negatively on financial performance of businesses. This study highlighted the significance of information technologies for businesses and improved their accounting operations. This study also identified challenges regarding functionalities through which challenges and strategic requirements can also be analysed through this study. This study also explored research methods and results regarding this research topic through which external knowledge can be gathered in an effective way.

2. Exploring theoretical overview

Significance of information technologies in businesses in the context of accounting functions

Information technologies play an effective and creative role in controlling accounting activities as well as tracking productive operations for business growth. Through innovative information technologies, businesses can easily make their choices according to requirements to achieve their business targets. Information technological systems can also guide organisations to follow a systematic pattern to achieve their targets according to requirements through IT [1]. It would bring development by creating several opportunities related to business growth, structured financial system, transaction, knowledge management and decision making processes. It can easily guide employees to understand the situation and incorporate required information technologies to maintain stability in financial or accounting performance.

Transaction automation systems

Transaction automation systems create a proper systematic way to track and monitor all transaction operations through which businesses can easily collect those data for their present or future purposes. Through transaction automation systems, businesses can also gather accurate results and improve the quality of accounting activities as per requirements [2]. It would also create a proper plan in handling the systematic structure of financial transactions through which customers can easily perform data or money transfer without facing any issues. It can improve

customer engagement processes and also increase productivity for businesses through this information technology.

Management information systems

Management information systems mainly operate for higher authority sections within businesses to take care of the overall financial, supply chain, performance evaluation and quality management processes. This information technology improves the idea of handling business segmentations through which change management activities in accounting or financial operations can be operated successfully [3]. Using management information systems, higher authorities and managers can develop their service patterns to handle the significant changes according to requirements. In this way, the quality and structure of different tasks within businesses can be modified according to expectations within this current situation. It can also allow businesses to manage all business functions through this IT to achieve their business targets.

Knowledge management systems

Knowledge management systems are helpful for employees within businesses to develop experiences and knowledge related to external environments. Through KMS, business owners and HR departments can guide their employees to enhance their motivation skills and control different tasks arrangement activities. KMS can also assist employees to rearrange their skills and create opportunities for them to execute their operational or accounting tasks according to requirements [4]. It would bring development and handle the situation related to changes within service patterns within the functionalities of businesses. It can increase performance capacities and improve value added services in terms of performance development.

Decision support systems

Decision support systems are one of the flexible and accountable information technologies for businesses by handling accounting and change management processes. Through the assistance of decision support systems, employees can easily develop their performance patterns according to the latest scenario. It would bring improvement within business operations due to which the quality and structure of different business opportunities can be modified according to the support of external activities [5]. It would also avoid key challenges related to business performance due to which quality and structure modification processes can be developed in terms of performance development.

Identifying functional and non-functional requirements of IT in accounting operations

Functional requirements

Functional requirements of IT are represented depending on accounting performance from businesses through which operational events can be executed properly. Transaction handling, certification requirements, business rules, administrative functions, authorised levels and audit tracking are the key requirements of information technology. Through these requirements, business owners can easily modify their performance settings by creating different opportunities for

businesses to handle accounting performance [6]. Through these requirements, businesses can easily track their overall financial segments and set the cost of their value added services or products to increase revenue rate. It would control value propositions and performance development within businesses according to requirements.

Non-functional requirements

Non-functional requirements totally based on performance and capacity management processes within accounting for businesses. Security, usability, manageability, data integrity and availability are the non-functional requirements for IT to handle accounting activities for businesses. It would improve the sequence by handling the opportunity of different accounting activities due to which innovation and creativity can be organised successfully. It would guide businesses to improve strategic changes according to requirements to handle changes and manage improvement in strategic changes without any challenges [7]. These requirements are helpful when a business manages these requirements properly and provides adequate support to their employees to achieve their business goals and expectations.

Exploring challenges regarding IT in handling functionalities for businesses

Cyber security challenges

Cyber security challenges directly affected functionalities of IT operations within businesses due to which clarity in accounting operations cannot be organised properly. Due to this challenge, accounting information systems cannot be executed successfully that can create threats for customers by disclosing their personal account related information.

Gaps in skill management processes

Gaps in skill management processes decline the effectiveness in business functions due to which employees have failed to organise different tasks regarding accounting operations. Due to the lack of skills, employees would not know the usage and performance of IT that would slow the financial transaction processes [8]. It would negatively impact the growth and stability in the customer management process for businesses.

Lack of support from leaders

Lack of support from leaders can also hinder the strategic management operations due to which clarity in service operations cannot be performed in an adequate manner. It would directly affect the opportunity of generating systematic processes in accounting services according to requirements for businesses through IT.

Pressure of workload

Pressure of workload can create challenges sometimes due to which employees have failed to give their potential performance to achieve their targets or goals. It would reduce productivity and increase threats for businesses by not performing financial transactions according to requirements [9].

Analysing strategic changes or steps to avoid these challenges

Improved security through cloud computing

Cloud computing plays a crucial role in handling automatic accounting systems through IT by providing improved security channels. It can help employees to handle financial data management and reduce the challenges related to cyber security. It can also provide unique IDs to avoid external attacks without taking consent from users [10].

Training and development

Training and development for employees can develop their experiences and skills through which they can make their creative choices to deal with any kind of situations regarding accounting and functionalities. Through decisions, employees can also develop their existing performance settings to achieve their business goals and objectives without any issues.

Supportive leadership

Supportive leadership can control team arrangement activities and improve systematic patterns to create a proper path to avoid complications in performance structure. Through supportive leadership, employees can easily modify their performance settings to handle business functions including financial activities and other business operations [11].

Segmentation in business functions

Segmentation in business functions help in generating ideas for employees that they can understand their responsibilities and roles. It can guide them to operate their tasks in a systematic manner to achieve their business targets without any issues. It can also bring development by creating significant opportunities to achieve their tasks in a sequenced manner without any issues.

3. Research methods

Tools and techniques help in analysing specified information and different perspectives along with theoretical knowledge can be identified properly. Data collection process helps in analysing different sources and incorporates accurate data according to requirements of the research study. Interpretivism philosophy provides systematic and required information related to the positive side of information technologies within business accounting operations. It can help in managing the structure of different informative results through which accurate and structured requirements of handling IT can be identified successfully [12]. It can also assist in making different choices to handle the situation and perform tasks accordingly without any issues.

Deductive research approach helps businesses to create a proper business plan to execute information technologies for their businesses to improve automatic accounting systems for development. Through this approach, appropriate measurements can be incorporated to reduce the challenges related to functionalities according to requirements that can bring development for businesses. It can also guide employees to maintain the relationships between values added services and performance development processes. Through a structured business plan, employees can easily maintain the sequence of different kinds of expectations that can lead to success for a business in

terms of performance development [13]. Exploratory research design also improves the information collective process by defining accounting operations through which employees can easily use information technologies to deal with the situation without any issues. It can also bring development within information collective activities through which performance development can be organised properly to maintain validation outputs or results.

Secondary data collection method improves the idea of gathering specific and required information from external articles or journals by identifying perspectives of different authors. Through a secondary data collection method, strategic changes required to handle challenges in functionalities of IT can be identified adequately. It would allow employees to incorporate strategic changes without any issues. It would bring development for businesses by avoiding complications in terms of performance development. Thematic qualitative research method also helps in creating different themes related to this research topic to analyse overall performance segmentations related to financial operations within businesses.

4. Results and discussion

“Measurement model of accounting information system design”

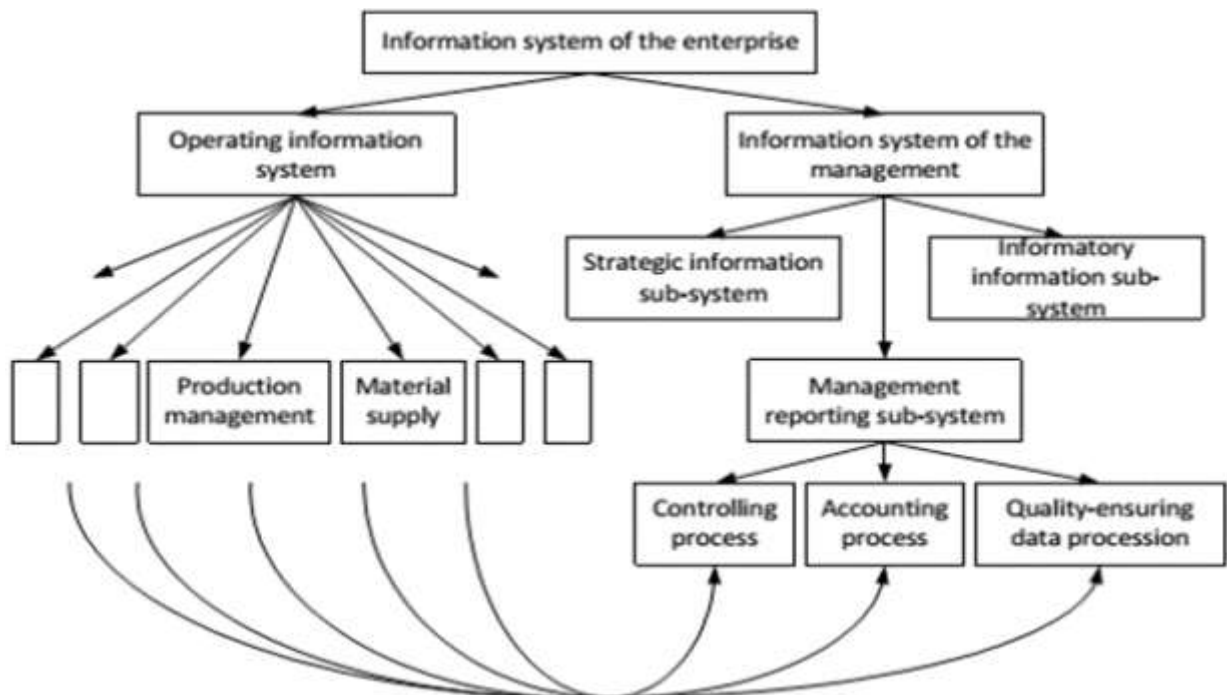


Figure 1: Accounting information systems

(Source: [14])

In businesses, information systems play a critical role in decision-making, such as expediting administrations, connectivity, and the use of information technology to aid choice. . Accounting, as a financial recording system, involves defining, tracking, assessing, capturing, handling, storing, systemizing, appreciating, controlling, and publication occurrences that impact a company's resources, financial standing, and earnings [14]. A financial accounting system's goal is to keep track of financial events that influence the organisation, process data in compliance with

accounting standards, and deliver information to the individuals or units in charge of creating decisions. According to the budget openness idea, visibility is a critical instrument for satisfying the public's desire for information about how their local authority is conducted.

“Security and privacy challenges in Information technologies”

An authorised user will have accessibility to and analyse the information, confidentiality will be in charge. Due to the large number of connected devices, applications, and individuals sharing a single communications system, privacy is a critical component of security principles. Online privacy, also referred to as network privacy, is a level of protection for transmitting private data over the internet [15]. By not developing policies and methods to safeguard data integrity and monitor unwanted access to data, cyber security would not be controlled in safeguarding gadgets, data, and network from attackers.

“Impact of the Information Technology on the Accounting System”

The function of information storage, analysis, distribution, and manipulation by computer and communications networks is referred to as information technology. This can also be described as something which provides data or observed data in either visual medium using any interactive media allocation mechanism. It is intended for administrators to aid personnel in their everyday tasks and outcome in the workplace. Computers for financial accounting were developed in 1880 [16]. Information technology advancements have altered the structure of accounting and management activities in the company over the years, resulting in the creation of new divisions such as the business unit, the information systems service department, and the tech support unit.

From this information, it has been discussed that information technology improves performance structure and financial accounting information to maintain business functionalities and accounting operation. However, sometimes, due to lack of resources and knowledge, employees of businesses cannot control the overall performance structure according to requirements. It would directly affect the overall segments according to specifications in terms of performance development that would lead to success for businesses. For this reason employees and higher authorities are expected to take accountability in controlling the overall structure according to needs. It would also improve skill levels and manage knowledge management operations related to information management systems within business financial activities.

5. Conclusion

Organisations can use information technology systems to aid them in following a methodical pattern to attain their goals in accordance with requirements. Businesses can also acquire precise findings and improve the quality of accounting activities by using transaction automation solutions. This information technology enhances the concept of handling business segmentations, allowing for successful change management activities in accounting or financial operations. It would promote growth and deal with situations involving changes in service patterns and company operations. Business owners can quickly adjust their performance settings by

generating multiple opportunities for organisations to address accounting performance using functional requirements. Challenges related to functionalities can decline effectiveness and clarity within accounting performance due to which efficiency and structure cannot be organised effectively. For this reason, businesses can use information technologies to develop their financial computing operations according to requirements to achieve their business targets.

Specific requirements can allow businesses to introduce creative strategies to deal with any kinds of situations that can develop performance structure. Non-functional requirements would direct organisations to enhance strategic changes in accordance with requirements in order to handle changes and manage strategy implementation improvement without difficulty. It can also help staff maintain the link between value-added services and performance-improvement activities. It can also provide development to communal information activities, allowing performance development to be correctly organised in order to preserve validation outputs or results. The purpose of a financial accounting system is to maintain track of the financial events that affect the organisation, process data according to accounting standards, and communicate information to the people or units responsible for making decisions. Over time, advances in information technology have changed the organisation of the company's accounting and management activities, leading in the introduction of new decisions.

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