InCAF PROCEEDING OF INTERNATIONAL CONFERENCE ON ACCOUNTING AND FINANCE

Volume 4, 2026, PP: 384-407

Adoption of cloud accounting: a study on MSMEs in the Special Region of Yogyakarta Province

Arya Gading Ramdhani Dama[1], Marfuah[2*] Priyono Puji Prasetyo[3]

[1,2]Faculty of Business and Economics, Universitas Islam Indonesia, Indonesia
[3]Faculty of Islamic Studies, Universitas Ahmad Dahlah, Indonesia
*Corresponding Email addresses: marfuah@uii.ac.id

Abstract

The purpose of this study is to find out the factors that affect the adoption of Cloud Accounting in MSMEs in the Special Region of Yogyakarta Province. This study uses a quantitative approach based on the theory of Technology Acceptance Model (TAM) and Diffusion of Innovation (DOI). The population of this study is 327,936 Micro, Small and Medium Enterprises (MSMEs) in the Special Region of Yogyakarta Province. The sample selection technique used the purposive sampling method so that 400 respondents were selected. Based on data analysis using SmartPLS.4 software, it is concluded that Coercive Pressure, Compatibility, Cost Reduction, Provider Support, Relative Advantage, Top Management Support has proven to have a significant positive effect on the adoption of Cloud Accounting in MSMEs in the Special Region of Yogyakarta Province. Likewise, Complexity and Security Concern have proven to have a significant negative effect on the adoption of Cloud Accounting in MSMEs in the Special Region of Yogyakarta Province. However, Adequate Resources, Competitive Pressure, Government Support, IT Competence, and Trading Partner Pressure have not been proven to have a significant positive effect on the adoption of Cloud Accounting in MSMEs in the Special Region of Yogyakarta Province. The results of this study have implications for MSME actors, Cloud Accounting service providers and the government. For MSME actors, the results of this study have implications in understanding the factors that must be considered when adopting Cloud Accounting. For Cloud Accounting service providers, the results of this research can be used as information to improve technical support, security, and features. The results of this research can also be the basis for training programs and government policies related to the MSME digitalization program.

Keywords: Cloud Accounting, DOI, TAM, MSMEs

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) have played a significant role in economic activity, especially in developing countries. Most businesses around the world are owned by MSMEs, which helps with economic growth and job opportunities. According to data released by the International Council for Small Enterprises (ICSB), MSMEs, both formal and informal, make up more than 90 percent of all business entities. They also account for 70 percent of all employment and 50 percent of the average GDP. However, compared to large companies, MSMEs often have lower resources and less sophisticated technological capabilities. Cloud Accounting allows local MSMEs to focus more on the important operations of valuable goods and services. Many people think that this plays an important role in the development of MSMEs in Indonesia. In addition, Cloud Accounting allows MSMEs to manage their accounts more efficiently. With quick and easy access to financial data, MSMEs can improve the efficiency of overall financial management, speed up the financial management process, and produce financial reports faster. By adopting Cloud Accounting technology, MSMEs can benefit in many ways (Zhang et al., 2022)

Although Cloud Accounting is one of the technologies that is increasingly used by small and medium enterprises (SMEs), the advantages of Cloud Accounting are not comparable to the adoption rate in Indonesia. According to the SUSE (Securing the Cloud Asia Pacific 2024) survey, 79% of Information Technology decision-makers in Indonesia said that there are 2 (two) main concerns when

adopting cloud accounting, namely data security and privacy. Additionally, 43% are concerned about vulnerabilities in AI supplies, and 72% are concerned about AI-driven cyberattacks.

In 2023, according to data from the Ministry of Finance, more than 50% of MSMEs in Indonesia will adopt technology in their businesses. Many MSMEs are not aware of the importance of information systems in the business world, and only a small percentage of MSMEs are thinking about switching to Cloud Accounting. Despite the bright future, research on Cloud Accounting adoption has not been widely conducted, especially on small and medium-sized enterprises in Indonesia (Ritchi et al., 2024)

Small and medium-sized enterprises (SMEs) play an important role in the economy because they create jobs and contribute greatly to GDP. According to data from the Ministry of Cooperatives and SMEs of the Republic of Indonesia (2022), SMEs absorb more than 97% of the workforce and account for around 60% of Indonesia's total GDP. Despite this, many SMEs still face problems in managing their finances and accounting properly. The application of cloud computing has a significant impact on SMEs in Indonesia. SMEs can acquire advanced accounting software through Cloud Accounting solutions without having to incur high costs for on-site IT infrastructure installation. This allows SMEs to make better use of their money and assets. Cloud Accounting technology can help SMEs better manage their finances and survive the economic challenges faced, especially during the COVID-19 pandemic. Many SMEs are aware of the benefits of Cloud Accounting, but there are a few things that prevent them from using this technology. Understanding of technology, implementation costs, management support, and human resource readiness are some of the factors that can affect the implementation of Cloud Accounting in SMEs (Ullrich et al., 2022).

Cloud Accounting allows MSMEs to manage their finances more efficiently. With quick and easy access to financial data, MSMEs can improve the overall efficiency of financial management, speed up processes and produce financial reports faster. This can benefit them because they can focus more on their operational tasks and save time and money. MSMEs must have a strong business plan in order to adapt to the rapidly changing business and technology landscape and achieve the desired level of performance. Therefore, MSME actors need to find ways to use technology to increase productivity and profitability. Cloud Accounting is expected to facilitate the financial management of MSMEs, so that they are able to respond better to market changes and improve their performance (Sriningsih, 2024).

The increasing use of Cloud Accounting among MSMEs in Yogyakarta shows that these business people are starting to realize the benefits. The advantages of Cloud Accounting for financial management are increasingly recognized by business owners. Research on the adoption of Cloud Accounting in Yogyakarta MSMEs conducted by Rahayu et al. (2023) and Nur & Rasyid, 2024) has a positive impact on the adoption of Cloud Accounting in Yogyakarta MSMEs. This shows that MSMEs know the advantages of using Cloud Accounting. However, they also experience difficulties in using Cloud Accounting, including a lack of confidence in using Cloud Accounting technology (Nur & Rasyid, 2024).

A previous study conducted by Hamzah et al. (2023) shows that factors including complexity, security, top management support, adequate resources, competitive pressures, and service provider support have a significant impact on the adoption of Cloud Accounting in SMEs. In contrast, factors such as compatibility, relative superiority, and IT capabilities do not have a significant impact on the adoption of Cloud Accounting in SMEs. The research conducted by Chen et al. (2023) shows that security issues, top management support, IT competence, competitive pressure, trading partner pressure, and provider support influence SMBs' decision to adopt Cloud computing specifically Cloud Accounting. The research conducted by Mujalli et al. (2024) shows that the variables of relative superiority, compatibility, complexity, organizational resources, employee capabilities, top management support, mimetic pressure, normative pressure, usability perception and usability perception have a significant influence on Cloud Accounting adoption intentions, While Al-sharafi et al. (2023) shows that the variables of relative excellence, complexity, compatibility, cost reduction, peak management support, and government support significantly affect Cloud computing integration.

However, IT readiness and competitive pressures have no significant effect on Cloud computing integration.

Based on the description above, it shows that the results of the research on the factors influencing the adoption of Cloud Accounting provide inconsistent results. Differences in the research environment, including geographic location, industry characteristics, or research period, can be the source of these differences. Variations in results can also be caused by variations in research procedures, including sample size, data collection strategies, and data analysis approaches.

This research is a development of research conducted by Hamzah et al. (2023) by adding Cost Reduction as an independent variable in this study. Cost reduction is the ability of a business to lower costs and increase profitability (Seseli et al., 2023). The ability of Cloud Accounting to reduce operational costs and IT infrastructure investment is an important consideration for MSMEs. Because cloud computing services can reduce the cost of developing organizational systems in an economical way, cost reduction is the main driver behind its adoption by MSMEs (Al-Sharafi et al., 2023). Therefore, this study was conducted with the aim of finding out what factors affect the adoption of Cloud Accounting in MSMEs in the Special Region of Yogyakarta Province.

LITERATURE REVIEW

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM) is a hypothesis designed to understand the behavior that occurs. The idea known as TAM was originally presented by Davis et al. (1989). Individual acceptance of the use of information technology systems that are influential in general can be explained by theories that discuss the use of technology systems (Jogiyanto, 2007). There are 5 arrangements in the TAM (Technology Acceptance Model) theory, namely:

1. Behavioral intention, can be understood as a person's behavioral interest in carrying out certain tasks.
2. attitude toward using, can be used to determine whether a person can use technology to improve their performance.
3. perceived usefulness, can be defined as whether a person can improve his or her performance through the use of technology.
4. perceived ease of use, can be interpreted as the use of technology that does not require excessive effort can entice someone to use it.
5. Behavior, is an action in which the use of technology will generate interest from people who are already using it.

According to Davis et al. (1989), TAM was created to describe human behavior that affects how people utilize technology. There are 2 (two) main factors that affect the adoption of technology, namely perceived usefulness and perceived ease of use. Perceived usefulness is when a person feels that using a certain system or technology can increase their productivity at work (Davis et al., 1989). Therefore, factors such as relative advantage, compatibility, security concerns, top management support, adequate resources, competitive pressure and cost reduction have the potential to affect perceived usefulness. Whereas, perceived ease of use is the extent to which a person thinks that using a particular technology can reduce the effort required to complete a task (Davis et al., 1989).

Diffusion of Innovation (DOI)

In addition to the Technology Acceptance Model (TAM), this study also uses the Diffusion of Innovation (DOI) theory to analyze the adoption of Cloud Accounting in Yogyakarta MSMEs. DOIs offer a useful framework for understanding how a population adopts and deploys an innovation. According to Rogers (1983), innovation is any concept, method, or item that is considered new by a person or other adoptive unit.

A person's response to an innovation is based on their impression of its novelty, not on how long it has been objectively existing. Knowledge, persuasion, or the choice to accept a discovery is an example of novelty. MSMEs have embraced Cloud Accounting as an innovation, and their opinions about its novelty and benefits will influence whether they decide to adopt it or not. DOIs serve as a

theoretical foundation for the study of IT/IS adoption at the individual and enterprise levels in various contexts (Sastararuji et al., 2022). The success of technological innovation can be predicted by using DOI theory to show how the mechanism of technological innovation is adopted. The DOI highlights 2 (two) important elements, namely corporate innovation and innovation quality. The speed of individual adoption can be explained by innovation features including trials, observations, compactness, relative superiority, and compatibility. Independent variables such as the nature of the leader, the internal structure of the company, and exterior elements are associated with innovation. Therefore, this study will use DOIs to examine how internal and external factors of MSMEs, as well as Cloud Accounting innovation features influence their decision to adopt Cloud Accounting (Pangastuti & Aligarh 2024).

Cloud Accounting

Cloud Accounting is one of the evolutions of Cloud Computing. According to consumer demand, Cloud Computing is a technology-based venture that makes networks and data accessible anywhere Rahayu et al. (2023). Before Cloud Accounting became more popular, most users used conventional accounting software. Accounting is a service and cannot be considered as a product of goods, traditional accounting programs are usually used by installing them on company computers (Setiawan et al. , 2020). However, Cloud Accounting is not much different from accounting software that uses an installer to install it. Cloud accounting software is different because it is stored on a remote server. Users can access the server and network remotely by using a technique called Remote Server. In addition, the data entered will be transferred to the "cloud", where it will be processed and then given back to the user.

Applications for Cloud Accounting include SI APIK, Financial SME Accounting, Zahir Online, Mobile Journal, GROW-Accounting & SME Finance, and others can be accessed on the Android Play Store. There are no costs associated with downloading this software. However, depending on the available features, the program will charge an additional fee for more complete and premium services. Businesses who plan to use the Cloud Accounting application program must know all its capabilities in order to be able to view and analyze financial statements that have been entered quickly, accurately, and simply.

Research Hypothesis

The effect of Cost Reduction on Cloud Accounting Adoption

Cost reduction is the ability of businesses to lower operational costs by leveraging Cloud Accounting software. Companies can reduce the time and resources required to complete accounting tasks by automating accounting procedures that previously required in-person interaction. This will ultimately lower operational costs and increase interest in Cloud Accounting. According to Firdaus (2023) research, cost reduction is the main factor in MSMEs' decision to switch to Cloud Accounting solutions, which are cheaper than conventional accounting systems. Ahmed (2020) shows that the implementation of Cloud Accounting can significantly reduce company operational costs and improve the efficiency of accounting management. Based on this explanation, the following hypotheses can be formulated:

H1: Cost reduction has a positive effect on the adoption of Cloud Accounting.

The Effect of Relative Advantage on Cloud Accounting Adoption

Relative superiority is the extent to which an innovation is considered superior to the previous innovation or the concept it replaces. It shows how much or better innovation is offered to consumers or their beneficiaries. The definition of relative excellence in this study is dependent on variables such as the relative benefits of adopting Cloud Accounting. Users can benefit from the implementation of cloud services, especially Cloud Accounting, including faster business communication, more effective coordination between customers and between companies, access to market information, mobilization, time savings, and lower administrative costs. According to the Technology Acceptance Model (TAM), the perception of the usefulness of new technologies is influenced by their comparative advantage. If

MSMEs feel that Cloud Accounting offers more benefits, such as better accessibility and flexibility, cost savings, and operational efficiency, then they will think that Cloud Accounting is essential. The perception of technological superiority has a direct impact on technology adoption decisions in the MSME sector (Mon & Giorgio, 2023) Based on this explanation, the following hypotheses can be formulated:

H2: Relative advantages have a positive effect on Cloud Accounting adoption

The Effect of Compatibility on Cloud Accounting Adoption

When two or more objects can work together without problems, such as an operating system, software, or hardware, then those objects are called compatibility. The notion of compatibility in TAM describes how well the technology aligns with the user's values, conditions, and needs. This refers to how well and in accordance with the needs and operational processes of MSMEs in the context of Cloud Accounting. If MSMEs feel that Cloud Accounting is aligned with their business operations, encourages integration with existing systems, and is in accordance with standards and regulations, then they are likely to have a positive opinion about its usefulness (Hamzah et al., 2023). Based on this explanation, the following hypotheses can be formulated:

H3: Compatibility has a positive effect on Cloud Accounting adoption

The Effect of Complexity on Cloud Accounting Adoption

Complexity is the state of having many interconnected parts or components that interact in such a complex way that they are difficult to understand or anticipate. The level of complexity and work required to implement Cloud Accounting is indicated by its implementation. According to TAM, technology will be easier to use if it is not too complicated. Complexity has a huge impact on the adoption of Cloud Accounting by MSMEs because they tend to find this technology easy to use if they find it easy. Implementing new technologies can be hampered by the complexity of innovation, but MSMEs will find it easier to take advantage of them when technological sophistication decreases (Tawfik et al., 2023). Based on this explanation, the following hypotheses can be formulated:

H4: Complexity negatively Effect Cloud Accounting adoption

The effect of Security Concerns on Cloud Accounting Adoption

Security concerns relate to feelings of discomfort or anxiety about possible hazards or threats that may endanger safety, both tangible and intangible, including information, data, and the environment. According to TAM, data security is the main issue for MSMEs when using cloud services, especially Cloud Accounting. This can have an impact on the perception of usability (Wang et al., 2020). If MSMEs are worried about data security, the perceived usability will decrease. Therefore, Cloud Accounting service providers must ensure data security and offer a comprehensive explanation of security protocols. Thus, the perception of the usefulness of Cloud Accounting has increased and MSMEs are more confident in using this technology to manage their financial data. Based on this explanation, the following hypotheses can be formulated:

H5: Security concerns negatively affect Cloud Accounting adoption

The Effect of top management support on Cloud Accounting adoption

Top management support refers to the involvement and dedication of an organization's top management to a project, effort, or change. In the context of Cloud Accounting, top management support is essential as it determines the benefits of these systems. An important component of TAM is the level of top management support, where active support from senior management increases the perception of MSMEs using Cloud Accounting. Since top management often makes the final decision regarding an organization's information and communication technology (ICT) strategy and investments, top management support is essential for SMEs looking to adopt technology, particularly in the context of Cloud Accounting (Chen et al., 2023). Stakeholders can set aside the funds needed

to implement cloud services and promote their adoption by MSMEs once they realize the benefits. However, they must also ensure that the assistance provided is sufficient. Based on this explanation, the following hypotheses can be formulated:

H6: Top management support has a positive effect on Cloud Accounting adoption

The Effect of adequate resources on the adoption of Cloud Accounting

Adequate resources are the availability of sufficient resources and in accordance with the requirements or goals to be achieved. Adequate resources including human, technological and financial resources to adopt Cloud Accounting are essential for MSMEs. To successfully adopt this system, the resources they have must be ensured to be available and managed properly by MSMEs. By providing adequate resources, the government and cloud service providers support MSMEs in the application of Cloud Accounting technology. The application of innovative technology by companies is positively influenced by the availability of resources (Abed, 2020). Based on this explanation, the following hypotheses can be formulated:

H7: Adequate resources have a positive effect on Cloud Accounting adoption

The Effect of IT competence on the adoption of Cloud Accounting

In general, IT competencies are a set of talents, knowledge, and abilities needed to use information technology effectively and efficiently in a variety of situations. In the context of MSMEs, IT competence is a key factor that influences how well the technology is implemented. MSMEs with strong IT capabilities will find it easier to understand and use the Cloud Accounting system, which will increase the perception of the ease of use of the technology. With qualified capabilities, MSMEs can automate accounting processes, generate accurate and reliable financial reports, and access financial data in real-time, enabling them to make faster and more accurate business decisions. This supports the successful implementation of Cloud Accounting as a tool to improve their operational efficiency and effectiveness. IT competence increases the readiness of MSMEs to implement new technology solutions appropriately (Chen et al., 2023). Based on this explanation, the following hypotheses can be formulated:

H8: IT competence has a positive effect on the adoption of Cloud Accounting

The effect of competitive pressure on the adoption of Cloud Accounting

The level of competition between companies or groups in an industry is generally referred to as competitive pressure. In order to stay ahead of the competition, this pressure forces businesses to innovate, adapt, and improve the quality of their goods and services. SMEs are heavily influenced by competitive pressures in implementing Cloud Accounting, as it facilitates strategic decision-making and provides quick and accurate access to financial data. In order to compete effectively, MSMEs must continue to develop and improve the quality of their goods and services due to fierce competition. MSMEs can create added value that is difficult for competitors to replicate by implementing Cloud Accounting, which can improve operational efficiency, lower costs, and speed up financial reporting procedures. Rodríguez & Guijarro (2022) state that due to this advantage, MSMEs can react to market changes more quickly and accurately, which helps them stay competitive in the market. Based on the explanation above, the following hypotheses can be formulated:

H9: Competitive pressure has a positive effect on Cloud Accounting adoption

The effect of trading partner pressure on the adoption of Cloud Accounting

The term "trading partner pressure" refers to a number of variables that affect the collaboration and relationship between two commercial organizations (trading partners). Pressure from trading partners can affect MSMEs in adopting new technologies, such as Cloud Accounting, arising from the demands of business partners related to quality, timeliness, and operational efficiency. According to TAM, the pressure of trading partners can affect the perception of ease of use by MSMEs. The pressure of trading partners has led MSMEs to immediately adopt technologies that

facilitate business, increasing their view of usability and convenience of use and their plans to use Cloud Accounting. Therefore, MSMEs must quickly respond to this pressure because it can provide new opportunities and succeed in competition (Harfie & Lastiati, 2022). Based on the explanation above, the following hypotheses can be formulated:

H10: Trading Partner Pressure has a positive effect on Cloud Accounting adoption

The effect of coercive pressure on the adoption of Cloud Accounting

Coercive pressure refers to the use of pressure or coercion to force an individual or group to comply with certain guidelines, standards, or behavior, especially in using Cloud Accounting systems. According to TAM, coercive pressure affects MSMEs' perception of ease of use. When MSMEs are forced or encouraged by law to use Cloud Accounting, they will be more open to spreading the convenience and benefits of the technology. However, the authorities must also ensure that MSMEs have a good understanding and support as they deal with this situation. Coercive pressure from regulations and policies is effective in driving the adoption of Cloud Accounting in MSMEs (Mahardhika & Siahaan, 2024). Based on this explanation, the following hypotheses can be formulated:

H11: Coercive pressure has a positive effect on Cloud Accounting adoption

The Effect of Government Support on Cloud Accounting Adoption

Government support is assistance and facilities offered by the government to improve social welfare, infrastructure development, or economic progress. According to TAM, government support is one example of external factors that affect how easily a technology is used. If MSMEs get adequate facilities and direction, MSMEs will find it easier to use Cloud Accounting when they receive government support. In addition to helping MSMEs overcome technological constraints, government support gives them the confidence and legitimacy to implement Cloud Accounting (Rodríguez & Guijarro, 2022). Based on the explanation above, the following hypotheses can be formulated:

H12: Government support has a positive effect on Cloud Accounting adoption

The Effect of support providers on Cloud Accounting adoption

Provider support refers to the assistance or resources that a business or Cloud Accounting service provider offers to those in need. The perception of ease of use is influenced by the support of Cloud Accounting service providers. Providing support in the form of training, technical services, and adequate resources helps MSMEs implement Cloud Accounting by making it easier to use and building trust, leading to technological intent and behavior. After providing this assistance, MSMEs are expected to succeed in adopting Cloud Accounting (Hamzah & Suhardi, 2019). Based on the above explanation, a hypothesis can be formulated, namely:

H13: Provider support has a positive effect on Cloud Accounting adoption

Research Model

The research model that describes the relationship between independent variables and dependent variables is presented in the following Figure 1:

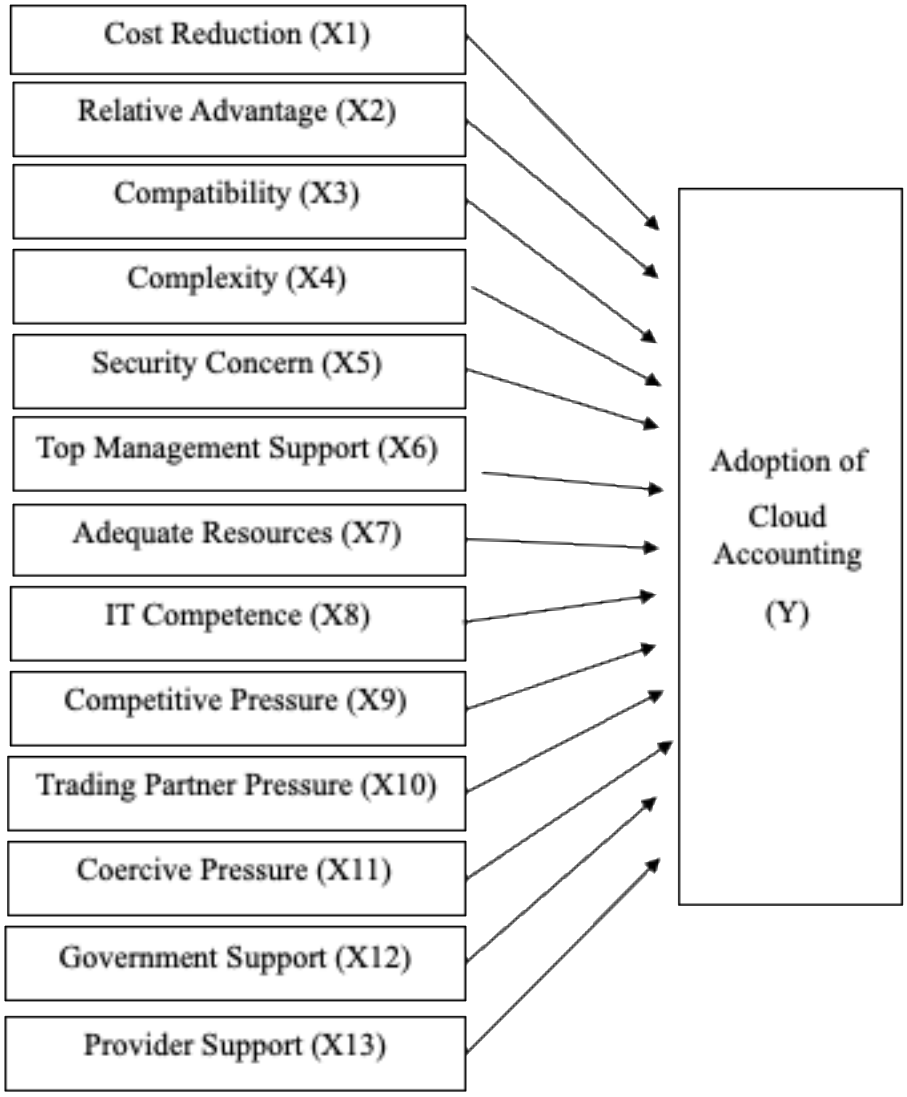

Figure 1. Research Model

RESEARCH METHODOLOGY

Population and Research Sample

This study uses the population of owners or managers of Micro, Small and Medium Enterprises (MSMEs) in the Special Region of Yogyakarta Province who have the potential to adopt Cloud Accounting. According to data from the official website Badan Perencanaan Pembangunan Riset, dan Inovasi Daerah DIY (Bapperida.jogjaprop.go.id, 2025), the number of MSMEs in Yogyakarta reached 329,487 MSMEs. The sampling technique used in this study is purposive sampling with the criteria of (1) Active owners or managers of MSMEs, (2) Operating in the Province of Yogyakarta, (3) Knowing, considering, or having used the Cloud Accounting system. By using the Slovin formula and a margin of error of 5%, a minimum sample of 400 respondents was obtained.

Data Collection Methods

The primary data used in this study was collected directly from respondents through the distribution of questionnaires. Data collection was carried out from May to July 2025. The questionnaire was compiled in the form of a google form and the data distribution was assisted by the Yogyakarta Cooperatives and SMEs Office through active MSME fostered groups managed by the agency. The questionnaire consists of a series of questions that the respondents must answer according to their own opinions. The likert scale used consists of 4 scores. Score: strongly disagree (STS), score 2: disagree (TS), score 3: agree (S), and score 4: strongly agree (SS).

Variable Definition and Measurement

The dependent variables in this study are Cloud Accounting adoption, while the independent variables in this study consist of Cost reduction, Relative Advantage, Compatibility, Complexity, Security concerns, Peak management support, Adequate resources, IT Competence, Competitive Pressure, Trading Partner Pressure, Coercive Pressure, Government Support, and Provider Support. The following Table 1 presents the measurement of the research variables.

Table 1. Measurement of Research Variables

No.	Variable	Definition	Indicator	Statement	Source
1.	Cost Reduction	Cost reduction is the ability of an organization to lower costs while increasing profitability	Reduced recording & administration costs	Cloud Accounting helped reduce my business administration and record-keeping costs	Seseli et al., (2023)
			Operational cost savings	Leveraging Cloud Accounting helped my business save on operational costs.	
			Reduced physical storage costs	Cloud Accounting reduces my business's need to store physical documents	
			Identify real-time cost-saving opportunities	Cloud Accounting makes it easy for me to identify cost-saving opportunities	
2	Relative Advantage	Relative superiority is that an innovation is more profitable than its predecessor.	Reduced IT and operational costs	Cloud Accounting helps reduce IT and operational costs for my business	Chen et al., (2023)
			Increased flexibility and data access	Cloud Accounting gives me the flexibility to access data anytime and anywhere	
			Efficiency of accounting processes	My financial recording and reporting process is made easier with cloud accounting	
			Reliability and continuity of service	Cloud Accounting provides a reliable service and supports the continuity of my business	

No.	Variable	Definition	Indicator	Statement	Source
3	Compatibility	Compatibility refers to the extent to which a new technology aligns with the needs, values, and beliefs ofpotential adopters today.	Compatibility with existing IT infrastructure	Cloud Accounting fits into my existing business IT infrastructure.	Al-Sharafi et al., (2023)
			Compatibility with business processes	Cloud Accounting according to the business procedures my business uses	
			Fit with the values and culture of the organization	Cloud Accounting is in line with my company's values and work culture	
			Fit for business needs	Cloud Accounting effectively meets my business needs	
4	Complexity	Complexity in the context of organizational implementation is the extent to which an innovation is considered difficult to understand and used is the definition.	Difficulty understanding and using	My business is struggling to understand and use Cloud Accounting	Al-Sharafi et al., (2023)
			Complexity of integration with existing systems	It's very difficult to integrate Cloud Accounting into an existing system in my business	
			High technical expertise requirements	To use Cloud Accounting, my company needs high technical expertise	
			Takes a lot of time and effort	My business takes a lot of time and effort to implement Cloud Accounting	
5	Security Concern	Security concerns relate to alleged security flaws where a business uses cloud computing and loses data, personal documents, or other sensitive information.	Data security concerns in the cloud	I'm worried that my business financial data isn't secure enough if it's stored in Cloud Accounting	Chen et al., (2023)
			Risk of data leaks	I feel that the risk of data leakage is higher when using Cloud Accounting	
			Threats to data privacy	I'm worried that my business data privacy could be compromised if I use Cloud Accounting	
			Doubts about the provider's protection capabilities	I doubt that a Cloud Accounting provider can protect my business data	
6	Top Management Support	Support from top management refers to management's readiness to	Support using Cloud Accounting	Top management at my company is aware of the benefits of using Cloud Accounting	Mujalli et al., (2024)
			Sufficient resources for implementation	Top management in my business is very interested	

No.	Variable	Definition	Indicator	Statement	Source
		understand the benefits for the company and provide the necessary funds and materials for a successful implementation of cloud accounting.		in implementing Cloud Accounting	
			Encouragement to use Cloud Accounting	Top management at my business provides strong support for Cloud Accounting usage	
			Providing funds for implementation	Top management in my business provides enough funds to implement Cloud Accounting	
7	Adequate Resources	Sufficient resources refer to the availability of adequate financial, infrastructure, technology, and human resources, among other assets and competencies, necessary for an organization to execute strategic initiatives, overcome operational difficulties, and achieve predetermined objectives.	Adequacy of financial resources	My business has enough resources to adopt Cloud Accounting	Chen et al., (2023)
			Adequacy of competent staff	My business has competent staff to manage Cloud Accounting	
			Adequacy of IT infrastructure	My business has adequate IT infrastructure to support Cloud Accounting	
			Availability of time and labor	My business has enough time and manpower for the Cloud Accounting implementation process.	
8	IT Competence	IT competencies are available technological capabilities, such as IT infrastructure and human resources that influence the adoption of innovation by a company	Adequate IT infrastructure	My business technology infrastructure is available to support Cloud Accounting	Chen et al., (2023)
			IT team's technical capabilities	Our IT team has adequate technical capabilities to manage Cloud Accounting	
			Business experience in cloud technology	Our business has sufficient experience in using Cloud Accounting	
			Ability to solve technical problems	During the use of Cloud Accounting, my business can resolve technical issues	

No.	Variable	Definition	Indicator	Statement	Source
9	Competitive Pressure	Competitive pressure is the level of pressure that a company faces from competitors in its industry.	Pressure from competitors due to the adoption of Cloud Accounting	Our competitors who have adopted Cloud Accounting are experiencing increased work	Al-Sharafi et al., (2023)
			The push to use Cloud Accounting due to pressure from competitors	The adoption of Cloud Accounting by competitors puts pressure on our business to adopt it	
			Keeping the business competitive	In order to remain competitive, we believe that we must adopt Cloud Accounting	
			Industry pressure to implement Cloud Accounting	There is a lot of pressure in our industry to implement Cloud Accounting	
10	Trading Partner Pressure	To facilitate the integration of technology and communication between organizations, trading partners put pressure on businesses to use cloud accounting	Encouragement from business partners to use Cloud Accounting	Our business partners encourage using Cloud Accounting	Pangastuti & Aligarh (2024)
			Using Cloud Accounting to meet business needs	Cloud Accounting is used by our organization to meet the needs of business partners	
			Pressure from business partners to adopt Cloud Accounting	We felt the need to adopt Cloud Accounting due to pressure from business partners	
			Collaboration with trading partners	Using Cloud Accounting makes working with business partners easier	
11	Coercive Pressure	Coercive Pressure is a term used to describe the formal and informal constraints that organizations face from other organizations they rely on as well as from societal norms in the communities in which they operate.	Pressure from government policies	Governments and regulators are pressuring our business to use Cloud Accounting	Alshirah et al., (2021)
			Pressure from key customers	Major customers put pressure on our business to use Cloud Accounting	
			Pressure from major suppliers	Major suppliers put pressure on our business to use Cloud Accounting	
			Pressure from trade associations and professional bodies	Trade associations or professional institutions put pressure on our business to use Cloud Accounting	

No.	Variable	Definition	Indicator	Statement	Source
12	Government Support	Government Support is assistance provided by the government in the form of rules, subsidies, infrastructure, and training to promote the use of cloud computing, especially by MSMEs.	Financial assistance from the government	The government offers financial or intensive assistance to help our business adopt Cloud Accounting	Chen et al., (2023)
			Ease of policy from the government	Government policy makes it easier for our business to adopt Cloud Accounting	
			Facility offers from the government	The government offers resources or training to help our business in using Cloud Accounting	
			Promotion of Cloud Accounting benefits from the government	The government is actively promoting the advantages of Cloud Accounting to businesses like us through socialization and communication initiatives	
13	Provider Support	Provider support includes the vendor's readiness to recruit and train enough support workers to provide the best service, as well as the ability to provide data whenever the customer requests it.	Cloud service provider reputation	The implementation of Cloud Accounting relies heavily on the reputation of the cloud provider	Chen et al., (2023)
			Technical assistance from cloud providers	Once Cloud Accounting is implemented, adequate technical assistance is needed	
			Relationships with cloud providers	Having a good relationship with a cloud provider is important to do	
			Support in the form of system updates from providers	To help business operations, cloud providers continue to provide updates and service improvements	
14	Cloud Accounting Adoption	Adoption is the process of using new concepts or technologies to implement innovations that have been accepted by oneself and the institution	Plans to adopt Cloud Accounting in the future	Plans to adopt Cloud Accounting in the future	Wariset yaningsih (2021)
			Desire to adopt Cloud Accounting	Desire to adopt Cloud Accounting	
			Continue to use and develop Cloud Accounting in the future as it can provide benefits	Continue to use and develop Cloud Accounting in the future as it can provide benefits	

Source: Various References

Data Analysis Techniques

The data analysis technique to test the hypothesis of this study uses SmartPLS software .

RESULTS AND DISCUSSION

The population of this study is MSMEs in Yogyakarta with a sample of 400 respondents. The data received as a whole reached 428 respondents, but the researcher conducted a manual screening based on data quality indicators such as incomplete answers and extreme answer patterns. As a result, only 400 respondents were declared valid and met the final criteria. This study uses a quantitative methodology, with primary data as the main source of information. In the data collection process, the researcher used a survey method through the distribution of online questionnaires using the Google Form platform. The researcher came directly to the Yogyakarta Cooperative Office and got a letter of approval for distribution, the distribution was carried out officially with their help.

To determine whether the respondent is an owner/manager of MSMEs based in Yogyakarta and who has heard or considered Cloud Accounting, the question will be given: "Are you an active owner/manager of MSMEs operating in the Yogyakarta area?", Do you already know or have thought of using the Cloud Accounting system? If the respondent chooses "yes" and is in the Yogyakarta area, then the respondent can complete the survey, but the respondent cannot continue the question if he chooses "no" because he will be directed directly out of the questionnaire through the section-based-logic feature so that it is not recorded in the data results.

Respondent Characteristics

The characteristics of the respondents in this study include (1) business sector, (2) business domicile, (3) financial position, and (4) business classification. The following table 2 presents the characteristics of the respondents:

Table. 2. Respondent Characteristics

Caracteristics	Frequency	Percentage (%)
Business Sector		
Culinary	258	64.5
Retail/Trade	37	9.3
Service	56	14
Technology	49	12.3
Total	**400**	**100**
Business Domicile		
Sleman	196	49
Bantul	111	27.8
Yogyakarta	31	7.8
Kulon Progo	35	8.8
Gunung Kidul	27	6.8
Total	**400**	**100**
Respondent's Position		
Owner	334	83.5
Manager	66	16.5
Total	**400**	**100**
Business Classification		
Micro	251	62.7
Small Business	111	27.8

Medium Business	38	9.5
Total	**400**	**100**
Age Group		
21-30 Years	297	74.3
31-40 Years	58	14.5
More than 40 Years	45	11.3
Total	**400**	**100**

Source: Primary Data Processed

Based on table 2 above, the MSME business sector is dominated by culinary businesses as many as 258 MSMEs or 64.5%. Furthermore, 56 MSMEs or 14% of the service business, 49 MSMEs or 12.3% of the technology business, and 37 MSMEs or 9.3% of the retail business. Meanwhile, based on business domicile, Sleman is the area with the highest number of respondents. Sleman has the largest number of respondents, namely 196 MSMEs or 49%, followed by Bantul 111 MSMEs or 27.8%, Yogyakarta as many as 31 MSMEs or 7.8%, Kulon Progo as many as 35 MSMEs or 8.8% and Gunung Kidul as many as 27 MSMEs or 6.8%.

Of the 400 respondents who filled out this questionnaire, 334 respondents or 83.5% were MSME owners, while respondents who were MSME managers were 66 respondents or 16.5%. Meanwhile, based on business classification, the majority of respondents are Micro Business actors with a percentage of 62.7% or as many as 251 respondents. Furthermore, as many as 111 respondents or 27.8% were small business actors, and as many as 38 respondents or 9.5% were categorized as medium business actors,

In this study, age groups are also important to analyze because age can affect an individual's openness to new technologies such as Cloud Accounting. Of the 400 respondents, the majority of respondents were 297 respondents or 74.3% aged between 21-30 years. A total of 58 respondents or 14.5% were between 31-40 years old, and 45 respondents or 11.3% were over 40 years old.

Outer Model Testing

The variables Cost Reduction, Relative Advantage, Compatibility, Complexity, Security Concern, Top Management Support, Adequate Resources, IT Competency, Competitive Pressure, Trading Partner Pressure, Coercive Pressure, Government Support, and Provider Support are the variables that were tested for validity and reliability in this study. Convergent and discriminant validity tests are two (2) types of validity tests used in this study. Ghozali, I., & Latan (2015) stated that if the value of the average variation extracted (AVE) is greater than 0.50 and the outer load is >0.708, then the research instrument can be said to be valid. Based on the results of the outer model test, show that all indicators meet the outer loading value of >0.70, which means that the convergent validity criteria have been met. The average variance extracted (AVE) value of all variables shows that it has met the minimum AVE standard >0.5 (Hair, 2022). The results show that each construct has met the conditions of convergent validity, and more than 50% of the variance of the indicator can be explained by the construct.

The results of the discriminant validity test using the Fornell-Larcker criteria showed that, compared to the correlation between constructs, the square root value of AVE for each construct was higher. For example, the Adequate Resource construct has an AVE value of 0.832, which is higher than its correlation compared to other constructs, such as Coercive Pressure 0.632 and Cloud Accounting Adoption 0.523. All other constructs, including IT Competence 0.844, Complexity 0.850, and Compatibility 0.875, show the same pattern.

The reliability test in this study used Cronbach's alpha and composite reliability. All of the variables in this study had a Cronbach's alpha value of >0.70, which indicates that all variables are reliable.

Structural Model Testing (Inner Model)

To determine the relationship between variables, this study uses structural testing or the inner model. The first step is to analyze the Adjusted R-square value of the dependent variable. Then test the path coefficient of the independent variable to the dependent variable. The Adjusted R-Square values of each of the following variables are shown in Table 3 as follows:

Table 3. Adjusted R-Square Value

Construct	R-square	R-square adjusted
Cloud Accounting Adoption	0.544	0.529

Source: Primary Data Processed

Based on the table above, the R-square adjusted value in the Cloud Accounting Adoption construct is 0.529, which means that all independent variables in this study can explain the 52.9% variability in Cloud Accounting adoption. While the remaining 47.1% was mediated by other variables that were not included in the model.

Statistics Descriptive

Statistics Descriptive that include the minimum, maximum, mean, and standard deviations of all research variables are presented in Table 4 below:

Table 4. Statistics Descriptive

Variable	Minimum	Maximum	Mean	Standard Dev
Cost Reduction (CR)	1	4	2.875	0.768
Relative Advantage (RA)	1	4	2.983	0.792
Compatibility (CMPT)	1	4	3.012	0.790
Compexity (CX)	1	4	2.136	0.771
Security Concern (SC)	1	4	2.005	0.795
Top Management Support (TMS)	1	4	2.963	0.788
Adequate Resources (AR)	1	4	2.730	0.736
IT Competence (ITC)	1	4	2.838	0.742
Competitive Pressure (ComP)	1	4	2.844	0.754
Trading Patner Pressure (TPP)	1	4	2.707	0.757
Coercive Pressure (CoeP)	1	4	2.706	0.758
Government Support (GS)	1	4	2.964	0.777
Provider Support (PS)	1	4	2.999	0.787
Cloud Accounting Adoption (CAA)	1	3	2.226	0.594

Hypothesis Testing

The research hypothesis was tested with path coefficients. The results of the research hypothesis test are presented in the following table:

Table 5. Hypothesis Testing Results

Hypothesis	Original Sample (O)	Predictions	T-Statistic	P-value	Conclussions
H1: CR -> CAA	0.089	Positive	2.473	0.007*	H1 Supported
H2: RA -> CAA	0.113	Positive	3.015	0.001*	H2 Supported
H3: CMPT -> CAA	0.066	Positive	1.943	0.026*	H3 Supported
H4: CX -> CAA	-0.077	Negative	1.928	0.027*	H4 Supported
H5 SC -> CAA	-0.112	Negative	3.057	0.001*	H5 Supported
H6: TMS -> CAA	0.153	Positive	3.899	0.000*	H6 Supported
H7: AR -> CAA	0.005	Positive	0.116	0.454	H7 Not supported
H8: ITC -> CAA	0.046	Positive	1.410	0.079	H8 Supported
H9: ComP -> CAA	0.026	Positive	0.694	0.244	H9 Not supported
H10: TPP -> CAA	0.001	Positive	0.029	0.488	H10 Not supported
H11: CoeP -> CAA	0.103	Positive	2.575	0.005*	H11 Supported
H12: GS -> CAA	0.053	Positive	1.448	0.074**	H12 Supported
H13: PS -> CAA	0.089	Positive	2.294	0.011	H13 Supported

Note: * significant at 5% level,
** significant at 10% level
Source: Primary Data Processed

Of the 13 hypotheses tested, 10 hypotheses proved to be supported. Hypotheses supported by the data include H1, H2, H3, H4, H5, H6, H8, H11, H12. and H13. The other three hypotheses, namely H7, H9, and H10, are not supported. In summary, the findings of this study are (1) Cost reduction, Relative Advantage, Compatibility, Top management Support, IT Competence, Coercive Pressure, Government Support, and Provide support are proven to have a significant positive effect on the adoption of cloud accounting, (2). Complexity and Security Concern have proven to have a significant negative effect on the adoption of cloud accounting. These results show that the higher the Level of Complexity and Security Concern, the adoption of cloud accounting will decrease, and vice versa. And (3) Adequate Resource, Competitive Pressure, and Trading Pressure Partners have not been proven to have a positive effect on the adoption of cloud accounting.

Discussion

The Effect of Cost Reduction on Cloud Accounting Adoption

The results of the analysis show that cost reduction has a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This means that the higher the perception of MSME actors towards cost reduction, the higher the likelihood of MSMEs adopting Cloud Accounting. Cost efficiency is a key factor for MSMEs that are typically small businesses with limited funds to adopt technology, including the adoption of Cloud Accounting. This research is in line with the findings of Ahmed (2020) who stated that cost reduction can significantly reduce the company's operational costs and improve the efficiency of accounting management. This result is also in line with Firdaus (2023) research which states that cost reduction is the main factor for SMEs to switch to

Cloud Accounting solutions, which are cheaper than conventional accounting systems. These results are also in line with the theory developed by Davis et al. (1989) which states that perceived usefulness occurs when a person feels that using certain technology can increase their productivity at work. In this context, cost reduction can increase the perception of the use of the system, so that it will encourage MSME actors to adopt it.

The Effect of Relative Advantage on Cloud Accounting Adoption

The results of the analysis show that relative advantage is proven to have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This means that the greater the relative advantage felt, the higher the adoption of Cloud Accounting by MSMEs. Relative advantage is a driving factor for MSMEs to adopt Cloud Accounting because it is believed to be more efficient, more flexible and accessible in real-time than conventional accounting systems. This is in line with previous research conducted by Mujalli et al. (2024), Pangastuti (2024) and Musyaffi et al. (2025) which states that relative advantage has a significant positive effect on the adoption of Cloud Accounting. These findings are also in line with the TAM theory developed by Davis et al. (1989) which states that perceived usefulness is the main factor in the acceptance of technology. Relative Advantage in this context is interpreted as a tangible form of usability perception, where users believe that the technology will increase their productivity. MSME actors are more likely to use Cloud Accounting when they see the direct benefits of using the technology. In addition, the Diffusion of Innovation (DOI) Theory developed by Rogers (2003) also supports this finding. This theory explains that relative advantage is the main feature of innovation, which determines how much users will adopt the technology. In other words, the more people believe that a technology is better than the previous one, the more likely they are to adopt it.

The Effect of Compatibility on Cloud Accounting Adoption

Compatibility has proven to have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This means that the greater the level of compatibility of Cloud Accounting systems with their needs, the greater they will adopt it. These results are in line with the research of Hamzah et al. (2023) and Tawfik et al. (2023), which states that compatibility has a significant positive effect on the adoption of Cloud Accounting. These results are also in line with the TAM theory developed by Davis et al. (1989), which states that compatibility is an external factor in influencing adoption because it has an impact on the perceived usefulness of the technology. According to the Diffusion of Innovation (DOI) theory developed by Rogers (2003), compatibility is one of the important elements in the adoption of innovation. This shows that MSMEs in Yogyakarta pay close attention to system compatibility for their operations. Therefore, compatibility is an important factor driving them to adopt Cloud Accounting.

The Effect of Complexity on Cloud Accounting Adoption

This study shows that complexity has been proven to have a significant negative effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This means that the higher the level of complexity perceived, the lower the adoption of Cloud Accounting. These findings are in line with research by Mujalli et al. (2024), which states that complexity has a significant negative effect on the adoption of Cloud Accounting. This shows that MSMEs in Yogyakarta consider the level of difficulty in using the system as the main obstacle in adopting Cloud Accounting. These findings are in line with the TAM theory, which states that complex systems tend to make people find it more difficult to use them. Ultimately, this will reduce user acceptance (Davis et al., 1989).

The Effect of Security Concerns on Cloud Accounting Adoption

The results of the analysis show that security concerns have a significant negative effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This shows that the higher the user's

concern about system security, the lower the tendency of MSMEs to adopt Cloud Accounting. From these findings, it can be indicated that MSMEs in Yogyakarta are very concerned about security issues in the use of Cloud Accounting systems.

These results are also in line with research conducted by Chen et al. (2023) which states that security concerns have a significant negative effect on the adoption of Cloud Accounting. MSMEs in the Yogyakarta area have limitations in infrastructure and understanding of technology, so they tend to consider security concerns as an obstacle rather than encouraging them to use Cloud Accounting. This is in accordance with the TAM theory by Davis et al. (1989) which states that when users have a high perception of risk to the system, the benefits felt will decrease. This is because users feel that the risks outweigh the benefits. In other words, security concerns can hinder the perception of the benefits of technology so that it will reduce the adoption of the technology.

The Effect of Top Management Support on Cloud Accounting Adoption

The results of the study show that top management support has proven to have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This means that the greater the support from top management, the more likely MSMEs will adopt Cloud Accounting. These findings show that the support of top management plays an important role in facilitating the decision-making process and implementation of Cloud Accounting. These results are in line with research conducted by Hamzah et al. (2023), which found that top management support had a significant positive effect on the adoption of Cloud Accounting. Mujalli et al. (2024) also show the same results that top management support has a significant positive effect on the adoption of Cloud Accounting. These findings are also in line with the TAM theory by Davis et al. (1989), which states that users tend to adopt systems that they consider to have great benefits and receive social and structural support, namely, company leadership. Therefore, the trust and readiness of the company to accept a new system, such as Cloud Accounting, depends largely on how strong the top management's support is.

The Effect of Adequate Resources on Cloud Accounting Adoption

Based on the results of the hypothesis test, it is shown that adequate resources do not have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. These results are different from the research conducted by Pangastuti (2024) and Hamzah et al. (2023), which states that adequate resources have a significant positive effect on the adoption of Cloud Accounting. The lack of support for this hypothesis is likely due to the existence of MSMEs in Yogyakarta, which tend to be more motivated by the need to survive in the face of competition than by the readiness of internal resources in terms of using technology, especially Cloud Accounting. This is in accordance with research data that most MSMEs in Yogyakarta are included in the classification of micro and small businesses. In line with the TAM theory developed by Davis et al. (1989), which states that users' perception of perceived usefulness and perceived ease of use is more important because it will influence their decision to adopt technology. Therefore, even though MSME business actors already have adequate resources available, it does not necessarily directly encourage them to adopt Cloud Accounting if they do not believe in the benefits and convenience of this technology. Therefore, adequate resources are not the main factor in making decisions to adopt Cloud Accounting by MSME actors in Yogyakarta.

The Effect of IT Competence on Cloud Accounting Adoption

The results of the analysis show that IT Competence does not have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This is in line with the findings of Hamzah et al. (2023), which states that IT Competence does not have a significant positive effect on the adoption of Cloud Accounting. This hypothesis is not supported by this hypothesis, probably because IT Competence is not the main factor influencing the adoption of Cloud Accounting in

Yogyakarta MSMEs, but cost efficiency and ease of use are more considered in the adoption of Cloud Accounting.

The results of this study are not in accordance with the research conducted by Chen et al. (2023) which shows that IT Competence has a significant positive effect on Cloud Accounting. This difference in results is likely due to the research of Chen et al. (2023) focuses on IT manager respondents, while this study uses respondents from MSME owners/managers. The result can be explained through the TAM theory developed by Davis et al. (1989) that the adoption of technology is more influenced by the perceived ease of use. This means that, while IT Competence contributes to the use of technology, MSMEs' decision to use Cloud Accounting is more influenced by the perception that the system is practical and useful than by their own technical capabilities. Therefore, IT Competence is not yet the main factor for users to adopt the system, but rather the perception of the convenience and benefits of the system.

The Effect of Competitive Pressure on Cloud Accounting Adoption

This study shows that competitive pressure does not have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. These findings are also in line with previous studies by Tawfik et al. (2023) which states that competitive pressure does not have a significant positive effect on the adoption of Cloud Accounting. On the other hand, Hamzah et al. (2023) than Chen et al. (2023) shows that competitive pressure has a significant positive effect on the adoption of Cloud Accounting. The lack of support for this fourth hypothesis is because the characteristics of MSME competition in Yogyakarta are still more related to price, location or service, not the use of technology. MSMEs generally prioritize internal efficiency and operational sustainability over technology-based competitive strategies. Therefore, even though MSMEs in Yogyakarta feel pressure from competitors, this does not necessarily mean that they believe Cloud Accounting is useful or easy to use in their business.

The Effect of Trading Partner Pressure on Cloud Accounting Adoption

The results of the analysis show that trading partner pressure does not have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. These results are in line with research conducted by Pangastuti (2024), which states that trading partner pressure does not have a significant positive effect on the adoption of Cloud Accounting. This result is likely due to the fact that most of the trade relationships between business partners in Yogyakarta MSMEs are still traditional, with a low level of digitalization. Digital solutions that require cloud-based integration have not been widely adopted by trading partners, either by suppliers or buyers. Therefore, there are no real benefits for MSMEs to switch to a digital-based system such as Cloud Accounting.

The results of this study may also be due to the fact that MSMEs in Yogyakarta are businesses with traditional trade relations, and the pressure from business partners on the adoption of technology that is still weak will be different from businesses that have implemented a more mature system of digitalization. However, in contrast to Chen et al. (2023), and Hamzah et al. (2023), who found that trading partner pressure has a significant positive effect on the adoption of Cloud Accounting. These differences in results are likely due to the characteristics of respondents, sampling techniques, and different business relationship contexts. Because the respondents from the study Chen et al. (2023) and Hamzah et al. (2023) came from medium-sized businesses and had a high level of digital engagement with business partners, trading partner pressure directly influenced the technology choices adopted.

The Effect of Coercive Pressure on Cloud Accounting Adoption

Coercive pressure has proven to have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This means that the greater the coercive pressure felt, the greater the adoption rate of Cloud Accounting. The adoption of Cloud Accounting by MSMEs is heavily influenced by coercive pressures, such as those from governments, regulators, or tax authorities.

These results are in line with research by Hamzah et al. (2023) and Alshirah et al. (2021) which states that coercive pressure has a significant positive effect on the adoption of Cloud Accounting. Although coercive pressure is coercive, pressure from authorities such as the government and regulators is actually encouraging MSMEs to adopt Cloud Accounting. According to Davis et al. (1989) in TAM theory, coercive pressure can be an external factor that accelerates the formation of usability perceptions because MSME actors believe that complying with the rules will bring benefits such as potential incentives, ease of reporting, and legal compliance. In addition, encouragement from the authorities also forces users to learn, which indirectly increases the perceived ease of use. Therefore, coercive pressure is the most powerful driving factor to foster a positive perception and attitude towards the use of Cloud Accounting.

The Effect of Government Support on Cloud Accounting Adoption

The results of the analysis show that government support does not have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. These findings are in line with research conducted by Chen et al. (2023), which states that government support does not have a significant positive effect on Cloud Accounting. However, research conducted by Hamzah et al. (2023) and Al-sharafi et al. (2023) shows the opposite that government support has a significant positive effect on the adoption of Cloud Accounting. The lack of support for this key hypothesis is because in the Yogyakarta area, the Go Digital SME program, QRIS support, technology-based capital access, digital tax socialization, and general training are the main ways for the government to help MSMEs in their digitalization process. However, the use of Cloud Accounting systems has not been the focus of the government's encouragement. As a result, there is no clear relationship between government support and the accounting needs of MSME actors in Yogyakarta. According to the TAM theory developed by Davis et al. (1989), the perception of usability and the perception of ease of use are not sufficiently influenced by government support in this situation. The lack of dedicated support related to digital accounting systems means that government support for Cloud Accounting technology does not directly affect the perception of usability and ease of use. Therefore, more targeted support is needed to increase the adoption of Cloud Accounting.

The Effect of Providers' Support on Cloud Accounting Adoption

The results of the analysis show that provider support has proven to have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This means that the greater the support from the service provider, the greater the adoption of Cloud Accounting by MSMEs. These findings are in line with previous research by Pangastuti (2024), Chen et al. (2023), and Hamzah et al. (2023), which also found that support providers have a significant positive effect on Cloud Accounting adoption. In accordance with the TAM theory by Davis et al. (1989) states that the perception of usability and the perception of ease of use are influenced by external factors, including the support of service providers. Provider support makes it easier for MSMEs to leverage Cloud Accounting and helps them understand the benefits through technical support, training, and customer service. This encourages the acceptance of the technology and creates a positive perception so that support providers can increase the adoption of Cloud Accounting.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of data analysis, this study concluded as follows:

1. Coercive Pressure, Compatibility, Cost Reduction, Provider Support, Relative Advantage, Top Management Support have proven to have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This shows that the higher the Coercive Pressure, Compatibility, Cost Reduction, Provider Support, Relative Advantage, Top Management Support, the higher the adoption rate of Cloud Accounting in Yogyakarta MSMEs, and vice versa.

2. Complexity and Security Concern have proven to have a significant negative effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This means that the higher the Complexity and Security Concern, the lower the adoption rate of Cloud Accounting in Yogyakarta MSMEs, and vice versa.
3. Adequate Resources, Competitive Pressure, Government Support, IT Competence, and Trading Partner Pressure have not been proven to have a significant positive effect on the adoption of Cloud Accounting in Yogyakarta MSMEs. This means that Adequate Resources, Competitive Pressure, Government Support, IT Competence, and Trading Partner Pressure have not succeeded in driving the adoption rate of Cloud Accounting in Yogyakarta MSMEs.

Research Implications

This research has implications for MSME actors, Cloud Accounting service providers, and the government. For MSME actors, the results of this study have implications in understanding the factors that must be considered when adopting Cloud Accounting. For Cloud Accounting service providers, the results of this research can be used as information to improve technical support, security, and features. The results of this research can also be the basis for training programs and government policies related to the MSME digitalization program.

Limitations and Suggestions

This research has several limitations. This study only discusses MSMEs in the Yogyakarta area, so the results cannot be generalized to MSMEs in other regions in Indonesia with different geographical, cultural, and digitalization characteristics. For the next researcher, it is recommended to conduct research in other regions that have different geographical, cultural, and digitalization characteristics, so that the research results can be generalized widely and represent the condition of MSMEs nationally.

In addition, based on the TAM and DOI framework, this study only examines variables related to technological, organizational, and environmental factors. However, this study has not included variables such as digital literacy and risk perception, both of which can influence the decision of MSME actors in using Cloud Accounting. Therefore, researchers are further advised to add other variables such as digital literacy and risk perception. Digital literacy is related to the extent to which MSMEs can understand and use technology in their businesses. Meanwhile, risk perception is related to the fear or doubt of business actors about possible losses when using Cloud Accounting, such as the risk of data leakage or difficulties in operating the system.

REFERENSI

Abed, S. S. (2020). Social commerce adoption using TOE framework: An empirical investigation of Saudi Arabian SMEs. International Journal of Information Management, 53(October 2019), 102118. https://doi.org/10.1016/j.ijinfomgt.2020.102118

Ahmed, P. I. (2020). Reducing Costs by the Use of Cloud Accounting. Journal of Arts, Literature, Humanities and Social Sciences, 54, 464–480. https://doi.org/10.33193/jalhss.54.2020.150

Al-Sharafi, M. A., Iranmanesh, M., Al-Emran, M., Alzahrani, A. I., Herzallah, F., & Jamil, N. (2023). Determinants of cloud computing integration and its impact on sustainable performance in SMEs: An empirical investigation using the SEM-ANN approach. Heliyon, 9(5), e16299. https://doi.org/10.1016/j.heliyon.2023.e16299

Alshirah, M. H., Lutfi, A., Alshira'h, A. F., Saad, M., Ibrahim, N. M. E. S., & Mohammed, F. M. (2021). Influences of the environmental factors on the intention to adopt cloud based accounting information system among SMEs in Jordan. Accounting, 7(3), 645–654. https://doi.org/10.5267/j.ac.2020.12.013

Chen, M., Wang, H., Liang, Y., & Zhang, G. (2023). Net and configurational effects of determinants

on cloud computing adoption by SMEs under cloud promotion policy using PLS-SEM and fsQCA. Journal of Innovation and Knowledge, 8(3), 100388. https://doi.org/10.1016/j.jik.2023.100388

Badan Perencanaan Pembangunan Daerah Daerah Istimewa Yogyakarta. (2025). *Aplikasi Dataku Daerah Istimewa Yogyakarta.* https://bapperida.jogjaprov.go.id/dataku/data_dasar/cetak/107-umkm

Davis, F. D., Bagozzi, R. P., & Warshaw, P. R. (1989). User Acceptance of Computer Technology: A Comparison of Two Theoretical Models. Management Science, 35(8), 982–1003. https://doi.org/10.1287/mnsc.35.8.982

Firdaus, S. B. (2023). Analisa Keberterimaan UMKM atas Adopsi E-Accounting: Pendekatan Technology, Organizational, and Environment (TOE) Framework.

Ghozali, I., & Latan, H. (2015). Konsep, Teknik, Aplikasi Menggunakan Smart PLS 3.0 untuk Penelitian Empiris. Semarang: BP UNDIP

Hair, J. (2022). Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R.

Hamzah, A., & Dadang Arifin, A. Z. (2023). Factors Affecting Cloud Accounting Adoption In SMEs. Jurnal Akuntansi, 27(3), 442–464. https://doi.org/10.24912/ja.v27i3.1520

Hamzah, A., & Suhardi, D. (2019). Tingkat Literasi Keuangan Dan Financial Technology Pada Pelaku Usaha Mikro, Kecil, Dan Menengah (Umkm) Kabupaten Kuningan. Jimfe (Jurnal Ilmiah Manajemen Fakultas Ekonomi), 5(2), 97–108.

Harfie, A. P., & Lastiati, A. (2022). Adopsi Penggunaan E-Commerce Terhadap Kinerja Umkm (Pada Usaha Mikro, Kecil, Dan Menengah Di Dki Jakarta). Jurnal Akuntansi Dan Keuangan, 11(1), 21. Https://Doi.Org/10.36080/Jak.V11i1.1700

Jogiyanto, H. M. (2007). Sistem Informasi Keperilakuan. Yogyakarta: Andi Offset.

Mahardhika, A. S., & Siahaan, N. H. (2024). Adaptation Of Cloud Accounting In Smes : Institutional Isomorphism Perspective. Jaim: Jurnal Akuntansi Manado, 5(3), 734–744.

Mujalli, A., Wani, M. J. G., Almgrashi, A., Khormi, T., & Qahtani, M. (2024). Investigating the factors affecting the adoption of cloud accounting in Saudi Arabia's small and medium-sized enterprises (SMEs). Journal of Open Innovation: Technology, Market, and Complexity, 10(2), 100314. https://doi.org/10.1016/j.joitmc.2024.100314

Nur, M., & Rasyid, F. (2024). Determinan yang Mempengaruhi Minat UMKM Terhadap Penggunaan Cloud accounting. PERMANA : Jurnal Perpajakan, Manajemen, Dan Akuntansi, 16(2).

Pangastuti, Dyah Ajeng., F. A. (2024). Factors Affecting Cloud Accounting Adoption In SMEs. Jurnal Akuntansi, 27(3), 442–464. https://doi.org/10.24912/ja.v27i3.1520

Rahayu, I., Kharisma, D. A.N., Setyono, P., Cahyawati, N.E. (2023). Investigasi Faktor yang Mempengaruhi Minat UMKM Menggunakan Cloud Accounting, JABIS: Jurnal Aplikasi Bisnis, 20 (1) 312-322.

Ritchi, H., Yahya, B., Roshi Dwiokta, & Sugianto, L. P. M. (2024). Driving Factors of Cloud Accounting Implementation in Small and Medium Enterprises (SMEs): Evidence from Indonesia. Indonesian Journal of Information Systems, 6(2), 140–155. https://doi.org/10.24002/ijis.v6i2.6827

Rogers, E.M. (2003.) Diffusion of Innovations, 5th edition, Amazon

Sastararuji, D., Hoonsopon, D., Pitchayadol, P., & Chiwamit, P. (2022). Cloud accounting adoption in Thai SMEs amid the COVID-19 pandemic: an explanatory case study. Journal of Innovation and Entrepreneurship, 11(1). https://doi.org/10.1186/s13731-022-00234-3

Seseli, E. M. I., Risakotta, K. A., & Bawono, A. (2023). The Role of Accounting Digitization in Entrepreneurial Success in West Java : Quantitative Study of Efficiency, Accuracy, Cost Reduction, Customer Satisfaction, and Data Security. The ES Accounting And Finance, 1(02), 82–94. https://doi.org/10.58812/esaf.v1i02.65

Setiawan A., Praptiningsih, P., and Matondang, N. (2020). Studi Literatur Tentang Cloud Accounting. Equity, 23(2), 189-200. DOI: 10.34209/equ.v23i2.2236

Sriningsih, E., F. (2024).Faktor-Faktor Yang Mempengaruhi Penerapan Digital Accounting Pada UMKM Kota Makassar.YUME: Journal of Management, 7(2), 1243-1249.

DOI: https://doi.org/10.37531/yum.v7i2.7220

Tawfik, O. I., Durrah, O., Hussainey, K., & Elmaasrawy, H. E. (2023). Factors influencing the implementation of cloud accounting: evidence from small and medium enterprises in Oman. Journal of Science and Technology Policy Management, 14(5), 859–884. https://doi.org/10.1108/JSTPM-08-2021-0114

Ullrich, N., Piontek, F. M., Herrmann, C., Saraev, A., & Viere, T. (2022). Estimating the resource intensity of the Internet: A meta-model to account for cloud-based services in LCA. Procedia CIRP, 105(March), 80–85. https://doi.org/10.1016/j.procir.2022.02.014

Wang, Z., Wang, N., Su, X., & Ge, S. (2020). An empirical study on business analytics affordances enhancing the management of cloud computing data security. International Journal of Information Management, 50(September), 387–394. https://doi.org/10.1016/j.ijinfomgt.2019.09.002

Zhang, M., Ye, T., & Jia, L. (2022). Implications of the "momentum" theory of digitalization in accounting: Evidence from Ash Cloud. China Journal of Accounting Research, 15(4), 100274. https://doi.org/10.1016/j.cjar.2022.100274