



Received: 24-01-2024  
Accepted: 04-03-2024

## International Journal of Advanced Multidisciplinary Research and Studies

ISSN: 2583-049X

### Organization of Accounting in the Context of Digital Transformation at Small and Medium Enterprises in the Northern Region of Vietnam

<sup>1</sup> Phan Thi Thu Mai, <sup>2</sup> Le Thi Thanh Huong  
<sup>1,2</sup> University of Labor and Social Affairs, Hanoi, Vietnam

Corresponding Author: **Phan Thi Thu Mai**

#### Abstract

The organization of accounting in enterprises begins with the organization of the accounting department, followed by the organization of accounting duties to carry out the tasks of the accounting department in the system of departments of the management apparatus in the enterprise. The organization of accounting has specific requirements, principles, and foundations. The contents of the organization of accounting (organization of accounting department, organization of accounting duties) are consistent; however, the organization of accounting will be different between enterprises. Along with the development of science and technology and the Fourth Industrial Revolution, digital transformation is an inevitable trend, and all aspects of enterprise operation are affected by this trend. Accounting is a field that is greatly affected by digital transformation, and

the most recognizable change is in the organization of accounting. The workload of accounting in enterprises changes, along with some management requirements and the means of performing accounting work, so the contents of the organization of accounting will also change. This article focuses on studying the current status of the organization of the accounting department; the status of accounting labor and the organization of accounting labor as well as the status of the organization of accounting duties in the context of digital transformation at small and medium-sized enterprises in the Northern region. With these bases, the article proposes recommendations on the aspect of organizing accounting in the context of digital transformation at these enterprises.

**Keywords:** Digital Transformation, Accounting Organization, Organization of Accounting Department, Organization of Accounting Duties

#### 1. Problem Statement

The rapid and strong development of science and technology has fundamentally and comprehensively changed the operations of enterprises in general and activities in the accounting field in particular. These changes bring significant benefits to businesses, not only increasing productivity but also improving and optimizing the efficiency of resource use. In accounting, digital transformation is essentially the application of technology to accounting activities. The application of technology has a strong impact on the quantity, structure of accounting workforce, and especially on the qualification requirements and organization of accounting labor in enterprises. Currently, enterprises have been implementing digital transformation in accounting, the organization of accounting that is being carried out on the basis of digital transformation has achieved initial results. However, it still needs the cooperation of many parties and the enterprise itself to implement effectively and synchronously.

#### 2. Overview of the Study

Digital transformation is an inevitable trend in today's era, and it is also an opportunity for businesses to make a breakthrough in the fourth industrial revolution. Digital transformation is "a process that aims to improve an entity by triggering significant changes to its properties through combinations of information, computing, communication, and connectivity technologies" (Gregory Vial, 2019) [7]. Some common technology platforms used in digital transformation include: (1) Big Data; (2) Internet of Things (IoT); (3) Artificial Intelligence (AI); (4) Cloud Computing; (5) Blockchain.

Digital transformation affects many areas of business operations, including accounting, which is a heavily affected area. "Digital transformation in the field of accounting and auditing can be simply understood as the application of digital

technologies to accounting and auditing tasks, helping accounting and auditing tasks to be conducted quickly and effectively while still optimizing and saving labor, time and costs for businesses" (Quyen, T. T, 2022). Accounting is an important part of the management apparatus of an enterprise, and accounting information plays an important role in the decisions of managers. Digital transformation will change the daily operations in the accounting department by the application of digital technology.

With the application of artificial intelligence (AI), the workflow, data collection and processing are automated, which significantly reduces the workload of accountants. Accounting duties can be done anywhere, securing customer data and tracking suppliers can be done easily through the application of cloud computing.

The application of Big Data technology makes the information provided by accountants more objective and timelier, providing more valuable multi-dimensional information. "Big Data-based accounting is significantly useful in decision-making and brings positive results for businesses. The combination of Big Data, information technology and accounting processes is an important factor in establishing and maintaining a competitive advantage for businesses themselves. Big Data is gradually becoming a useful tool that businesses are and will be using. Because the benefits of Big Data are demonstrated through the way data is accumulated and recorded, the way data is used to achieve organizational goals, and the way business transactions are processed and aggregated to create financial statements" (Phuong, H.T.T, Anh, V.T, 2023).

The Internet of Things (IoT) helps the accounting process to be carried out in real time, accounting data is connected to each other to ensure accuracy. In particular, the application of Blockchain technology through the use of distributed ledgers, transactions are carried out in a safe and reliable manner. "Instead of companies independently storing and managing data records, Blockchain will automatically record the transaction information of both parties in a public ledger (Huong, T.T. & The, V.T., 2023).

Research on digital transformation in general and digital transformation in accounting has been mentioned by many authors in research papers. In which, researches mainly focus on the impacts as well as the development trend of accounting in the context of digital transformation, concurrently indicate the requirements for accounting and accounting labor: According to the research by author Huynh Thi Thuy Phuong: Big Data when applied in the field of accounting helps businesses reduce data storage and calculation costs, storing large amounts of data becomes easier and less expensive. The volume of Big Data is increasing, along with cheaper and more accessible prices. From there, businesses can make better and more accurate decisions, help manage risks and analyze customer needs, thereby creating policies and products that attract customers (Phuong, H.T.T, Anh, V.T, 2023). In her research, the author Tran Thi Huong mentioned in general: The trend of the accounting industry when applying advanced technology, the working environment of accounting - auditing in the digital era, the direction to develop the competitiveness of individuals, accounting - auditing organizations. The author also analyzed and evaluated the impact of technology on accounting and auditing and identified the conditions for applying technology in accounting duties. The author proposed solutions to improve

the quality of accounting - auditing, helping individuals and organizations improve their competitiveness in the field of accounting - auditing in the era of the Fourth Industrial Revolution (Huong, T.T. & The, V.T., 2023). In the study "Accounting in the digital economy", the author Le Quoc Diem analyzed and pointed out the challenges for accounting in the digital economy, thereby clarifying the skills and abilities required for accountants in that context (Le Quoc Diem, 2022)<sup>[3]</sup>.

Regarding the organization of the accounting department, in the study "The current status of the organization of the accounting department at small and medium enterprises in Can Tho" by Ha My Trang, Vo Thi Huyen, *et al.* (2023), the authors focused on the organizational model of the accounting department, the management accounting department, and the organization of accounting personnel. The authors also proposed solutions for the organizational model of the accounting department and the problem of concurrent positions in the accounting department. However, the study did not consider the context of digital transformation in accounting. In the study "Organization of accounting in the context of digital transformation", authors Phan Thi Thu Mai and Le Thi Thanh Huong (2023) discussed the aspects of accounting organization in the context of digital transformation. However, the research on organization of accounting only stopped at the theoretical level; therefore, a practical study and proposing solutions on organization of accounting in small and medium enterprises in the Northern region is necessary and meaningful.

### 3. Research Method

This study uses a qualitative research method, including: Synthesizing theories and research results from domestic and foreign documents related to digital transformation in general and in accounting. To collect data about organization of accounting in enterprises, the authors conducted a survey using a questionnaire for 300 accountants and chief accountants and received 256 valid answers. To assess the current status of the organization of accounting at the surveyed entities, the authors used the Likert 5-point scale with 1 - Strongly Disagree, 5 - Strongly Agree. The authors also performed descriptive statistics, calculated mean and frequency. The meaning of each level is:

- 1.00 - 1.80: Strongly disagree/ Strongly dissatisfied/ Very unimportant...
- 1.81 - 2.60: Disagree/ Dissatisfied/ Unimportant...
- 2.61 - 3.40: Neutral...
- 3.41 - 4.20: Agree/ Satisfied/ Important...
- 4.21 - 5.00: Strongly agree/ Strongly satisfied/ Very important...

The author included questions about general information, about the current state of organization of accounting, and businesses' perspectives on digital transformation in the survey. Regarding the current state of organization of accounting, the author designed questions related to the following sections: Volume of accounting duties, accounting labor and its organization, accounting department organization model, equipment of facilities for the accounting department, and the level of information technology application in the accounting department. The survey results were classified, the data was cleaned, and the SPSS26 software tool was used to analyze the data using

descriptive statistics. The authors assessed the current state based on the data analysis results, and then made comments and assessments on the current state of the accounting department organization at the surveyed enterprises. These assessments are the basis for proposing solutions for businesses in the Northern region.

#### 4. Research Results and Proposals

##### 4.1 Research Results

The survey results of small and medium enterprises in the Northern region show the following current status of accounting organization:

**Accounting department organizational model:** Enterprises use the Centralized model (60%) and Decentralized model (40%)

**Accounting workforce and labor organization:** The survey result shows that the accounting workforce has low seniority, and mainly consists of young workers: 90.7% of accountants in the surveyed enterprises are trained in accounting with the mean value of 4.07. 92% have a bachelor's degree, 8% have a master's degree. 46.7% have worked for less than 5 years, 36.7% have worked for 5 to 10 years, and the remaining 16.7% have worked for more than 10 years. This structure is currently relatively consistent with the view of business managers that young employees are more receptive to digital transformation, with the mean value of 3.91 and 74% of respondents agreeing and strongly agreeing with this view. However, with the mean value of 3.45, companies are not really confident about the level of response of accountants to digital transformation, as only 50.7% of respondents agree and strongly agree that accounting staff can meet the requirements of digital transformation. The professional expertise of the accountants is quite comprehensive: Accountants at the surveyed enterprises are all proficient in information technology and can use accounting software with the mean value of 3.82 and 3.84. With the mean value of 3.8, accountants are all assigned tasks that match their capabilities, but only 40.6% agree that accounting staff only focus on their professional tasks and do not hold concurrent positions. In terms of further training, only 26% of respondents said they regularly receive training to improve their qualifications, with the mean value of 3.08.

**Organization of accounting duties:** In the context of digital transformation, the organization of accounting duties at the surveyed entities has been adjusted based on the actual workload. Due to the common characteristics of small and medium enterprises, with the mean value of 4.1 and 82.7% of respondents said that the arising transactions are relatively simple but occur frequently. With the mean value of 2.9, only 27% of entities have several complex transactions that require a lot of processing time; at the same time, 29.3% of companies have many activities, so the number of accounts is large. According to the survey results, because of the small number of accountants in enterprises, 78.1% of the accounting staff surveyed said that they are overloaded with their current workload.

**Organization of accounting duties:** In the surveyed enterprises, accountants are all proficient in information technology and can use accounting software. With the mean value of 3.9, most companies perform accounting work on accounting software; however, the internet connection is not strong enough and the accounting software does not allow users to access it anytime, anywhere. With mean values of

3.2 and 3.4, respectively, only 34% of respondents said that the company has a strong enough internet connection, and only 37.3% of companies have accounting software that allows users to access it anytime, anywhere. Accounting work is still carried out mainly in the company's accounting department, only 8.7% of the enterprises are able to work online with a mean value of 2.7. With mean values of 2.6 and 3.0, the collection, processing of documents, bookkeeping and financial reporting are not yet carried out through digital applications. Only 10% said that the company has an automatic document collection process through artificial intelligence applications. Only 1.3% of companies do accounting work through digital technology applications such as IoT, Big Data, Cloud Computing; the use of distributed ledgers based on Blockchain technology is also limited, with only 0.7% of companies using it. The majority of accounting documents are still stored manually, with only 14.7% of companies storing documents on Cloud and Drive.

**Infrastructure for the accounting department:** According to the survey results, with a mean value of 3.8, 73.3% of the surveyed entities have a separate working room for the accounting department. Although all enterprises see the need for digital transformation in accounting, with a mean value of 4.06 and 78% of enterprises saying that digital transformation in accounting is necessary, 56% of the surveyed enterprises have equipment that is not modern enough to meet the requirements of accounting work. 63.3% said that the equipment serving accounting duties has not been regularly upgraded and repaired.

##### 4.2 Proposals and Conclusions

In order for small and medium enterprises in the Northern region to keep up with the digital transformation process in general and in accounting, in terms of accounting department organization, the authors have the following suggestions:

**On accounting labor organization:** First, enterprises need to rebuild the job positions of the accounting department and flexibly use software to reduce work overload for accountants.

**On the issue of accountants' qualifications:** This is an issue that enterprises need to pay close attention to. For existing accountants, it is necessary to update and continuously improve professional knowledge and skills to adapt to working in the context of digital transformation. For newly recruited accountants, it is necessary to build requirements on professional skills as well as knowledge and skills on information technology to meet the requirements of digital transformation, avoiding the need for retraining. At the same time, enterprises need to invest in accounting labor that can meet the requirements of digital transformation, organize professional training for the workforce through professional training courses from educational and vocational organizations, and have policies to support and encourage employees to regularly study and improve their professional qualifications. Enterprises also need to pay attention to selecting high-quality accountants who can master and use digital technologies in the accounting field.

*The conditions of infrastructure and technology serving the accounting department need to be improved in the direction of applying digital technologies. It is not advisable to organize the model of accounting rooms with bulky systems*

of tables, chairs, cabinets, and equipment. Instead, they should be altered to simple workspaces with flexible network connectivity, and accountants can work anywhere, not necessarily in the accounting department. At the same time, enterprises also need to research and invest in applying online accounting software to gradually approach digital technology; apply sales support software and enterprise management software to create a favorable stepping stone for comprehensive digital transformation in business operations.

In order for small and medium enterprises in the Northern region to be able to implement the above solutions, the author believes that the participation of enterprises, workers, and the support of all levels, sectors, and society as a whole are necessary. Specifically:

**On the part of enterprises:** Enterprises need to equip themselves with synchronous infrastructure and technology to meet the requirements of digital transformation in general and in accounting in particular. Managers need to have a more comprehensive view and especially recognize the role and benefits of digital transformation in general and in accounting in particular to have reasonable investment decisions for digital transformation to serve the business operations. According to the survey results, the participation of enterprises is certain, because the majority of surveyed enterprises recognize the importance of digital transformation in accounting. With mean values of 3.81 and 3.97, enterprises believe that digital transformation in accounting is consistent with the company's development orientation and digital transformation will bring many benefits and meet integration requirements. However, enterprises also need to allocate more resources for digital transformation, with a mean value of 3.37, 47.4% of enterprises have financial arrangements and necessary conditions for digital transformation.

**On the part of workers:** Accounting staff themselves also need to update their knowledge and continuously improve their professional knowledge and skills to be able to adapt to work in the context of digital transformation. In addition, workers in other departments throughout the enterprise also need to constantly train and improve their knowledge of digital transformation in general for better coordination when digital transformation is implemented extensively in all business activities.

*Social assistance* is also a very important factor determining the success of the digital transformation process in these enterprises: Promote propaganda and training on knowledge of digital transformation and digital transformation in accounting for the accounting workforce in general through methods such as: Updating knowledge within the accounting department at enterprises; incorporating digital transformation into universities so that the accounting workforce can grasp issues of digital transformation in accounting and proactively access knowledge of digital technology for practical work.

**Finally, an indispensable factor is the legal framework:** This is an issue of concern for businesses in digital transformation. With an average value of 3.9, there are regulations on the use and storage of electronic documents; with an average value of 3.6, a large number of enterprises have proactively developed regulations to serve digital transformation. However, regulations on information security and safety also need to be clearly defined, so that enterprises will be more proactive in implementing digital

transformation in general and digital transformation in the organization of accounting in particular.

Digital transformation in accounting organization is inevitable for businesses in general and small and medium enterprises in the Northern region in particular. Although digital transformation is currently being implemented, it takes time and gradual improvement of the legal framework; improvement of the quality of accounting labor; investment in infrastructure and equipment to carry out synchronously and achieve the requirements set out.

## 5. References

1. Ha MT. The current status of the organization of the accounting department at small and medium enterprises in Can Tho. *Journal of Financial - Marketing Research*. 2023; 14(73):P1. [Http://jfm.ufm.edu.vn](http://jfm.ufm.edu.vn)
2. Huynh TTP, Vu TTA. Big Data - Impact on the accounting field, Digital transformation in the field of accounting, auditing and finance - Banking in Vietnam, 2023, Hanoi, 2023.
3. Le QD. Accounting in the digital economy, Development of accounting and auditing services in the current period, 2022, Ho Chi Minh City, 2022.
4. Phan TTM, Le TTH. Organization of accounting in the context of digital transformation, Digital transformation in Vietnamese enterprises: Theoretical and practical issues, 2023, Hanoi, 2023.
5. Tran TH, Vu TT. Accounting in the context of the Fourth Industrial Revolution, Digital transformation in the field of accounting, auditing and finance - Banking in Vietnam, 2023, Hanoi, 2023.
6. Tran TQ. Solution for digital transformation in accounting - auditing in Vietnam, *Finance Journal*, 2022. Accessed from: [<https://tapchitaichinh.vn/giai-phap-chuyen-doi-so-trong-linh-vuc-ke-toan-kiem-toan-tai-viet-nam.html>]
7. Gregory Vial. Understanding digital transformation: A review and a research agenda. *The Journal of Strategic Information Systems*. 2019; 28(2). Accessed from: [<https://www.sciencedirect.com/science/article/abs/pii/S0963868717302196>]