1. INTRODUCTION

1.1 Research Background

The world is experiencing a huge change triggered by the widespread influence of digital technologies. Nearly every part of our lives has been impacted by this change, including how we interact, access information, manage businesses, and handle finances, which is crucial for decision-making. As far as we know, there hasn't been much talk across different fields about digital transformation. We see digital transformation as a change in how a company uses digital tech. The transformation of business models in the digital realm is key to creating and obtaining more value for the company (Kane et al., 2015; Schallmo et al., 2017).

The business landscape, especially in the banking industry, has been massively impacted by digital transformation. The banking sector has rapidly adapted to digital technologies, reshaping its fundamental operations and emphasizing the broader influence of technology on the industry. Digital technologies have permeated every aspect of banking, from customer service and transactions to risk management and regulatory compliance. Mobile banking apps, online platforms, and digital payment systems have become ubiquitous, changing the way customers interact with banks. This rapid adaptation reflects the industry's recognition of the broader influence of technology on financial services (Yulisfan et al., 2021).

Digital Accounting Systems (DAS) has become crucial in redefining the banking sector. DAS facilitates real-time insights, risk management, and operational efficiency. It plays a key role in enhancing the accuracy and efficiency of decision making processes within the banking industry. With DAS, financial data is processed and stored digitally, reducing risks of eros and ensuring a highly accurate database for decision making. The real-time results of DAS helps banks to respond quickly to market changes and make informed decisions based on up to date information of financial insights. This transformation is not just a technological upgrade but a fundamental change in how financial institutions approach their decision making processes (Napitupulu, 2020).

The significance of Digital Accounting Systems (DAS) in decision-making processes by individual decision makers cannot be overstated. As organizations increasingly rely on technology to manage financial data, DAS provides decision makers with timely, accurate, and comprehensive information for informed decision-making. Through features such as real-time reporting, data analytics, and automated processes, DAS streamline accounting tasks, enhance efficiency, and enable decision makers to assess financial performance effectively (Olawumi et al., 2020). Moreover, DAS facilitates collaboration and communication among stakeholders by providing access to centralized and up-to-date financial information (Shahin, 2019). By leveraging DAS capabilities, individual decision makers can identify trends, forecast future outcomes, and devise strategic plans to achieve organizational objectives (Olawumi et al., 2020). Thus, DAS plays a crucial role in empowering decision makers with the necessary tools and insights to navigate complex financial landscapes and drive success in today's digital age.

Within the banking sector, traditional accounting processes, there's a transformation driven by advanced digital technology significantly as banks increasingly adopt digital tools and systems to manage financial data and operations, facilitating more efficient, accurate, and timely financial management. As Indonesia's banking sector undergoes significant changes in the era of digital transformation, the impact of DAS on decision making processes becomes highly relevant. The presence of intense competition, diverse customer demographics, and evolving regulatory frameworks in Indonesia provides a rich environment for studying the effectiveness of DAS (Anggoro et al., 2020).

According to a survey by APJII, 79% of respondents utilized the internet for online transactions, and 72% engaged with digital financial services (BI, 2022). The increasing adoption of digital financial services in Indonesia reflects a growing recognition of the crucial role that Digital Accounting Systems (DAS) play in providing real-time insights, improving risk management, and ensuring operational efficiency within the dynamic Indonesian banking landscape.

PT Bank Mandiri Tbk has utilized digital technology as a strategic solution to overcome challenges associated with the speed of decision-making for identifying customer risk profiles. The bank is actively prioritizing the acceleration of the loan restructuring process and has implemented analytical tools to make the loan restructuring process faster. These tools are crucial parts that strengthen the Digital Accounting System (DAS). They not only speed up financial decision processes but also actively enhance the overall accuracy of decision-making. As a result, Mandiri has attained rapid data analysis capabilities, managing over 100 million data records daily, demonstrating its commitment to efficiency and technological innovation. (CNBC, 2020). PT Bank Mandiri Tbk holds the position of being the second-largest financial institution in Indonesia based on its total assets and one of the five most used banks by the public from 107 banks in Indonesia (Yoga, 2020; IDX Channel, 2022)

Indonesia, as one of the world's largest emerging economies, stands out due to its diverse populations, economic growth, and rapid adoption of digital technologies. The banking industry in Indonesia has witnessed substantial growth and transformation, making it an ideal case study to understand the role of DAS in facilitating precise data management and strategic decision making across various banking models.

The increasing emphasis on digitalization within the banking industry has spurred a transformation in the accounting systems of banks. This shift has been driven by various factors, including the regulatory focus on the significance of Digital Accounting Systems (DAS), exemplified by the attention given by regulatory bodies like the central bank (BI). Additionally, the global pandemic has significantly amplified the urgency for digitalization across sectors (Moridu, 2023).

The blueprint of the Digital Banking Transformation is formulated as a policy to accelerate digital transformation in the banking sector. This blueprint (back-end) focuses on five main elements that provides the digitization policy for banking, including guidelines for implementing data, technology, risk management, collaboration, and institutional arrangements in the banking industry. These five elements outline strategic measures aimed at motivating the banking sector to develop creative financial products and services that align with consumer expectations and prioritize a customer-centric approach (front-end). Some aspects to be considered include consumer engagement with banking services, consumer satisfaction with banking services (customer experience), consumer willingness to promote banking services to others (customer insight), consumer trust and perception of banking services (customer trust and perception), and ease of access for consumers with disabilities (OJK, 2021).

The Financial Services Authority (OJK), as an independent institution that regulates the Indonesian banking industry, underlines the importance of developing a stable and sustainable banking sector. This development must be carried out carefully to prevent disruption and ensure healthy growth, support national economic growth, and improve community welfare. The challenges faced by the banking sector are increasingly complex due to the impact of the Covid-19 pandemic, social restriction policies, and the dynamics of rapid changes in the economy and digital finance. In facing this challenge, OJK formulated the Indonesian Banking Development Roadmap 2020-2025 (RP2I). This RP2I aims to strengthen national banking in the next six years by focusing on short-term development to accelerate economic recovery due to the pandemic, as well as structural development to build resilience, competitiveness and a greater contribution to the national economy. RP2I sets out four main development directions, including strengthening banking structures, speeding up digital changes to highlight how important banks are for the country's economy, and improving regulations. Apart from that, RP2I also includes four supporting elements such as leadership, technological infrastructure, human resources, and collaboration between stakeholders. This document is dynamic and can be adjusted according to industry developments, requiring relevant and timely policy responses to support national banking competitiveness (OJK, 2021).

The surge in the demand for digitalization has naturally led to the digitization of various systems, including decision-making processes. This increased reliance on digital platforms and technologies not only streamlines operations but also facilitates more efficient and data-driven decision-making within banks.

The evolving landscape of banking, especially in response to regulatory attention and the imperative for digital transformation brought about by the pandemic, has necessitated a reevaluation and restructuring of accounting systems. This adaptation to digital tools and systems not only meets regulatory requirements but also enhances the overall agility and responsiveness of banks in catering to the changing needs of customers in an increasingly digital world.

Nearly 90% of consumers in the region are actively engaging in digital banking, indicating a significant increase in adoption. In Indonesia, around 78% of customers are actively using digital banking, a notable increase from 57% in 2017, emphasizing a shift from cash expenditures to a heavy reliance on digital payment methods (McKinsey, 2021)

The banking industry in Indonesia is characterized by diversity, encompassing traditional banks, digital banks, and fintech startups. This diversity represents unique opportunities to explore how DAS affect actor’s decision making across different banking models, contributing valuable insights to the digital transformation in emerging economies.

This study posited that the integration of Digital Accounting Systems (DAS), as advocated in recent research by Al-Okaily et al. (2022), holds promise for enhancing decision-making quality. DAS, which encompasses Data Quality, Information Quality, and System Quality, was perceived as a mechanism to bolster the efficiency of decision-making processes.

The accuracy and reliability of data establish a strong foundation for decision-makers, minimizing errors and building confidence in the information at hand. Additionally, data quality enhances the relevance of information in decision-making, ensuring alignment with the specific context and helping more informed decisions. Moreover, the more data the company has, the more their ability to understand the situation data, mitigating the risk of missing important details and supporting a better decision-making process. A positive impact of data quality on decision making with users prioritizing data quality to achieve better performance outcomes.

High-quality information serves to elevate the quality of decision-making. When decision-makers have access to accurate and trustworthy information, it minimizes errors and enhances effectiveness. Users gain tangible advantages when they prioritize and invest in maintaining quality of the information.

Efficient and well designed systems help to reduce complexity of accessing and interpreting data. Enable users to analyze information more effectively. When a system is able to facilitate real time access to information, allowing decision makers to benefit from up to date data and enabling quick response to changes. A positive impact well designed and reliable system improves decision accuracy. When data quality is high, and systems are efficient the resulting information is more likely to be of high quality. Positively affects decision making quality outcomes.

The absence of a supportive culture for the utilization of DAS in DMQ indicates that in such circumstances, the implementation of DAS does not significantly influence DMQ. This observation underlines a critical point regarding the impact of culture on the effectiveness of DAS in enhancing decision-making processes.

The novelty of this research lies in its comparative analysis between the findings of Manaf Al-Okaily's research in Jordanian context and the present study conducted in Indonesia. Moreover, this study addresses an underexplored aspect within the Indonesian banking context, highlighting the unique dynamics and challenges specific to this setting.

The perception of decision makers within the banking sector in Indonesia regarding Digital Accounting Systems remains ambiguous. Despite the increasing integration of technology in financial processes, there exists a lack of consensus regarding the effectiveness, reliability, and sustainability of these systems.

Furthermore, the research explores how the analytical decision-making culture acts as a moderator, influencing the relationship between IQ and DMQ, which forms the crux of the third problem formulated in this study. This investigation delves into the intricate interplay between culture, IQ, and DMQ, shedding light on the nuanced nuances that impact decision-making effectiveness within the banking sector.

1.2 Problem Formulation

1. Does Digital Accounting System Influence Individual Decision Making Quality of Banks in Indonesia?

2. Does Information Quality mediate Data Quality and System Quality effects on Decision Making Quality in the Indonesian banking sector?
3. Does Analytical Decision Making Culture moderate Information Quality effects on Decision Making Quality?

1.3 Research Objectives

1. To investigate the impact of Digital Accounting System on individual decision making within Indonesia banks
2. To analyze whether Information Quality mediates the effect of Data Quality and System Quality on Decision Making in the Indonesian banking industry
3. Examine how Analytical Decision Making Culture moderates the effect of Information Quality on Decision Making Quality in the Indonesian banking industry

1.4 Research Contribution

1. For banks, this research provides insights on how Digital Accounting Systems can improve individual or user Decision Making Quality from better Data Quality, and lead to more accurate, efficient outcomes and gain competitive advantage.
2. For the public, this research introduces new knowledge by learning the adoption of Digital Accounting System, impact on Decision Making Quality.