
Ethical Challenges in Accounting Practice in the Digital Age

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ABSTRACT

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This research explores the ethical challenges faced by accounting practitioners in the digital age, particularly in relation to the use of automation and artificial intelligence. The objective of the study is to identify these ethical challenges and provide recommendations to overcome them. A qualitative approach was used, with data collected through semi-structured interviews with accounting professionals. The findings highlight that a lack of understanding of the ethical implications of technology can lead to unethical practices, diminishing transparency and accountability. Moreover, continuous education and training, a clear code of ethics, and an organizational culture that supports ethics are crucial for integrating ethical principles into accounting practices. The study emphasizes that the ethical challenges in accounting practices within the digital era are complex and require urgent attention. It suggests that integrating ethical principles into technology use should be prioritized by accounting professionals. This research offers practical guidance for organizations to develop effective ethics education programs and foster an environment that promotes integrity, ensuring that accounting practices remain ethical and responsible amidst technological advancements.

INTRODUCTION

The development of digital technologies has brought about substantial transformations in accounting practices, driving the adoption of cloud-based software systems, automation, and artificial intelligence (AI) (Ahmad Junaidi et al., 2023; Aziz et al., 2024; Rahman & Andya, 2023). This transformation, while improving efficiency and accuracy, also raises complex ethical challenges, including issues of transparency, accountability, and data integrity (Gaffar et al., 2024; Hasanah, 2024; Salsabila et al., 2024). Unethical accounting practices can result in significant financial impact and damage the reputation of the organization.

The urgency of this research lies in the need for an in-depth understanding of the ethical challenges faced by the accounting profession amidst technological advancements. With the increasing reliance on digital solutions, an evaluation of how ethical values can be maintained in accounting practice is crucial. This research aims to offer insights into the integration of ethical principles in the context of contemporary accounting practices. Recent data shows that about 70% of accounting professionals recognize that technology can influence their ethical decisions (Abad-Segura et al., 2024; Sherif & Mohsin, 2021; Zhang, 2024). Although technology offers various advantages, not understanding its ethical implications can lead to deviations from good accounting practices.

Wijayanti et al. (2024) state that the development of information technology raises new challenges and opportunities for accounting theory, with the importance of innovation to maintain the integrity of accounting practices in the midst of rapid change. Syamil et al. (2023) emphasize the application of modern technology in management accounting that can improve efficiency and effectiveness, but also identify ethical risks such as data manipulation that need to be watched out for. Deby et al. (2025) examined the development of accounting theory and

the ethical challenges faced, showing that despite advances in accounting practice, ethical issues remain crucial.

These studies provide a solid foundation for understanding the dynamics between technology and ethics in accounting practice, but there is still a gap in the literature regarding how accounting practitioners can address the ethical challenges that arise from the use of digital technologies. This research aims to bridge that gap by exploring approaches that accounting professionals can take in maintaining ethical principles in the digital age.

The novelty of this research lies in the approach that integrates ethical theory with accounting practice in a digital context. This research will also provide practical recommendations for accounting professionals to integrate ethical principles in the use of technology. Thus, this research is expected to make a significant contribution to the development of more ethical accounting practices.

The main objective of this study is to identify the ethical challenges faced by accounting practitioners in the digital age as well as provide recommendations on how to overcome these challenges. This research is expected to raise awareness of the importance of ethics in modern accounting practices. The benefits of this study are expected to provide guidance for accounting practitioners in adopting technology by considering ethical aspects. In addition, this research can contribute to the development of policies and regulations that support ethical accounting practices in the digital era.

METHOD

This study uses a qualitative approach to understand ethical challenges in accounting practices in the digital era, which aims to provide in-depth insight into the perceptions and experiences of accounting practitioners regarding ethical issues due to the adoption of digital technology. This research design is descriptive and exploratory, with the aim of describing the phenomena that occur and digging deeper into the ethical challenges faced. The data obtained will be analyzed using a thematic analysis approach to identify patterns that emerge in participants' responses.

The research subjects consisted of accounting professionals, including public accountants, financial managers, and accounting staff, with purposive sampling to ensure the relevance of their experiences. The instrument used was a semi-structured interview guide, containing open-ended questions to explore participants' views and experiences. Data collection was conducted through in-depth interviews estimated to last between 30 to 60 minutes, as well as observation of accounting practices. The data collected is expected to contribute significantly to the understanding of ethical challenges faced by accounting practitioners in the digital context.

RESULT AND DISCUSSION

A. Ethical Challenges in the Use of Digital Technology

1. Impact of Technology on Ethical Decisions

The development of digital technologies such as automation and artificial intelligence (AI) has changed the way accounting practices work. While these technologies offer increased efficiency, they also bring significant risks to practitioners'

ethical decisions. With so much data being generated and processed automatically, it is possible that decisions are not fully based on deep understanding, but rather on algorithms that may not consider all important variables (Lepri et al., 2018).

Inaccuracies in the data generated by automated systems can lead to financial reports that do not reflect the actual circumstances. This is a serious problem for stakeholders who rely on the information for decision-making. An obvious example is when a company uses software to predict earnings, but the algorithm does not consider external factors that affect the market (Cavalcante et al., 2016).

2. Transparency in Accounting Practices

Transparency is a crucial issue in accounting practices influenced by technology. In the use of cloud-based software, it is difficult to track and audit data changes that occur. This can lead to doubts about accountability, especially when errors or fraud occur. If stakeholders cannot fully understand the processes and data used, their trust in the financial statements may be shaken. Accounting practitioners need to ensure that every step in the accounting process is auditable and clearly traceable. This includes proper disclosure of how technology is used and how data is processed. With greater transparency, stakeholders can feel more secure about the accuracy of the information they receive.

3. Not Understanding the Ethical Implications

Most accounting professionals admit that they do not fully understand the ethical implications of the technologies they use. This lack of understanding can lead to unethical practices, where decisions are made without considering the long-term consequences. Therefore, it is important for organizations to provide adequate educational resources for practitioners, including training on the ethical impact of technology use. Professional societies should also engage in broader discussions on ethics in technology. Forums and seminars can be a platform to share experiences and challenges, and seek solutions together (Vitak et al., 2016).

B. Integration of Ethical Principles in Accounting Practice

1. Ethics Education and Training

The integration of ethical principles in accounting practice cannot be separated from proper education and training. Continuing education on ethics and technology is crucial to prepare practitioners for the complex challenges that arise. Training programs should be designed to provide a deep understanding of how technology can impact accounting practices and ethical decisions. In addition, the accounting education curriculum should include modules on ethics and technology. In this way, graduates will be better prepared to face challenges in the real world and can make more ethical decisions in their practice.

2. Development of a Clear Code of Conduct

The development of a clear code of ethics and its consistent implementation is an important step in ensuring that accounting practices remain ethical. The code of ethics should explain in detail about the use of technology and how violations of ethics can be reported (Deby et al., 2025; Syamil et al., 2023). A strong code of ethics will provide guidance for practitioners in complex situations and help them make the right decisions. Organizations also need to ensure that all employees understand and adhere to the code

of conduct. Periodic training on codes of conduct and the ethical impact of technology should be part of the organizational culture.

3. Organizational Culture that Supports Ethics

Building an organizational culture that supports ethics is crucial to ensure that ethical principles are integrated in every aspect of accounting practice. Organizations should encourage open discussion of ethical issues and provide a space for employees to report their concerns (Deby et al., 2025; Syamil et al., 2023; Wijayanti et al., 2024). With a supportive environment, employees will feel more comfortable talking about ethical issues and reporting violations without fear of consequences. In addition, organizational leaders should set an example in applying ethical principles.

C. Ethical Risk in Management Accounting

1. Data Manipulation in Management Accounting

The use of technology in management accounting carries a significant risk of data manipulation. With advances in data analysis software, there is the potential to present misleading information for a specific advantage. Practitioners should be aware of the possibility of misuse of technology in decision-making that could be detrimental to the organization. Data manipulation, whether intentional or not, can have a long-term impact on an organization's reputation and stakeholder trust (Rezaei et al., 2024). Therefore, it is important for organizations to have strict procedures in place for auditing and supervision to minimize this risk.

2. Reduction of Human Supervision

One of the main challenges in management accounting is the reduction of human supervision due to automation. With more and more processes being automated, there is a risk that errors or fraud can go undetected. Organizations need to balance between the use of technology and human oversight to ensure that decisions made remain based on strong ethical principles. Human oversight remains important to identify and respond to potential problems that may not be detected by technology. Therefore, accounting practices should include mechanisms for regular auditing and evaluation of implemented automation processes (Syamil et al., 2023; Wijayanti et al., 2024).

3. Long-term Impact Assessment

Organizations also need to assess the long-term impact of technology adoption in management accounting. Although technology can improve efficiency, the long-term effectiveness of ethical accounting practices should be a major concern (Deby et al., 2025; Wijayanti et al., 2024). Ongoing evaluation of the use of technology and its impact on ethical practices is essential to maintain the integrity of the profession.

Thus, organizations should develop strategies to continuously monitor and evaluate the impact of technology in accounting practices. This includes collecting data on how technology affects ethical decisions and the overall effectiveness of accounting practices.

CONCLUSION

The conclusion of this study shows that ethical challenges in accounting practice in the digital age are complex, especially related to the use of technologies such as automation and artificial intelligence. The research successfully identified several key issues, including the

impact of technology on ethical decisions, the need for transparency in data management, as well as accounting professionals' lack of understanding of the ethical implications of the technology used. Thus, the research objective to understand the ethical challenges faced by accounting practitioners in the digital age has been achieved.

The findings of this study also emphasize the importance of integrating ethical principles in accounting practices. Continuous education and training, the development of a clear code of ethics, and the establishment of an ethics-supportive organizational culture are crucial steps that must be taken to ensure that technology is used in a responsible manner. Thus, this study provides practical recommendations to help accounting professionals overcome ethical challenges and raise awareness of the importance of ethics in modern accounting practice.

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