IJAMESC, Vol. 3 No. 01, February 2025
DOI: https://doi.org/10.61990/ijamesc.v3i1.363 e-ISSN 2986-8645

DETERMINANTS OF CLOUD-BASED ACCOUNTING ADOPTION: INSIGHTS FROM ACCOUNTING PROFESSIONALS IN SRI LANKA

K.G.Dhammika B.Katupulla[1]*, B.A.N.Krishantha[2], C.G.Kothalawala[3]
[1]The Open University of Sri Lanka
[2.3]Gampaha Wickramarachchi University of Indigenous Medicine, Sri Lanka
*Corresponding Author:
dkatupulla@gmail.com

Abstract
Cloud-based accounting adoption among accounting professionals in Sri Lanka is influenced by various factors, as explored in this study. With the evolution of technology in the accounting profession, cloud accounting offers significant advantages, including cost savings, scalability, and real-time access to financial data. This research, based on a sample of 100 accounting professionals, employed multiple regression analysis to examine the impact of these determinants on cloud-based accounting adoption. The findings reveal that factors such as IT capability, compatibility, perceived value, relative advantage, top management support, and competitive pressure significantly drive cloud-based accounting adoption in Sri Lanka. Conversely, factors like the innovativeness of senior executives, IT infrastructure, and perceived cost do not show significant effects. These results underscore the importance of aligning technology with organizational needs, highlighting the need for user-friendly interfaces, comprehensive training, and effective marketing strategies to promote adoption. Based on these findings, recommendations are provided to encourage cloud-based accounting adoption, including enhancing compatibility, mitigating complexity, promoting perceived value and relative advantage, leveraging top management support, and capitalizing on competitive pressure.

Keywords: Human Factors, Technological Factors, Organizational Factors, Environmental Factors, Cloud-based Accounting Adoption

1. Introduction

One creative way to conduct business online is through cloud computing. Many businesses are focusing on implementing cloud computing into their operations these days. The adoption of cloud computing in the company is influenced by a variety of factors (Premarathne, Rajeshwaran, & Umayangana, 2021). With cloud computing, businesses can access a shared pool of reconfigurable computing resources via the Internet and get minimal start-up costs for IT infrastructure, platforms, and applications. Adoption helps companies reduce expenses, improve productivity, and expand their market reach. While cloud computing offers many benefits to businesses, there are drawbacks as well, including low capital, a lack of trained labor, and a shortage of IT infrastructures.

Cloud accounting, also called cloud-based accounting, is storing, managing, and processing a company's financial data using a cloud technological infrastructure. The evolution of technology in accounting has revolutionized the profession, particularly with the advent of cloud-based accounting. This transition marks a significant shift towards automation, promising increased efficiency and accuracy in financial processes. Cloud accounting, hosted on remote servers, enables access to accounting data from anywhere,

empowering professionals with real-time insights and collaboration capabilities (Philip, 2019).

Cloud accounting offers a plethora of advantages, including cost savings, scalability, flexibility, and automation of accounting processes. However, unlocking its full potential hinges on grasping the underlying motivations driving its adoption. By elucidating these intentions, this research contributes to enhancing the informed decision-making process for organizations. Whether large-scale enterprises or small and medium-sized businesses, embracing cloud accounting practices can pave the way for improved efficiency, real-time visibility into financial performance, and ultimately, organizational success.

Even though cloud accounting solutions are widely available worldwide, Sri Lankan accounting professionals are still comparatively new to using them (Tharanga & Perera, 2018). To stay competitive and maintain professional standards in a world where everything is digital, accounting practitioners must adopt new technologies (Rawashdeh & Rawashdeh, 2023). Nonetheless, little is known about how widely used cloud accounting is in Sri Lanka and how widely accepted it is. By examining the awareness levels and determinants of cloud-based accounting adoption among accounting professionals in Sri Lanka, this study attempts to fill this gap in the literature. This study aims to advance knowledge of cloud technology adoption in the local accounting environment by exploring the factors influencing respondents' intention to use cloud accounting. This study also aims to clarify the current status of cloud accounting adoption and widen opportunities for strategic planning and well-informed decision-making within the accounting industry through empirical analysis and insights from practitioners.

This study contributes to the body of knowledge on technological developments in accounting by examining the particulars of cloud accounting adoption in Sri Lanka. It also has implications for policymakers, educators, and accounting firms operating in the country. Having a thorough grasp of the factors that influence the adoption of cloud-based accounting, stakeholders can create plans to encourage cloud adoption, stimulate innovation, and improve the competitiveness of Sri Lanka's accounting industry internationally.

2. Theoretical Background

Using software to gather and process data via Internet-based cloud provider applications is referred to as cloud accounting. In this way, the accounting software and data are kept on a remote server, the installation and maintenance of software on individual computers is excessive, and the ability for a large number of clients to retrieve data at any time from a wide range of devices is simultaneously possible. The use of software as a service assistance provided by the cloud provider, as opposed to software installed on the client's computer, is another reason why cloud accounting has significant advantages over traditional accounting (Dimitriua & Mateia, 2015). In contrast to cloud accounting, where the client purchases the right to use the program online, traditional accounting software is often installed on the client's computer system and secured as tangible assets. As a result, cloud accounting solutions are modernizing the entire business environment and changing the way accounting applications are used. The use of cloud computing has transformed accounting's role in conventional software.

2.1 Concepts and Definitions

2.1.1 Cloud Computing

Businesses and consumers have seen these technological changes over the past 20 years, as the advent of the internet has brought about changes in technology at a faster

rate than in the past. Relatively new businesses such as Google, Amazon, and Facebook have thought about integrating these technologies deeply into their business models as early adopters (Strauss, Kristandl, & Quinn, 2022). Customer experience is crucial in today's cutthroat industry, and cloud computing is a tried-and-true way to guarantee a high standard of service. The "cloud" has completely changed how individuals and organizations work together, communicate, share, and store information. It has also changed how they access IT resources and services for both personal and business purposes (Dimitriua & Mateia, 2015). A collection of virtualized, interconnected computers that are dynamically provisioned and presented as one or more unified computing resources based on service level agreements is what Buyya et al. (2018) defined as cloud computing. Cloud computing, according to Kaplan & Tripsas (2008), is a broad category of web-based services designed to enable users to obtain a wide range of functional capabilities on a "pay as you go" basis. These capabilities were previously acquired through significant hardware/software investments and professional skills. According to Vaquero et al. (2023), cloud computing is the realization of the previous utility computing ideals without the associated technical difficulties or complex deployment concerns. According to Ozdemir & Elitas (2019), Cloud computers are a large pool of easily usable and accessible virtualized resources such as hardware, development platforms, and services.

2.1.2 Cloud-Based Accounting

Although there has not yet been a formal definition for cloud accounting, some authors have defined it as a combination of accounting and cloud computing concepts. Similar to accounting software that is installed on users' computers, cloud accounting or online accounting is carried out on servers that provide online services, which users can access through web browsers (Dimitriua & Mateia, 2015). Based on the idea of cloud computing, which is a collection of distributed computing services, applications, access to information, and data storage without the user needing to know the precise location and configuration of the systems providing these services, Morgan & Conboy (2022) defines cloud accounting as a modern concept in computer processing of accounting data. According to Tugui & Gheorghe (2014), another definition of cloud accounting is accounting software that can be accessed from any location with an internet connection at any time, without the need for prior installation, management, or servers. Installing software on your computer or owning a server is not necessary for this practice because accounting apps and remote servers are provided by cloud service providers. For an additional cost, they provide paid online access to manage and preserve financial records (Ouaaziz & Bachleda, 2021). Many authors also refer to this as web accounting, real-time accounting, and e-accounting (Philip, 2019).

2.2 Theories Aligned with the Objectives

2.2.1 Theory of Reasoned Action

To fill the gap between attitude and behavior, studies on attitude using the Expectancy Value Models gave rise to the Theory of Reasoned Action (Fishbein & Ajzen, 1975). This social psychology-based theory uses three concepts; behavioral intention, attitude, and subjective norm to explain how and why attitudes affect behavior. It asserts that one's attitude toward a behavior influences one's intention to perform it, which in turn drives behavior. For example, the idea that implementing contemporary ICT advances one's career can be balanced against the obstacles to learning and the limited resources it

presents. Subjective norms comprise one's intention to conform to others' expectations and their perception of these expectations, which are influenced by the behavior's motivation (Ajzen, 1991). According to the theory, behavioral intention is the most important predictor of behavior. It emphasizes deliberative processing in decision-making and provides a condensed explanation of informational and motivational influences on behavior (Conner & Armitage, 1998).

2.2.2 Innovation Diffusion Theory

According to Sahin (2019), the Innovation Diffusion Theory describes how technological innovations move from being invented to being widely used. It is influenced by five main factors, which are relative advantage, compatibility, complexity, trialability, and observability. Innovations that have a clear benefit, are simple to use, offer trial opportunities, and mesh well with current practices tend to spread more quickly. User-level characteristics are also important because they divide adopters into groups such as innovators, early adopters, early majority, late majority, and laggards. Research has demonstrated that even in companies with little experience with programming, managers, and staff who are willing to embrace change can promote the adoption of IT, including cloud accounting (Cong & Du, 2018; Dimitru & Matei, 2023). Though each country follows a different path influenced by its economic policies and social-cultural factors, the globalization of the market economy helps to understand technology diffusion in both developed and certain developing countries like the Asian giants (Shareef, Kumar, Kumar, & Hasin, 2009).

2.2.3 Theory of Planned Behavior and Technology Acceptance Model

While the technology acceptance model (TAM) was specifically created within the information systems literature for this purpose, Morris et al. (2015) describe the theory of planned behavior (TPB) as a general psychological model that has been adapted for studying technology adoption and use. According to Ajzen (Ajzen, 1991), TPB postulates that behavioral intentions, which have a high accuracy of predicting actual behavior, are influenced by three factors: attitude toward the behavior, subjective norms, and perceived behavioral control. Taken together, these factors account for a significant portion of the variance in actual behavior. The importance of behavioral dispositions, such as social attitudes and personality traits, in predicting human behavior is highlighted by Ajzen (1991) and others. The intention of an individual to carry out a behavior is fundamental to TPB because it represents the motivational factors that indicate the amount of effort people are willing to put forth to carry out the behavior (Ajzen, 1991).

2.3 Models for Cloud-Based Accounting

2.3.1 Fit of Human, Organization, and Technology Factors

Within the innovation field, the human, organization, and technology-fit (HOT-fit) framework was created and verified. This model emphasizes how crucial it is to take into account organizational, technological, and human factors as well as how these factors relate to one another. It highlights that obtaining mutual alignment between these components raises the chances of innovations being adopted and implemented successfully by a significant amount. DeLone & McLean (2003) state that the HOT-fit framework emphasizes the need for a balanced integration of organizational structures, technological capabilities, and human aspects to ensure successful implementation. This alignment maximizes the potential benefits of innovations by ensuring their adoption,

sustainability, and effective utilization. The adoption process dynamics can be better-understood thanks to the thorough approach of the HOT-fit framework, which enables more strategic and knowledgeable decision-making in the field of innovation (DeLone & McLean, 2003).

2.3.2 Technology-Organization-Environment (TOE) Framework

The adoption and implementation of innovations within organizations are influenced by technological, organizational, and environmental contexts, as modeled by the Technology-Organization-Environment (TOE) framework. The impact of internal and external technologies on the adoption of innovations is the main focus of the technological context. Firm features like size, centralization, formalization, complexity of management, caliber of human resources, and slack resources are all taken into account by the organizational context. Government regulations, competitors, and industry are all included in the environmental context. Abdullah (2016) noted that competitive pressure was another important factor in the adoption of CBAs, along with the importance of staff IT capability and top management support. Tehrani (2023) discovered that complexity had a negative influence on cloud adoption decisions; Gutierrez et al. (2016) emphasized this as a significant factor. According to Warren (2014), employee training and inclination toward technology adoption are positively correlated. Qirim (2018) demonstrated a favorable relationship between CBA adoption and senior executives' inventiveness. Sobhan (2019) verified that there was a positive correlation between compatibility and CBA adoption and a negative correlation between complexity and the latter. It was also discovered by Shareef et al.(2009) that compatibility has a major and positive impact on the uptake of new information systems and technologies.

2.4 Conceptual Framework & Formulation of Hypotheses

Based on the previous researchers' arguments, the fit of human, organization, and technology factors, technology-organization-environment framework, and considering innovation diffusion theory and theory of reasoned action, theory of planned behavior, and technology acceptance model the following conceptual frame was formulated.

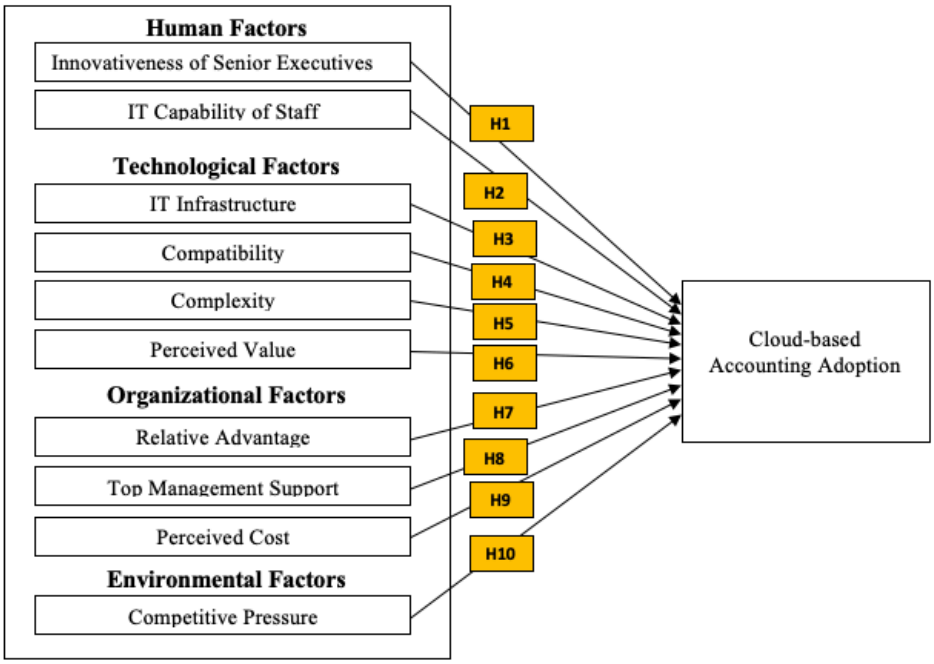

Figure 1. Conceptual Framework

The following Hypotheses were developed based on the above arguments.

1) H1: Innovativeness of Senior Executive (ISE) significantly impacts the adoption of Cloud-Based Accounting (CBAA).
2) H2: IT capability (ITC) of staff significantly impacts the adoption of Cloud-Based Accounting.
3) H3: IT Infrastructure (ITI) significantly impacts the adoption of Cloud-Based Accounting.
4) H4: Compatibility (COB) significantly impacts the adoption of Cloud-Based Accounting.
5) H5: Complexity (COX) significantly impacts the adoption of Cloud-Based Accounting.
6) H6: Perceived value (PV) significantly impacts the adoption of Cloud-Based Accounting.
7) H7: Relative advantage (RA) significantly impacts the adoption of Cloud-Based Accounting.
8) H8: Top management support (TMS) significantly impacts the adoption of Cloud-Based Accounting.
9) H9: Perceived cost (PC) significantly impacts the adoption of Cloud-Based Accounting.
10) H10**:** Competitive Pressure (CP) significantly impacts the adoption of Cloud-Based Accounting.

3. Methods

3.1 Population and Sample

The study's target population consisted of Sri Lankan accounting professionals, with both professional and academic qualifications. These professionals work in a variety of fields, such as commerce, industry, finance, education, the public sector, and the not-for-profit sector. They frequently occupy functional or strategic leadership positions. Professional accountants carry out a variety of tasks, including stakeholder communications, control, management, leadership, and operational roles in addition to management accounting. They are knowledgeable about the latest developments in their field's technology. To make sure they were informed and experienced in the field and its technological facets, a random sample of one hundred professional accountants was chosen from member directories of professional organizations and based on the availability of contact information.

3.2 Data Collection

An online survey questionnaire was chosen as the primary data collection method for its affordability and effectiveness in gathering quantitative data from accounting professionals in Sri Lanka. The use of a standard questionnaire distributed online facilitated a higher response rate than expected, offering advantages such as increased response rate, design flexibility, and quick result generation. These factors, along with its cost-effectiveness, made the online survey an optimal choice for data collection.

3.3 Measurement of Variables

In this research study, a five-point Likert scale was employed to allow accounting professionals to express their level of agreement or disagreement regarding their intentions to use cloud accounting. Building on the work of previous researchers, this

research examined ten determinants of cloud-based accounting adoption under human factors (2), technological factors (4), organizational factors (3), and environmental factors (1) (Thong & Yap, 2019; Ifinedo, 2011; Zhu, Kraemer, & Xu, 2016; Rogers, 2003; Davis, 1989; Chen, Gillenson, & Sherrell, 2002; Tornatzky & Klein, 1982; Premkumar & Roberts, 2019; Chau & Tam, 2021; Teo & Pian, 2023). Each independent variable was assessed using three items, while the dependent variable was measured using six questionnaire items.

3.5 Ethical Considerations

To maintain the integrity and ethical standards of the study, several ethical considerations were taken into account when conducting this research on the factors influencing the adoption of cloud-based accounting in Sri Lanka. First, each participant gave their informed consent after being fully informed about the nature of their participation, the study's objectives, and their freedom to discontinue participation at any time without facing consequences. The researcher ensured strict confidentiality and anonymity to safeguard the participants' identity and personal information. The data was securely stored and only the researcher had access to it.

4. Results and Discussion

4.1 Sample Overview

Below Table 1 summarizes the details of the sample of this study which consisted of 100 accounting professionals in Sri Lanka.

Table 1. Sample Overview

Category	Frequency / (Percentage (%)
Gender	
Male	69
Female	31
Age	
21-30 Years	12
31-40 Years	40
41-50 Years	27
51-60 Years	15
61 and above 61 Years	06
Highest Level of Education	
G.C.E. (A/L)	11
Certificate / Diploma	07
Basic Degree	52
MBA/M.Sc.	26
Ph.D.	04
Sector currently employed	
Audit	39
Non-Audit	61
Years of experience in the field of Accounting	
0-5 Years	25
6-10 Years	28
11-15 Years	33
More than 16 Years	14

The accounting system being used at the current organization	
QuickBooks	46
SAGE	22
MYOB	12
ACCPACK	07
Other	13
Stage of organization involved with regards to cloud accounting?	
Not Involved	12
Discussion	07
Trial	13
Using	68
Level of awareness of cloud-based accounting	
Highly Aware	12
Moderately Aware	20
Aware	51
Slightly aware	12
Not Aware	05

The data indicates a predominantly male sample (69%), with a significant portion aged between 31-40 years (40%). Most participants hold a basic degree (52%) and are employed in the non-audit sector (61%). In terms of experience, the majority have been in the field for 11-15 years (33%). QuickBooks is the most widely used accounting system (46%). Regarding cloud accounting, a substantial number of organizations are already using it (68%), and awareness levels are high, with 51% being aware and 20% moderately aware.

4.2 Pilot Test

Following the questionnaire's development, a pilot study was conducted and validity and reliability tests were run. The findings showed that all of the variables tested passed the reliability test, with Cronbach's Alpha values above 0.70. Furthermore, the validity of the questionnaire employed in this study has been demonstrated. In the interim, the researcher performed the KMO and Bartlett's test as part of the validity test to assess the reliability of the variables used; all of the variables showed an adequate value between 0.802 and 0.896. As a result, the researcher can conclude that variable accuracy is higher. The pilot study's Cronbach's Alpha, KMO, and Bartlett's test values are displayed in the following table.

Table 2: Reliability and Validity Tests

Variable	Number of Items	Cronbach's Alpha Value	KMO	Bartlett's Test of Sphericity
ISE	03	0.988	0.832	0.000
ITC	03	0.905	0.864	0.000
ITI	03	0.910	0.874	0.000
COB	03	0.840	0.802	0.000
COX	03	0.887	0.842	0.000
PV	03	0.894	0.881	0.000
RA	03	0.860	0.809	0.000
TMS	03	0.865	0.856	0.000

PC	03	0.893	0.874	0.000
CP	03	0.850	0.821	0.000
CBAA	06	0.940	0.896	0.000

4.3 Descriptive Data Analysis

Table 3 presents the descriptive statistics of the variables related to cloud accounting adoption in Sri Lanka.

Table 3. Descriptive Data Analysis

Variable	N	Minimum	Maximum	Mean	Standard Deviation
ISE	100	2.00	5.00	3.453	0.92904
ITC	100	2.00	5.00	3.483	0.87665
ITI	100	2.00	4.67	3.334	0.81374
COB	100	2.00	5.00	3.462	0.83736
COX	100	2.00	4.67	2.500	0.91441
PV	100	2.00	5.00	3.383	0.86245
RA	100	2.00	5.00	3.534	0.81650
TMS	100	2.00	5.00	3.316	0.81701
PC	100	2.00	4.67	2.344	0.85477
CP	100	2.00	5.00	3.488	0.77471
CBAA	100	2.17	4.83	3.475	0.78795

The table presents the descriptive data analysis for ten variables based on a sample size of 100. The variables include Innovativeness of Senior Executives (ISE), IT capability of Staff (ITC), IT infrastructure (ITI), Compatibility (COB), Complexity (COX), Perceived Value (PV), Relative Advantage (RA), Top Management Support (TMS), Perceived Cost (PC), Competitive Pressure (CP), and Cloud-Based Accounting Adoption (CBAA). The mean values range from 2.344 (PC) to 3.534 (RA), indicating varying levels of agreement or presence among the respondents. Standard deviations indicate moderate variability across the variables, with COX having the highest variability (SD = 0.91441) and CP the lowest (SD = 0.77471). Minimum and maximum values for all variables range between 2.00 and 5.00, except for ITI, COX, PC, and CBAA, which have slightly lower maximum values. This summary provides a snapshot of the central tendency and dispersion of the dataset, which are further analyzed in subsequent sections.

4.4 Correlation Analysis

Table 4 presents the results of the Pearson correlation analysis.

Table 4. Correlation Analysis

Variable	Pearson Correlation	Sig.
ISE	0.929**	0.000
ITC	0.960**	0.000
ITI	0.880**	0.000
COB	0.728**	0.000
COX	-0.433**	0.000
PV	0.910**	0.000
RA	0.937**	0.000
TMS	0.919**	0.000
PC	-0.321**	0.000
CP	0.916**	0.000

The correlation analysis results reveal significant relationships between various factors and Cloud-Based Accounting Adoption (CBAA). Notably, IT Capability of Staff (ITC) and Relative Advantage (RA) exhibit very high positive correlations with CBAA, with Pearson correlations of 0.960 and 0.937, respectively. Innovativeness of Senior Executives (ISE) and Top Management Support (TMS) also show strong positive correlations of 0.929 and 0.919. Competitive Pressure (CP) and Perceived Value (PV) present high positive correlations, with values of 0.916 and 0.910. IT Infrastructure (ITI) and Compatibility (COB) have significant positive correlations of 0.880 and 0.728, respectively. Conversely, Complexity (COX) and Perceived Cost (PC) show negative correlations with CBAA, with coefficients of -0.433 and -0.321, indicating that higher complexity and perceived costs are associated with lower adoption rates. All correlations are significant at the 0.01 level, underscoring the importance of these relationships.

4.5 Regression Analysis

Multiple regression analysis was used to examine the impact of selected determinates on cloud-based accounting adoption in Sri Lanka.

Table 5. Model Summary

R	R square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
0.986	0.972	0.969	0.13963	2.284

The model summary in Table 5 indicates a strong positive relationship between the predictors and the adoption of cloud-based accounting, with an R-value of 0.986. The R square value of 0.972 suggests that approximately 97.2% of the variability in cloud-based accounting adoption can be explained by the model. The adjusted R square value of 0.969 confirms this high level of explanatory power, adjusting for the number of predictors.

Table 6. ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Regression	59.730	10	5.973	306.350	0.000
Residual	1.735	89	0.019		
Total	61.465	99			

A highly significant regression model for cloud-based accounting adoption among Sri Lankan accounting professionals can be seen in Table 6's ANOVA results. The regression mean square is 5.973, its F-value is 306.35, and its significance level is 0.000, all suggesting that the predictors are statistically significant together.

Table 7. Coefficients

Variables	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.110	0.076		1.450	0.150
ISE	0.076	0.066	0.090	1.157	0.251
ITC	0.227	0.130	0.253	1.751	0.030
ITI	0.035	0.066	0.036	0.538	0.592
COB	0.530	0.119	0.563	4.451	0.000
COX	-0.558	0.137	-0.647	-4.076	0.000
PV	0.230	0.044	0.251	5.183	0.000
RA	0.315	0.104	0.327	3.037	0.003
TMS	0.196	0.102	0.203	1.924	0.025

PC	-0.075	0.111	-0.081	-0.672	0.504
CP	.418	0.072	0.411	5.828	0.000

Starting with the significant factors, the IT capability of staff shows a positive impact on CBA adoption (β = 0.253, p = 0.030), indicating that the technological proficiency of employees is crucial. Compatibility also significantly influences CBA adoption (β = 0.563, p < 0.001), suggesting that the extent to which cloud-based accounting aligns with existing practices and values is important. Complexity negatively affects adoption (β = -0.647, p < 0.001), highlighting that higher perceived complexity deters CBA usage. Perceived value (PV) (β = 0.251, p < 0.001) and relative advantage (β = 0.327, p = 0.003) both significantly drive adoption, underscoring the perceived benefits and advantages over traditional systems. Top management support is another significant factor (β = 0.203, p = 0.025), emphasizing the role of leadership in facilitating CBA adoption. Lastly, competitive pressure significantly impacts adoption (β = 0.411, p < 0.001), indicating that external market forces compel organizations to adopt CBA. Conversely, some factors were not found to significantly impact CBA adoption. Innovativeness of Senior Executive (β = 0.090, p = 0.251), IT Infrastructure (β = 0.036, p = 0.592), and perceived cost (β = -0.081, p = 0.504) did not show significant effects. This suggests that while executive innovativeness and infrastructure are important, they are not critical determinants in this context. Additionally, perceived cost does not deter adoption significantly, which may indicate that the perceived benefits outweigh cost concerns.

Table 8. Summary of Hypotheses

Hypothesis	Variable	Correlation		Regression		Result
		r	p	Beta	p	
H1	ISE	0.929	0.000	0.090	0.251	Rejected
H2	ITC	0.960	0.000	0.253	0.030	Accepted
H3	ITI	0.880	0.000	0.036	0.592	Rejected
H4	COB	0.728	0.000	0.563	0.000	Accepted
H5	COX	-0.433	0.000	-0.647	0.000	Accepted
H6	PV	0.910	0.000	0.251	0.000	Accepted
H7	RA	0.937	0.000	0.327	0.003	Accepted
H8	TMS	0.919	0.000	0.203	0.025	Accepted
H9	PC	-0.321	0.000	-0.081	0.504	Rejected
H10	CP	0.916	0.000	0.411	0.000	Accepted

These findings are consistent with earlier studies in several ways. Research has repeatedly shown how crucial IT compatibility and capability are to the adoption of new technologies (Premkumar & Roberts, 2019; Oliveira, Thomas, & Espadanal, 2023; Ifinedo, 2011). Ease of use is crucial, as evidenced by the well-documented negative consequences of complexity (Davis, 1989). The importance of perceived value and relative advantage is consistent with research by Tornatzky & Klein (1982), which found that adoption decisions are influenced by perceived benefits. It has also been consistently acknowledged that top management support is essential for the successful adoption of new technologies (Ramdani & Kawalek, 2017; Thong & Yap, 2019). The non-significant effect of perceived cost, however, is in contrast to certain research that contends that cost is a major challenge (Low, Chen, & Wu, 2011; Zhu, Kraemer, & Xu, 2016). This disparity might result from Sri Lanka's unique context, where different people may view the cost-benefit balance. The lack of significance of IT infrastructure may be attributed to a baseline level of infrastructure that is already adequate for all firms, making variations in it less significant.

5. Conclusion

In conclusion, this research highlights the determinants of cloud-based accounting adoption among accounting professionals in Sri Lanka. The findings underscored the significance of several factors in influencing the adoption of cloud-based accounting practices. Notably, factors such as IT Capability of Staff, Compatibility, Perceived Value, Relative Advantage, Top Management Support, and Competitive Pressure emerged as significant drivers of adoption. These factors highlight the importance of technological proficiency, alignment with existing practices, perceived benefits, leadership support, and market forces in shaping the adoption landscape. Conversely, factors like the Innovativeness of Senior Executives, IT Infrastructure, and Perceived Cost did not show significant effects, suggesting their lesser impact on adoption decisions. The study's regression analysis demonstrated these findings, further validating the role of key determinants in driving cloud-based accounting adoption. Overall, the research contributes valuable insights for policymakers, educators, and accounting firms in Sri Lanka, offering strategic guidance for fostering cloud accounting adoption, and innovation, and enhancing the competitiveness of the accounting industry in the digital age.

The recommendations for encouraging cloud-based accounting (CBA) among accounting professionals in Sri Lanka are made below by the results that were generated.

1) Enhance Compatibility of CBA Solutions (COB)
   Ensuring compatibility is crucial for the adoption of CBA systems. Vendors and firms should focus on developing and promoting solutions that integrate seamlessly with existing processes and technologies. This includes offering customized integration services and providing extensive documentation and support to address compatibility issues.
2) Mitigate Complexity
   To reduce the negative impact of complexity on CBA adoption, firms should invest in user-friendly interfaces and comprehensive training for accounting professionals. Simplifying the user experience and providing robust support, along with offering trial periods or demo versions, can help alleviate concerns and facilitate the full adoption of CBA systems.
3) Promote the Perceived Value and Relative Advantage
   Perceived value and relative advantage both show significant positive effects on adoption. Marketing efforts should highlight the tangible benefits of CBA, such as cost savings, improved efficiency, and enhanced data accessibility. Demonstrating how CBA can provide a competitive edge and improve business operations can help convince potential adopters of its value.
4) Leverage Top Management Support
   Top management support also positively influences CBA. Organizations should ensure that senior executives are actively involved in the adoption process.
5) Capitalize on Competitive Pressure
   CBA is also significantly influenced by competition. Businesses need to be aware of developments in the market and how rivals are implementing CBA. Adoption can be accelerated by highlighting how top rivals are using cloud-based accounting to obtain a competitive edge. Employing case studies, industry reports, and benchmarking data can help highlight how crucial it is to use contemporary accounting technologies to maintain competitiveness.

References

Abdullah, A. (2016). Knowledge Management Based Cloud Computing Adoption. Staffordshire University.

Ajzen, I. (1991). The theory of planned behavior' Organizational Behavior and Human Decision Processes. 179-211.

Buyya, R., Yeo, C., & Venugopal, S. (2018). Market-oriented cloud computing: Vision, hype, and reality for delivering its services as computing utilities. 10th IEEE International Conference on High Performance Computing and Communications, China, 12-25.

Chau, P., & Tam, K. (2021). Factors affecting the adoption of open systems: An exploratory study. MIS Quarterly, 21(1), 1-24.

Chen, L., Gillenson, M., & Sherrell, D. (2002). Enticing online consumers: an extended technology acceptance perspective. Information & Management, 39(8), 705-719.

Cong, Y., & Du, H. (2018). Cloud computing, accounting, and beyond. The CPA Journal, 25-42.

Conner, M., & Armitage, C. (1998). Extending the theory of planned behavior: a review and avenues for further research. Journal of Applied Social Psychology, 1429-1464.

Davis, F. (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. MIS Quarterly, 13(3), 319-340.

DeLone, W., & McLean, E. (2003). The DeLone and McLean Model of Information Systems Success: A Ten-Year Update. Journal of Management Information Systems, 19(4).

Dimitriua, O., & Mateia, M. (2015). Cloud Accounting: A New Business Model in a Challenging Context. Procedia Economics and Finance, 32, 665-671.

Dimitru, O., & Matei, M. (2023). A new paradigm for accounting through cloud computing. University of Lasi, 840-846.

Fishbein, M., & Ajzen, I. (1975). Belief, attitude, intention, and behavior: An introduction to theory and research.

Gutierrez, A., Elias, B., & Ranald, L. (2016). Technological, organizational, and environmental factors influencing managers' decision to adopt cloud computing in the UK. Journal of Enterprise Information Management, 28(6).

Ifinedo, P. (2011). Internet/e-business technologies acceptance in Canada's SMEs: an exploratory investigation. Internet Research, 21(3), 255-281.

Kaplan, S., & Tripsas, M. (2008). Thinking about Technology: Applying a Cognitive Lens to Technical Change. Research Policy, 37(5), 790-805.

Low, C., Chen, Y., & Wu, M. (2011). Understanding the determinants of cloud computing adoption. Industrial Management & Data Systems, 111(7), 1006-1023.

Morgan, L., & Conboy, K. (2022). Cloud Computing: An Exploration of Factors Impacting Adoption: 10 Years of Innovation. Software Technology, 293-314.

Morris, M., Venkatesh, V., & Ackerman, P. (2015). Gender and age differences in employee decisions about new technology: an extension to the theory of planned behavior. IEEE Transactions on Engineering Management, 52, 69-84.

Oliveira, T., Thomas, M., & Espadanal, M. (2023). Assessing the determinants of cloud computing adoption: An analysis of the manufacturing and services sectors. Information & Management, 51(5), 497-510.

Ouaaziz, S., & Bachleda, C. (2021). Consumer acceptance of cloud computing. Services Marketing Quarterly, 38(1), 31-45.

Ozdemir, S., & Elitas, C. (2019). The risk of cloud computing in the accounting field and the solution offers the case of Turkey. Journal of Business Research Turk, 43-59.

Philip, B. (2019). A Study on the awareness & effectiveness of cloud accounting in India concerning Bangalore. International Journal of Research and Analytical Reviews, 5(4), 142-145.

Philip, B. (2019). A Study on the awareness &effectiveness of cloud accounting in India concerning Bangalore. International Journal of Research and Analytical Reviews, 5(4), 142-145.

Premarathne, D., Rajeshwaran, N., & Umayangana, E. (2021). Determinants of Adoption of Cloud-based Accounting: A Paradigm Shift in Sri Lanka. ASIAN JOURNAL OF MANAGEMENT STUDIES, 103-127.

Premkumar, G., & Roberts, M. (2019). Adoption of new information technologies in rural small businesses. Omega, 27(4), 467-484.

Qirim, A. (2018). The adoption of eCommerce communications and applications technologies in small businesses in New Zealand. Electronic Commerce Research and Applications.

Ramdani, B., & Kawalek, P. (2017). SMEs & IS innovations adoption: A review & assessment of previous research. Academia.

Rawashdeh, A., & Rawashdeh, B. (2023). The Effect Of Cloud Accounting Adoption On Organizational Performance In SMEs. International Journal of Data and Network Science, 191(3), 23-35.

Rogers, E. (2003). Diffusion of innovations. Free Press.

Sahin, I. (2019). A detailed review of Rogers' diffusion of innovations theory and educational technology-related studies based on Rogers' theory. Turkish Online Journal of Educational Technology, 5(2), 14-23.

Shareef, M., Kumar, V., Kumar, U., & Hasin, A. (2009). Theory of planned behavior and reasoned action in predicting technology adoption behavior. 544-562.

Sobhan, R. (2019). The Concept of Cloud Accounting and its Adoption in Bangladesh. International Journal of Trend in Scientific Research and Development, 3(4).

Strauss, E., Kristandl, G., & Quinn, M. (2022). The effects of cloud technology on management accounting and decision making. New York: Chartered Institute of Management Accountants.

Tehrani, S. (2023). Factors Influencing the Adoption of Cloud Computing by Small and Medium-Sized Enterprises (SMEs). Ryerson University.

Teo, T., & Pian, Y. (2023). A contingency perspective on Internet adoption and competitive advantage. European Journal of Information Systems, 78-92.

Tharanga, D., & Perera, I. (2018). Factors determining the intention to adopt cloud computing by finance companies in Sri Lanka. International Conference on Business Research, 71-80.

Thong, J., & Yap, C. (2019). CEO characteristics, organizational characteristics and information technology adoption in small businesses. Omega, 23(4), 492-442.

Tornatzky, L., & Klein, K. (1982). Innovation characteristics and innovation adoption-implementation: A meta-analysis of findings. IEEE Transactions on Engineering Management, 29(1), 28-45.

Tornatzky, L., & Klein, K. (1982). Innovation characteristics and innovation adoption-implementation: A meta-analysis of findings. IEEE Transactions on Engineering Management, 28-45.

Tugui, A., & Gheorghe, A. (2014). Changing The Role Of Accountancy In The Context Of Cloud-Computing. Romanian Foundation for Business Intelligence(31), 149-157.

Vaquero, L., Rodero-Merino, L., Caceres, J., & Lindner, M. (2023). A break in the clouds: towards a cloud definition Ozdemir. Computer Communication Review, 50-50.

Warren, M. (2014). Farmers Online: Drivers and Impediments in Adoption of Internet in UK Agricultural Businesses. Journal of Small Business and Enterprise Development, 11(3), 371-381. doi:doi:10.1108/14626000410551627

Zhu, K., Kraemer, K., & Xu, S. (2016). The process of innovation assimilation by firms in different countries: a technology diffusion perspective on e-business. Management Science, 52(10), 1557-1576.