

## ADAPTATION OF CLOUD ACCOUNTING IN SMES: INSTITUTIONAL ISOMORPHISM PERSPECTIVE

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### Abstrak

Penelitian ini mengkaji pengaruh Mimetic Pressure, Coercive Pressure, dan Normative Pressure terhadap niat serta perilaku penggunaan cloud accounting pada UKM di Kabupaten Kebumen dengan pendekatan Institutional Theory. Metode analisis menggunakan Structural Equation Modelling (SEM) melalui software Smart PLS, dengan 43 pelaku UKM sebagai responden. Hasil menunjukkan bahwa Mimetic Pressure dan Normative Pressure tidak berpengaruh signifikan terhadap niat penggunaan cloud accounting, sementara Coercive Pressure memiliki pengaruh positif. Selain itu, niat penggunaan ditemukan berpengaruh positif terhadap perilaku penggunaan cloud accounting. Penelitian ini menyarankan bahwa tekanan eksternal, terutama Coercive Pressure, dapat menjadi strategi yang efektif untuk mendorong adopsi teknologi cloud accounting di kalangan UKM.

**Kata kunci:** Cloud Accounting; Institutional Theory; Niat Menggunakan; Perilaku Penggunaan

### Abstract

*This study examines the influence of Mimetic Pressure, Coercive Pressure, and Normative Pressure on the intention and behavior of using cloud accounting in SMEs in Kebumen Regency using the Institutional Theory approach. The hypotheses in this study were tested using Structural Equation Modelling (SEM) with Smart PLS. The respondents were 43 SME owners. The results show that Mimetic Pressure and Normative Pressure do not influence the intention to use cloud accounting, while Coercive Pressure has a positive influence. The intention to use has a positive influence on the behavior of use. This study suggests that external pressure can be an effective strategy to promote the adoption of cloud accounting.*

**Keywords:** Cloud Accounting; Institutional Theory; Intention to Use; Use Behavior

## Introduction

Cloud computing technology has emerged as a critical trend affecting several corporate sectors in the rapidly expanding era of digitalization. Among its many applications, cloud accounting has become particularly significant for Small and Medium Enterprises (SMEs). SMEs often face challenges in managing their financial data efficiently due to limited resources, expertise, and infrastructure. Cloud accounting offers a solution by providing a cost-effective, scalable, and accessible platform to handle financial processes, enabling SMEs to enhance their operational efficiency and decision-making capabilities.

The improved connectivity and data accessibility provided by this technology are the driving forces behind its growth. In this context, cloud computing offers new opportunities for innovation and productivity development, in addition to facilitating faster and more effective information sharing (Sobhan, 2019). This technology has had a significant influence on accounting practices.

The way businesses store, manage, and process their financial data has transformed as a result of cloud accounting, or the application of cloud technology in accounting, according to a study by Hamzah et al. (2023). Businesses can access their financial data instantly using cloud accounting, helping them make more informed and timely business decisions.

Cloud accounting, also known as cloud-based accounting, involves the storage, management, and processing of a company's financial data through the use of cloud technology infrastructure. This means that a company's financial data is stored on cloud servers, rather than on physical servers in the company's office. This approach provides several advantages, including the ability to access data from anywhere, at any time, as well as improved data security and reliability.

MSMEs are one of the strategic economic activities that play an important role in the economic growth of industrial and developing countries (Darea et al., 2023). In the context of digital transformation, cloud accounting has emerged as a potential solution to address the financial management challenges faced by MSMEs. However, data from the Indonesian Employers' Association (Apindo) in 2021 shows that only a small percentage of SMEs have adopted cloud accounting solutions, despite the government's efforts to promote digitalization. A report by the Ministry of Cooperatives and SMEs (2022) revealed that as of 2022, less than 20% of SMEs in Indonesia had integrated cloud-based financial systems into their operations, with the adoption rate gradually increasing due to digitalization campaigns and training initiatives.

This trend highlights the slow yet promising progress of cloud accounting adoption among SMEs in Indonesia. The barriers to adoption often include a lack of awareness, limited access to technological resources, and the perception that such systems are costly or complex. Understanding these barriers and the intentions behind SMEs adopting cloud accounting can provide valuable insights into accelerating digital transformation in this sector. However, by utilizing cloud accounting technology, MSMEs may more effectively manage their finances and weather the pandemic (Ullrich et al., 2022).

However, SMEs frequently have particular difficulties when implementing new technologies, like cloud computing, mainly because they usually lack the resources and sophisticated technological know-how of bigger firms (Zhang et al., 2022). These problems involve but are not restricted to, finding funding, hiring workers with technology skills, and gaining access to cutting-edge infrastructure. SMEs may still use cloud computing to improve their operations and competitiveness in the digital age, even despite these obstacles. It does, however, need thorough planning, wise resource management, and ongoing learning and adaptation.

The Indonesian government intends to bring 30 million small SMEs into the digital ecosystem by 2023. This is a deliberate move by the government to spur economic growth and promote digital inclusion among SMEs. As a result, SMEs must take this transition seriously and plan for digital transformation. However, Meraghni et al. (2021) found that there are still challenges to overcome. The primary problems are a lack of knowledge of the need of digital transformation and a lack of effort to establish an accounting information system that meets the standards of digital transformation. Thus, more work is required to improve SMEs' awareness of and preparedness for implementing digital technologies, particularly in the accounting sector. The

government and several other stakeholders must work together to provide SMEs with the resources and assistance they require in order to meet this goal. This might take the kind of financial support, training, or access to technology infrastructure. Furthermore, technology service providers play a critical role in assisting SMEs in putting the correct technology solutions into place and making sure they can make effective and efficient use of this technology. Therefore, digital transformation has the potential to spur SMEs' innovation and growth.

As part of their digital transformation, a significant number of SMEs have started using cloud accounting services. However, questions remain about the driving forces behind the adoption of this technology. Previous studies have explored various aspects of cloud accounting adoption. For instance, Hamzah et al. (2023) examined the technological and organizational factors influencing cloud accounting adoption among SMEs, while Alziady & Enayah (2019) focused on the role of institutional pressures in shaping technology adoption behaviors. Other research, such as that by Lu & Wang (2023), investigated the impact of regulatory pressures on the digital transformation processes of SMEs.

Despite these efforts, gaps remain in understanding the specific interplay of mimetic, coercive, and normative pressures within the unique context of SMEs in developing countries, such as Indonesia. Many existing studies emphasize technological or financial barriers, but limited attention has been paid to the broader institutional and cultural factors influencing SMEs' adoption of cloud accounting.

This study seeks to fill these gaps by leveraging Institutional Theory to explain SMEs' adoption of cloud accounting. Unlike previous research, which often treats institutional pressures in isolation, this study integrates normative, regulatory, and cognitive dimensions to provide a holistic view of how social and cultural factors shape organizational behavior. By doing so, this research aims to uncover deeper insights into the variables that promote or impede the adoption of cloud accounting. These findings are expected to guide policymakers and service providers in developing targeted strategies to support SMEs' digital transformation.

According to Meyer and Rowan (1977), Institutional Theory is a paradigm used in the social sciences and management that examines how institutions—widely recognized norms, laws, and values—affect how people behave as individuals, as organizations, and as social systems. This theory emphasizes how institutions shape and control decisions and behaviors in social environments.

The process of institutionalization involves the evolution and learning of beliefs, agreements, practices, and regulations (Albu, *et al.* 2014). Usually, this process of change happens evolutionarily, evolving gradually under the influence of established institutions. This homogenization phenomenon was named isomorphism by DiMaggio and Powell (1983), postulates that businesses operating in the same industry or under comparable environmental circumstances will eventually start to resemble one another in terms of their organizational structures, tactics, and methods. The need for acceptance and survival in their specialized domains is what motivates this. A key idea in institutional theory, isomorphism offers a helpful prism through which to view organizational behavior and development. The idea behind isomorphism is the conviction that institutions fight for acceptance and political backing. Thus, firms must embrace socially acceptable structures, methodologies, technology, and procedures. While efforts to increase performance first linked this homogenization process to the acceptance of innovation, over time, the demand for legitimacy has become a greater motivator for these changes (Meyer and Rowan, 1977). The notion of isomorphism is crucial in the framework of Institutional Theory and may be broadly categorized into three types: mimetic, coercive and normative isomorphism.

Mimetic isomorphism is the process by which groups or individuals mimic or imitate one another, resulting in increased similarity. This behavior frequently occurs in response to ambiguity or uncertainty in the surrounding environment. Organizations may adapt comparable structures, techniques, or practices from successful or reputable models in their sector when faced with complex or unexpected conditions. Mimetic pressures cause social actors to consciously and voluntarily replicate the established habits and practices of other powerful and successful actors.

In essence, when a successful organization adopts a specific innovation, it can inspire others to follow suit (Fauzi, 2019).

In the context of cloud accounting, mimetic isomorphism plays a significant role, particularly among SMEs. For instance, SMEs may be motivated to adopt cloud accounting upon observing its successful implementation by peers or competitors. When industry leaders or well-regarded SMEs adopt cloud accounting, it can create a perception of necessity for others to follow, especially if these adopters report significant operational improvements or cost savings. This mimetic behavior becomes even more pronounced in sectors where technological adoption is seen as a benchmark of professionalism or competitiveness (Hiqmah, 2020).

Previous research has highlighted the role of mimetic isomorphism in technology adoption. For example, studies by Alziady & Enayah (2019) found that mimetic pressures significantly influence SMEs' decisions to adopt green IT practices, as they emulate leading firms in their industry. Similarly, Lu & Wang (2023) demonstrated that organizations are likely to adopt digital tools, such as cloud accounting, when they perceive these tools as industry norms or observe their success in comparable businesses. However, these studies were conducted in different cultural and industrial settings, leaving a gap in understanding how mimetic pressures operate in the specific context of SMEs in Indonesia.

In this study, it is hypothesized that mimetic pressure positively influences SMEs' behavioral intention to adopt cloud accounting. This hypothesis is grounded in the idea that SMEs in Indonesia may feel compelled to follow their peers or industry leaders who have already adopted cloud accounting. Understanding this dynamic is crucial to designing interventions that encourage broader adoption among SMEs. Thus, the first hypothesis of this research is:

H<sub>1</sub>: Mimetic pressure has positive effect on behavioral intention to use cloud accounting

Coercive isomorphism is the process by which organizations conform to formal and informal expectations and external pressures to maintain their legitimacy and thrive in specific industries. Coercive pressures refer to the official and informal mechanisms through which social actors—individuals or groups—are compelled to align with the views, actions, and practices of more powerful players (Fauzi, 2019). Government and regulatory agencies are key sources of coercive constraints, often shaping organizational behavior to ensure compliance with regulations and standards (Masocha & Fatoki, 2018).

In the context of cloud accounting, coercive isomorphism can manifest when governments or industry regulators implement policies or incentives that require SMEs to adopt this technology. For example, government programs aiming to promote digital transformation may mandate the use of cloud accounting systems for transparency in financial reporting or tax compliance. This external pressure forces SMEs to adapt to these technologies to align with regulatory requirements and avoid potential penalties or exclusion from specific markets (Hiqmah, 2020).

Previous research supports the impact of coercive pressures on technology adoption. For instance, Kreuzer (2017) found that coercive pressures significantly influenced SMEs' adoption of e-invoicing systems, driven by government mandates and industry standards. Similarly, Lu & Wang (2023) demonstrated that sudden regulatory changes compel organizations to accelerate their digital transformation efforts, including adopting tools like cloud accounting. However, these studies often focus on developed economies, leaving a gap in understanding how such pressures affect SMEs in developing countries like Indonesia.

In this study, it is hypothesized that coercive pressure positively influences SMEs' behavioral intention to adopt cloud accounting. This hypothesis builds on the premise that SMEs in Indonesia are more likely to adopt cloud accounting when external pressures, such as government incentives or mandatory policies, are present. This research aims to provide empirical evidence on the role of coercive pressures in driving cloud accounting adoption among SMEs, highlighting the importance of regulatory frameworks in shaping organizational behavior. Thus, the second hypothesis of this research is:

H<sub>2</sub>: Coercive pressure has positive effect on behavioral intention to use cloud accounting



Normative isomorphism is used to explain why organizations in the same area or business tend to become similar over time. Common conventions, expectations, and values—many of which are the product of professionalization—give rise to this type of isomorphism. Common expectations or guidelines that direct conduct within a group or culture are referred to as norms. Professional values in the context of an organization are the values or norms that direct its interactions and activities. These values, which might include things like quality, ethics, and responsibility, are frequently drawn from the larger professional sector in which the business works. Normative pressure refers to behavioral changes brought about by an unconscious need to fit in with social standards, particularly when a certain act gains societal or familial acceptance (Hiqmah, 2020). Social actors who have not yet adopted the innovation may feel pressured to do so, which might cause them to feel uncomfortable and dissonant when they see peers that they respect adopting the innovation (Fauzi, 2019). Individuals' decisions and conduct are greatly influenced by normative pressure in a culture. According to Nguyen et al. (2021), there are several reasons why people follow social standards, ranging from deep internal drive to a surface-level affiliation with a group and simple extrinsic fulfillment. For those who have not adopted these practices, lagging behind others who have accepted the new standards might lead to discomfort and frustration (Hiqmah, 2020). Based on the above explanation, the third hypothesis in this study is:

H<sub>3</sub>: Normative pressure has positive effect on behavioral intention to use cloud accounting

Behavioral intention is often regarded as a strong predictor of actual behavior. According to studies by Mahardhika & Zakiyah (2020) and Fitrianie et al. (2021), individuals with strong intentions to perform a specific action are more likely to translate these intentions into actual behavior. In the context of cloud accounting, this means that SMEs with a strong intention to adopt the technology are more likely to integrate it into their operations. Thus, the fourth hypothesis is:

H<sub>4</sub>: Behavioral intention has positive effect on use behavior to use cloud accounting

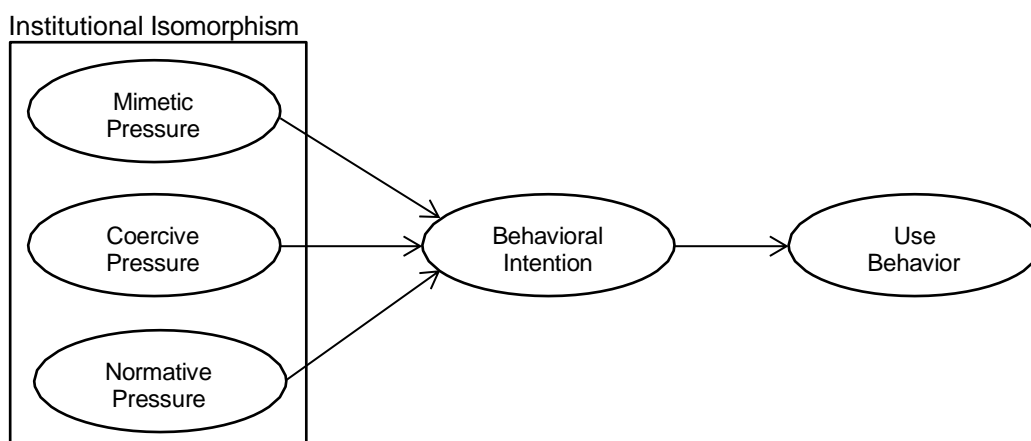


Figure 1. Research Model

### Research Method

A quantitative approach was employed to test the hypotheses in this study. Primary data for this research was collected by distributing questionnaires to Small and Medium Enterprises (SMEs) owners in Kebumen Regency from October 2023 to January 2024. A total of 150 questionnaires were distributed, and 67 were returned, resulting in a response rate of 44.6% for this study. Of these, only 43 questionnaires could be used for data processing, while the remaining 24 could not be used because the respondents, who are SME owners, do not use cloud accounting in their business operations. Therefore, the usable data rate in this study is 64.18%. This study involves five variables, namely mimetic pressure, coercive pressure, normative pressure, behavioral intention, and use behavior. Each variable is measured using a 5-point Likert scale questionnaire, with responses ranging from "strongly disagree" to "strongly agree."

Mimetic pressure is the term used to describe SMEs' propensity to use cloud accounting by copying other prosperous or well-known businesses in their sector. Observing rivals' successful adoption (Fauzi, 2019); considering cloud accounting to be a typical practice in the business (Hiqmah, 2020); and believing that adoption is essential to staying competitive (Leow et al., 2021) are some of the signs.

Coercive pressure quantifies how outside factors, including laws or government orders, affect SMEs' choices to use cloud accounting. Regulatory agency requirements (Masocha & Fatoki, 2018); adherence to tax and reporting standards (Lu & Wang, 2023); and the perception of the need to follow industry regulations (Hiqmah, 2020) are some examples of indicators.

The impact of professional and social norms on SMEs' adoption of cloud accounting is known as "Normative Pressure." Among the indications are: Perception of societal acceptance of cloud accounting (Fauzi, 2019); pressure to adhere to professional norms (Nguyen et al., 2021); influence from peer groups or trade associations (Hiqmah, 2020).

Behavioral Intention describes SMEs' motivation and readiness to adopt cloud accounting. The Theory of Planned Behavior (Mahardhika & Zakiyah, 2020) is the source of the indicators: Plans to deploy cloud accounting soon; a favorable outlook on the advantages of cloud accounting; and a readiness to devote resources to its implementation.

Use Behavior assesses the actual implementation and use of cloud accounting solutions in SME operations. Among the indicators are: How often financial reporting is done using cloud accounting (Fitrianie et al., 2021); how much decision-making is dependent on cloud accounting; Cloud accounting integration with routine business operations (Khan & Abideen, 2023).

The hypotheses in this study are tested using Structural Equation Modeling (SEM) with the assistance of the SmartPLS software. This method enables a comprehensive analysis of the relationships among the variables, ensuring the reliability and validity of the measurement model.

## Result and Discussion

Convergent validity indicates a measure's positive correlation with the same alternative concept size (Hair *et al.*, 2016). To ensure convergent validity for reflective constructs, the measuring model must fulfill two conditions (Sholihin & Ratmono, 2013): loading values > 0.70 with significant p (value < 0.05) and average variance extracted (AVE) value ≥ 0.50.

Table 1. Convergent Validity

	Mimetic Pressure	Coercive Pressure	Normative Pressure	Behavioral Intention	Use Behavior	p-value	AVE
MP2	0.861					<0.001	0.894
MP3	0.844					<0.001	
CP1		0.819				<0.001	
CP2		0.797				<0.001	0.703
CP3		0.893				<0.001	
NP1			0.860			<0.001	0.896
NP2			0.942			<0.001	
BI1				0.825		<0.001	0.868
BI2				0.773		<0.001	
UB1					0.820	<0.001	0.753
UB2					0.908	<0.001	
UB3					0.882	<0.001	

Source: Primary data processed (2024)

Table 1 displays loading, p-value, and AVE values for each construct. The MP1, NP3, and BI3 indicators were eliminated from the model due to low loading values (below 0.08). However, we still have indicators with loading below 0.08. The technique suggests removing indicators with loading values below 0.08 based on their influence on AVE and composite reliability (Sholihin & Ratmono, 2013).

The indication can be eliminated if it leads to increased AVE and composite dependability over the limit (Sholihin & Ratmono, 2013). Table 1 shows that the AVE value exceeds the stipulated parameters of  $\geq 0.50$  and composite reliability  $\geq 0.70$  (see table 2). Therefore, the indicator with a loading value below 0.08 in this study remains valid.

Table 2. Construct Reliability & Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Mimetic Pressure	0.882	0.944	0.894
Coercive Pressure	0.796	0.876	0.703
Normative Pressure	0.886	0.945	0.896
Behavioral Intention	0.849	0.929	0.868
Use Behavior	0.840	0.901	0.753

Source: Primary data processed (2024)

Table 2 summarizes the reliability and validity data for five constructs: coercive pressure, use behavior, normative pressure, behavioral intention, and mimetic pressure. These structures are examined using three essential metrics: Cronbach's Alpha, Composite Reliability, and Average Variance Extracted (AVE). Cronbach's Alpha and Composite Reliability are measures of internal consistency and reliability, respectively, with values larger than 0.7 indicating high dependability.

Conversely, AVE is a measure of convergent validity, with values greater than 0.5 suggesting adequate validity. The table shows that all constructs have good reliability and validity, with Cronbach's Alpha and Composite Reliability values better than 0.7 and AVE values greater than 0.5.

Table 3. Hypotheses Testing Result

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
Mimetic Pressure Behavioral Intention ->	0.053	0.053	0.061	0.869	0.385
Coercive Pressure Behavioral Intention ->	0.853	0.857	0.031	27.258	0.000
Normative Pressure Behavioral Intention ->	0.088	0.083	0.068	1.294	0.196
Behavioral Intention Use Behavior ->	0.288	0.307	0.108	2.665	0.008

Source: Primary data processed (2024)

The results of the hypothesis testing shown in Table 3 indicate that the second and fourth hypotheses are supported because the significance value is below 0.05 and the coefficient shows a positive value. In other words, coercive pressure has been empirically proven to increase the intention in using cloud accounting in SMEs; and the intention to use cloud accounting has been empirically proven to increase the tendency of SMEs to use cloud accounting in their business activities.

However, the first and third hypotheses are not supported because the significance value is above 0.05, even though the coefficient value is positive. In other words, the presence of mimetic and normative pressure has not been empirically proven to increase the intention to use cloud accounting in SMEs.

Mimetic Pressure does not influence the Behavioral Intention in using cloud accounting among SMEs in Kebumen Regency. According to Institutional Theory, mimetic isomorphism arises when organizations face uncertainty and look to successful peers or competitors for

guidance (DiMaggio & Powell, 1983). In this context, the lack of influence from mimetic pressure can be attributed to the limited adoption of cloud accounting among SMEs in the region. As Leow et al. (2021) suggest, mimetic pressure is only effective when there is a visible trend of adoption among peers, which creates a compelling case for imitation. Furthermore, the unique characteristics, needs, and capabilities of each SME mean that what works for one business may not necessarily be perceived as beneficial or feasible for another (Alziady & Enayah, 2019). This finding aligns with prior research that highlights the contextual nature of mimetic pressure, particularly in environments where technology adoption is still in its nascent stages.

Coercive Pressure, referring to external pressures from entities like governments or industry regulators, significantly influences the intention to use cloud accounting. Institutional Theory posits that coercive pressures are powerful in shaping organizational behavior, particularly in environments where compliance with regulations is critical for legitimacy and survival (Masocha & Fatoki, 2018). In this study, coercive pressure appears to drive SMEs to adopt cloud accounting as a means of adhering to regulations, enhancing transparency, and gaining legitimacy in the eyes of stakeholders. This finding supports prior studies, such as those by Alziady & Enayah (2019), Lu & Wang (2023), and Kreuzer (2017), which all underscore the critical role of coercive forces in promoting the adoption of digital technologies. These studies also note that coercive pressures often include incentives or penalties, which further motivate compliance and technological adoption.

Normative Pressure, which stems from the influence of social and professional norms, does not significantly impact Behavioral Intention in this study. This result can be explained through the lens of Institutional Theory, which emphasizes the importance of established norms and professionalization in driving isomorphism. However, in the context of Kebumen Regency, the lack of a strong normative culture around cloud accounting adoption may be a contributing factor. As Leow et al. (2021) and Alziady & Enayah (2019) highlight, when there is limited awareness or advocacy for a particular innovation within professional or social networks, normative pressures are unlikely to exert significant influence. This finding points to a need for increased awareness campaigns and advocacy efforts to establish cloud accounting as a normative practice within SMEs.

Behavioral intention is a well-documented predictor of actual behavior, as posited by the Theory of Planned Behavior (Ajzen, 1991). This theory suggests that intention reflects the motivational factors that influence behavior, providing a direct link between attitudes, intentions, and actions. In this study, Behavioral Intention significantly predicts Use Behavior, indicating that SMEs with a strong intention to adopt cloud accounting are more likely to integrate it into their operations. This finding is consistent with prior research, such as Mahardhika & Zakiyah (2020) and Nugraheni & Mahardhika (2023), which demonstrate the robustness of behavioral intention as a predictor of action across various contexts. Additionally, Fitrianie et al. (2021) and Khan & Abideen (2023) highlight that motivational factors, such as perceived ease of use and perceived usefulness, further strengthen this relationship.

This study enriches the existing literature by providing empirical evidence from a developing country context, where the dynamics of institutional pressures and behavioral intention may differ from those in developed economies. The findings underscore the nuanced interplay between institutional factors and behavioral drivers in shaping technology adoption among SMEs.

## Conclusion

Based on the study conducted in SMEs in Kebumen Regency, it can be determined that Mimetic Pressure has no effect on the intention to utilize cloud accounting. This indicates that the incentive to emulate other company practices is insufficient to persuade SMEs in Kebumen Regency to use cloud accounting. Furthermore, Coercive Pressure has a positive effect on the intention to utilize cloud accounting, suggesting that external pressures, such as government or industry authorities, might encourage SMEs to adopt cloud accounting. Meanwhile, Normative Pressure has little effect on the inclination to adopt cloud accounting services, showing that societal norms or expectations are insufficient to motivate SMEs in Kebumen Regency to use



cloud accounting. Finally, the intention to utilize cloud accounting has a beneficial impact on the habit of utilizing it, suggesting that SMEs with a strong intention to adopt cloud accounting are more likely to use it.

### **Implications for Theory**

This study contributes to Institutional Theory by providing evidence of how mimetic, coercive, and normative pressures interact in influencing technology adoption within SMEs. The findings highlight that coercive pressure plays a dominant role in driving behavioral intention, whereas mimetic and normative pressures have limited influence in the studied context. This suggests that Institutional Theory should be applied with sensitivity to contextual factors, such as market maturity and cultural norms, especially in developing economies. Furthermore, the study reinforces the importance of behavioral intention as a predictor of use behavior, aligning with the Theory of Planned Behavior.

### **Practical Implications**

From a practical perspective, policymakers and industry regulators can leverage coercive pressures, such as mandatory regulations or financial incentives, to encourage the adoption of cloud accounting. Additionally, efforts to build awareness and education around cloud accounting could address the lack of normative pressure by establishing it as a standard practice among SMEs. Technology providers should design user-friendly and cost-effective solutions tailored to the needs of SMEs to enhance their intention to adopt and utilize cloud accounting.

### **Limitations and Suggestions for Future Research**

This study has several limitations. First, the sample is limited to SMEs in Kebumen Regency, which may not represent the diversity of SMEs across Indonesia or other developing countries. Future studies should expand the geographic scope to provide a more comprehensive understanding of institutional pressures and behavioral intention. Second, the study primarily focuses on institutional pressures without examining other factors, such as technological readiness, perceived ease of use, or perceived usefulness, which may also influence cloud accounting adoption. Subsequent research could integrate these factors into the analytical framework.

Additionally, this study used a cross-sectional design, capturing data at a single point in time. Longitudinal studies are recommended to observe how institutional pressures and adoption behaviors evolve over time as SMEs gain more experience with cloud accounting and as the technology matures. Finally, future research could explore the role of individual characteristics, such as managerial attitudes, leadership styles, and decision-making processes, in shaping adoption intentions and behaviors. By addressing these limitations, future research can provide deeper insights into the factors that influence technology adoption in SMEs and offer more robust guidance for policymakers and practitioners.

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