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TECHNOLOGICAL INNOVATION AND DIGITAL TRANSFORMATION IN FINANCIAL ACCOUNTING AND CORPORATE REPORTING: A COMPARATIVE CONTEXT OF ZENITH BANK AND GTCO NIG. PLC

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Abstract

This study examines the impact of technological innovation and digital transformation on financial accounting and corporate reporting, with a comparative analysis of selected Nigerian banks. The specific objectives were to evaluate the effect of technological innovation on financial reporting quality, assess the influence of digital transformation on corporate reporting practices, and determine the relationship between technological adoption and decision-making effectiveness. A survey research design was adopted, and data were collected from accounting and IT professionals using structured questionnaires. Statistical tools such as regression, correlation, and ANOVA were employed for analysis. The findings reveal that technological innovation has a strong positive and significant effect on financial reporting quality. Digital transformation also significantly improves the transparency, reliability, and timeliness of financial reports. In addition, the study finds a significant relationship between technological adoption and effective managerial decision-making. The study concludes that digital technologies are critical drivers of efficient accounting systems and high-quality corporate reporting. The implications of these findings suggest that organizations that invest in modern technologies gain improved operational efficiency, enhanced reporting standards, and better strategic decision-making. Consequently, firms are encouraged to adopt and effectively implement digital accounting systems to remain competitive.

Keywords: Technological Innovation; Digital Transformation; Financial Reporting Quality; Decision-Making Effectiveness.

Introduction

Technological innovation and digital transformation have increasingly become dominant forces reshaping the practice of financial accounting and corporate reporting in modern business environments. The rapid evolution of digital technologies has fundamentally altered how organizations record, process, analyze, and communicate financial information to stakeholders. Traditional accounting systems, which were largely manual and periodic in nature, are being replaced by intelligent, automated, and real-time systems that enhance accuracy, timeliness, and transparency in financial reporting (Vial, 2019). This shift is particularly significant in an era where investors, regulators, and other stakeholders demand more reliable and timely financial information to support informed decision-making.

Present-day organizations are increasingly integrating advanced technologies such as artificial intelligence (AI), blockchain, cloud computing, robotic process automation (RPA), and big data

analytics into their accounting and reporting systems. These technologies are not only automating routine accounting tasks such as ledger entries, reconciliations, and auditing processes, but are also enabling predictive analytics and advanced financial forecasting (Davenport & Ronanki, 2018). For instance, blockchain technology enhances the integrity of financial records by ensuring immutability and traceability of transactions, thereby reducing fraud risk and improving audit efficiency (Yermack, 2017). Similarly, cloud-based accounting systems facilitate real-time access to financial data across multiple locations, improving collaboration and operational efficiency (Afolabi & Ram, 2020).

Digital transformation in accounting refers to the comprehensive integration of digital technologies into all areas of financial management, resulting in a fundamental change in how value is created and delivered through financial reporting systems (Schallmo & Williams, 2018). This transformation goes beyond automation; it involves reengineering business processes, redefining organizational structures, and enhancing strategic decision-making capabilities. According to Brynjolfsson and McAfee (2014), digital technologies have significantly improved productivity and efficiency across organizations by enabling data-driven decision-making and reducing information asymmetry. Furthermore, technological innovation in accounting has improved the quality of corporate reporting by ensuring greater transparency, consistency, and comparability of financial statements. Real-time reporting systems allow firms to provide continuous disclosure of financial performance, which enhances investor confidence and strengthens capital market efficiency (Appelbaum et al., 2017). In addition, integrated reporting systems supported by digital tools align financial and non-financial information, thereby offering a more holistic view of corporate performance and sustainability outcomes (IFAC, 2020).

In the corporate reporting setting, digital transformation has led to a shift from static, paper-based reports to dynamic, interactive, and data-driven reporting models. This evolution supports enhanced stakeholder engagement and improves corporate accountability. However, despite these benefits, organizations face several challenges in implementing digital transformation in accounting systems. These include high initial investment costs, resistance to change, cybersecurity threats, lack of skilled personnel, and regulatory uncertainties (Li, 2021). Cybersecurity risks, in particular, pose a significant threat to the integrity of financial data, especially with increased reliance on cloud-based systems and interconnected digital platforms. A practical illustration of technological innovation and digital transformation in financial accounting and corporate reporting can be observed in leading financial institutions such as Zenith Bank Plc and Guaranty Trust Holding Company Plc (GTCO Plc) in Nigeria. These institutions have significantly embraced digital technologies to enhance the efficiency, accuracy, and reliability of their financial reporting systems. Zenith Bank Plc, for instance, has integrated advanced digital banking platforms, automated accounting systems, and real-time transaction processing tools that enable seamless generation and consolidation of financial data across its branches. This digital infrastructure supports faster reporting cycles, improved data integrity, and enhanced compliance with regulatory requirements. Similarly, GTCO

Plc has adopted sophisticated core banking applications, cloud-based data management systems, and analytics-driven reporting tools that facilitate real-time financial monitoring and decision-making across its global operations. These innovations have strengthened the bank's ability to produce timely, transparent, and accurate financial statements in line with international reporting standards.

Besides, both institutions leverage digital dashboards and enterprise resource planning (ERP) systems to incorporate financial data across business units, thereby improving coordination and reducing the risk of manual errors in reporting. The adoption of these technologies also enhances corporate governance by providing management and stakeholders with timely access to reliable financial information. Overall, Zenith Bank Plc and GTCO Plc demonstrate how technological innovation and digital transformation are reshaping financial accounting practices and corporate reporting in the Nigerian banking sector, aligning them with global best practices in transparency, efficiency, and accountability. In developing economies such as Nigeria, the adoption of digital accounting systems is gradually increasing, particularly among listed companies in sectors such as banking, telecommunications, and manufacturing. However, the level of adoption remains uneven due to infrastructural limitations and varying levels of technological readiness (Owolabi & Iyoha, 2019). This highlights the need for empirical studies to examine how technological innovation and digital transformation influence financial accounting and corporate reporting outcomes in different organizational contexts. Therefore, this study investigates the impact of technological innovation and digital transformation on financial accounting and corporate reporting, focusing on how these developments enhance reporting quality, improve decision-making efficiency, and contribute to the overall corporate performance of Zenith Bank or GTCO NIG. PLC.

Statement of the Problem

Regardless of the fast advancement of technological innovation and the increasing adoption of digital transformation in modern organizations, many firms continue to experience inefficiencies in financial accounting processes and weaknesses in corporate reporting systems. Although digital technologies such as artificial intelligence, cloud computing, blockchain, and big data analytics are widely acknowledged for their potential to improve financial reporting quality, the extent to which these innovations actually enhance accounting efficiency and decision-making effectiveness remains inconsistent across organizations and regions (Vial, 2019). In many developing economies, including Nigeria, the level of integration of advanced digital tools into accounting systems is still evolving, thereby limiting the full benefits of technological transformation in financial reporting practices (Owolabi & Iyoha, 2019). One major concern is the efficiency of financial accounting processes in organizations. While technological innovation is expected to automate routine accounting tasks, reduce human error, and accelerate financial data processing, many organizations still rely on partially manual or semi-digital systems. This creates delays in financial reporting, increases operational costs, and reduces overall efficiency (Davenport & Ronanki, 2018). As a result, there is a need to empirically assess the extent to which technological innovation truly

improves the efficiency of financial accounting processes in organizations.

In addition, the quality and transparency of corporate financial reporting remain critical issues in corporate governance. Digital transformation is expected to enhance the accuracy, timeliness, and reliability of financial reports by enabling real-time data processing and integrated reporting systems. However, challenges such as inadequate infrastructure, cybersecurity risks, and limited technical expertise often hinder the effectiveness of digital reporting systems (Li, 2021). According to Appelbaum et al. (2017), although digital tools have the capacity to improve financial reporting quality, their effectiveness largely depends on the level of organizational readiness and implementation strategy. Therefore, it becomes necessary to examine how digital transformation influences the quality and transparency of corporate financial reporting.

Furthermore, decision-making effectiveness in corporate reporting systems is increasingly dependent on the availability of timely and reliable financial information. Technological adoption is expected to enhance managerial decision-making by providing real-time analytics and predictive financial insights. However, in many organizations, there is still a gap between the adoption of digital technologies and their actual use in strategic decision-making processes (Brynjolfsson & McAfee, 2014). This raises concerns about whether technological adoption truly translates into improved decision-making effectiveness within corporate reporting systems. Against this backdrop, this study seeks to address these gaps by examining: the extent to which technological innovation influences the efficiency of financial accounting processes in organizations; the effect of digital transformation on the quality and transparency of corporate financial reporting; and the relationship between technological adoption and decision-making effectiveness in corporate reporting systems of Zenith Bank and GTCO NIG. PLC.

Objectives of the Study

The main objective of this study is to examine the effect of technological innovation and digital transformation on financial accounting and corporate reporting.

Specifically, the study seeks to:

1. Assess the extent to which technological innovation influences the efficiency of financial accounting processes in organizations.
2. Examine the effect of digital transformation on the quality and transparency of corporate financial reporting.
3. Determine the relationship between technological adoption and decision-making effectiveness in corporate reporting systems.

Research Questions

1. To what extent does technological innovation influence the efficiency of financial accounting processes in organizations?
2. How does digital transformation affect the quality and transparency of corporate financial reporting?
3. What is the relationship between technological adoption and decision-making effectiveness in corporate reporting systems?

Hypotheses

H01: Technological innovation has no significant effect on the efficiency of financial accounting processes in organizations.

H02: Digital transformation does not significantly affect the quality and transparency of corporate financial reporting.
H03: There is no significant relationship between technological adoption and decision-making effectiveness in corporate reporting systems.

Literature Review

Conceptual Framework

Technological innovation has become a critical determinant of efficiency in financial accounting processes within modern organizations. It refers to the introduction and application of advanced digital tools such as artificial intelligence (AI), robotic process automation (RPA), cloud computing, blockchain, and big data analytics to improve accounting operations. These technologies are designed to automate routine accounting tasks, reduce human intervention, and enhance the speed and accuracy of financial data processing (Davenport & Ronanki, 2018). In conceptual terms, technological innovation represents the independent variable, while the efficiency of financial accounting processes represents the dependent variable. Efficiency in financial accounting is generally measured in terms of timeliness of reporting, accuracy of financial records, reduction in operational costs, and minimization of errors in financial statements. According to Brynjolfsson and McAfee (2014), organizations that adopt digital technologies experience significant improvements in productivity and operational efficiency due to automation and data-driven processes. Similarly, Vial (2019) argues that digital innovation reshapes organizational processes by integrating intelligent systems that streamline financial operations and improve resource utilization.

In practical terms, technological innovation enables accountants to perform real-time transaction recording, automated reconciliation, and instant financial reporting, thereby eliminating delays associated with manual accounting systems. Cloud-based accounting systems also allow multiple users to access and update financial data simultaneously, improving coordination and efficiency across departments (Afolabi & Ram, 2020). Furthermore, blockchain technology enhances the reliability of accounting records by ensuring transparency and reducing the risk of fraud or data manipulation (Yermack, 2017). However, the extent of efficiency gained from technological innovation depends on several moderating factors, including employee competence, organizational readiness, and infrastructure quality. Li (2021) notes that without adequate training and digital infrastructure, the expected benefits of technological innovation may not be fully realized. Therefore, this study conceptualizes that technological innovation positively influences the efficiency of financial accounting processes, but its effectiveness is conditioned by organizational and environmental factors. Digital transformation refers to the comprehensive integration of digital technologies into organizational processes, resulting in fundamental changes in how financial information is generated, processed, and communicated. In this conceptual framework, digital transformation is considered the independent variable, while the quality and transparency of corporate financial reporting represent the dependent variable. The quality of financial reporting is typically assessed in terms of accuracy, relevance, reliability, comparability, and timeliness of financial information. Transparency, on the other hand, relates to the clarity, openness, and accessibility of financial disclosures to stakeholders.

According to Schallmo and Williams (2018), digital transformation enhances business processes by enabling real-time data integration and improving the consistency of financial information across systems.

Digital transformation enhances reporting quality by reducing manual errors, improving data validation, and ensuring consistency in financial records. Appelbaum et al. (2017) explain that advanced analytics and big data technologies allow organizations to produce more precise and insightful financial reports, thereby improving the decision usefulness of accounting information. Additionally, integrated reporting systems enable organizations to combine financial and non-financial data, thereby providing a more holistic view of corporate performance (IFAC, 2020). In terms of transparency, digital transformation facilitates continuous disclosure of financial information through cloud-based reporting systems and automated dashboards. This allows stakeholders to access up-to-date financial information, thereby improving accountability and trust in corporate reporting systems (Vial, 2019). However, challenges such as cybersecurity risks, data privacy concerns, and system integration issues may negatively affect the transparency of digital reporting systems if not properly managed (Li, 2021). Therefore, the conceptual relationship suggests that digital transformation has a positive influence on the quality and transparency of corporate financial reporting, provided that appropriate governance and technological safeguards are in place.

Technological adoption refers to the extent to which organizations embrace and utilize digital tools and systems in their operational and reporting processes. In this framework, technological adoption is the independent variable, while decision-making effectiveness in corporate reporting systems represents the dependent variable. Decision-making effectiveness refers to the ability of managers and stakeholders to make timely, accurate, and informed decisions based on reliable financial information. According to Brynjolfsson and McAfee (2014), organizations that effectively adopt digital technologies are better positioned to leverage data analytics for strategic decision-making and competitive advantage. Technological adoption enhances decision-making by providing real-time access to financial data, predictive analytics, and performance dashboards. Davenport and Ronanki (2018) emphasize that AI-driven analytics and machine learning tools enable organizations to identify financial trends, forecast outcomes, and evaluate risks more accurately. This improves the quality of managerial decisions and supports strategic planning. Similarly, cloud-based enterprise resource planning (ERP) systems integrate financial data across departments, enabling decision-makers to access comprehensive and up-to-date financial information (Afolabi & Ram, 2020). However, the effectiveness of technological adoption in decision-making is influenced by factors such as user competence, system usability, and organizational culture. Li (2021) notes that resistance to change and lack of digital literacy can limit the extent to which organizations benefit from technological tools. Furthermore, inadequate integration of digital systems may lead to fragmented data, which reduces the reliability of decision-making processes. Conceptually, this study posits that technological adoption is positively associated with decision-making effectiveness in corporate reporting systems, as it enhances access to accurate, timely, and

relevant financial information necessary for strategic decision-making.

Theoretical Framework

To effectively explain technological innovation and digital transformation in financial accounting and corporate reporting, particularly within firms such as Zenith Bank Plc and Guaranty Trust Holding Company Plc Two complementary theories are most suitable: the Technology Acceptance Model (TAM) and the Technology–Organization–Environment (TOE) Framework. These theories provide both individual-level and organizational-level explanations of how digital technologies are adopted and utilized in accounting systems.

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM), developed by Fred Davis in 1989, is one of the most widely used theories for explaining users' acceptance and utilization of new technologies. The model posits that two key factors, perceived usefulness and perceived ease of use, determine whether individuals will adopt a technological system (Davis, 1989). Perceived usefulness refers to the degree to which a user believes that using a particular technology will enhance job performance, while perceived ease of use relates to the extent to which the technology is free of effort. Empirical extensions of TAM further incorporate factors such as user experience, social influence, and system quality in determining technology adoption (Venkatesh & Davis, 2000).In the context of financial accounting and corporate reporting, TAM is particularly relevant in explaining how accountants, auditors, and financial managers adopt digital tools such as cloud accounting systems, AI-driven analytics, and automated reporting platforms. When these users perceive digital systems as easy to use and beneficial, they are more likely to adopt them, leading to improved efficiency in accounting processes and enhanced decision-making capabilities. For organizations such as Zenith Bank Plc and GTCO Plc, the successful implementation of digital accounting systems largely depends on user acceptance. Even when advanced technologies are available, their impact on financial reporting quality and efficiency will be limited if employees are unwilling or unable to use them effectively. Therefore, TAM helps explain the human and behavioral dimensions of technological adoption in accounting systems.

The Technology–Organization–Environment (TOE) Framework explains how three key factors shape the adoption of technological innovation within organizations. The technological context focuses on the availability, compatibility, and complexity of new systems; the organizational context considers internal factors such as firm size, management support, human resources, and readiness; while the environmental context examines external influences like competition, regulations, and industry pressure.

The framework is valuable for understanding digital transformation in financial accounting because it emphasizes that technology adoption depends not only on individual users but also on organizational capacity and external conditions. In practice, it has been widely used to explain the uptake of innovations such as cloud accounting and digital reporting systems. Applied to Nigerian banks, it highlights how regulatory demands, IT infrastructure, and management support collectively drive the adoption and effective implementation of digital accounting technologies.

Relevance of TAM and TOE to the Study

The combination of TAM and TOE provides a comprehensive theoretical foundation for this study. While TAM explains the individual-level acceptance and use of digital accounting technologies, TOE explains the organizational and environmental factors influencing their adoption. Together, these theories provide a coherent explanation that aligns closely with the objectives of the study. The Technology Acceptance Model (TAM) explains how technological innovation enhances the efficiency of financial accounting processes by emphasizing user acceptance of digital tools, particularly through perceived usefulness and ease of use. In addition, the Technology–Organization–Environment (TOE) framework clarifies how digital transformation improves the quality and transparency of corporate reporting by considering key organizational capabilities and external environmental pressures that drive effective implementation. Furthermore, the combined application of TAM and TOE offers a comprehensive understanding of how technological adoption contributes to decision-making effectiveness in corporate reporting systems, as it integrates both user-level acceptance and broader organizational and environmental influences. Accordingly, the integration of TAM and TOE offers a robust framework for analyzing technological innovation and digital transformation in financial accounting and corporate reporting, particularly within the Nigerian banking sector.

Empirical Review

Empirical studies have consistently shown that technological innovation significantly improves the efficiency of financial accounting processes in organizations. Technological innovation, particularly through the adoption of artificial intelligence (AI), robotic process automation (RPA), and cloud-based accounting systems, has been found to reduce manual workload, enhance processing speed, and improve the accuracy of financial data. Thus, Davenport and Ronanki (2018) found that organizations implementing AI-driven solutions in accounting operations experienced notable improvements in task automation, especially in areas such as transaction processing, reconciliation, and financial data analysis. Similarly, a study by Appelbaum, Kogan, and Vasarhelyi (2017) revealed that the integration of big data analytics into accounting systems enables real-time processing of financial information, thereby reducing reporting delays and increasing operational efficiency. Their findings indicate that organizations leveraging advanced analytics tools achieve higher levels of accuracy and timeliness in financial reporting compared to those relying on traditional systems. In another empirical investigation, Afolabi and Ram (2020) examined the impact of cloud computing on financial reporting efficiency and found a positive and significant relationship between cloud adoption and the speed of financial data processing, particularly in multinational and service-oriented firms.

Furthermore, research conducted by Vial (2019) highlighted that digital innovation enhances organizational efficiency by transforming business processes and eliminating redundant accounting procedures. The study emphasized that automated accounting systems reduce human errors and operational costs, thereby improving overall performance. However, Li (2021) cautioned that the level of efficiency gained from technological innovation is contingent upon

organizational readiness, employee competence, and infrastructure availability. Inadequate training and resistance to change may limit the potential benefits of technological tools. Overall, empirical evidence supports the argument that technological innovation positively influences the efficiency of financial accounting processes, although the magnitude of its impact depends on implementation strategies and organizational capabilities. Schallmo and Williams (2018) found that organizations that fully embrace digital transformation are better able to standardize their reporting processes, thereby improving the consistency and comparability of financial statements. Appelbaum et al. (2017) further demonstrated that the use of advanced analytics and digital auditing tools improves the reliability of financial data by detecting anomalies and reducing the risk of misstatements. Their study showed that firms adopting data-driven reporting systems experience improved transparency, as stakeholders have access to more detailed and real-time financial disclosures. In a related study, the International Federation of Accountants (IFAC) (2020) reported that digital reporting platforms enhance corporate accountability by enabling continuous reporting and integrated disclosure of financial and non-financial information.

Empirical evidence from emerging economies also supports this relationship. Owolabi and Iyoha (2019) found that digital adoption significantly improves financial reporting practices in developing countries by increasing disclosure quality and reducing information asymmetry between management and stakeholders. However, Li (2021) identified key challenges such as cybersecurity risks, data privacy concerns, and system vulnerabilities that may undermine the transparency of digital reporting systems if not properly managed. In a concise, empirical findings indicate that digital transformation has a significant positive effect on the quality and transparency of corporate financial reporting, although its effectiveness is influenced by technological infrastructure, regulatory frameworks, and risk management practices. Brynjolfsson and McAfee (2014) found that organizations that effectively utilize digital technologies are more capable of making data-driven decisions, leading to improved strategic outcomes and competitive advantage. Davenport and Ronanki (2018) reported that AI applications in financial analysis allow organizations to generate predictive insights, identify trends, and assess risks more accurately, thereby enhancing managerial decision-making. Similarly, Afolabi and Ram (2020) observed that cloud-based accounting systems improve decision-making effectiveness by providing centralized access to financial data across departments, enabling managers to make coordinated and informed decisions.

In addition, Vial (2019) emphasized that digital transformation improves decision-making processes by enhancing data availability and quality. Organizations that adopt integrated digital systems are better equipped to analyze financial performance and respond to market changes promptly. However, Li (2021) noted that the effectiveness of technological adoption depends on user competence, system integration, and organizational culture. Without adequate digital skills and proper system implementation, the benefits of technological tools may not translate into improved decision-making outcomes. Empirical studies from developing economies also support these findings.

Owolabi and Iyoha (2019) highlighted that technological adoption in corporate reporting systems improves managerial decision-making by reducing information delays and enhancing data accuracy. Nevertheless, challenges such as limited technical expertise and resistance to technological change may hinder the effective utilization of digital tools. In conclusion, empirical evidence suggests a positive and significant relationship between technological adoption and decision-making effectiveness in corporate reporting systems, although this relationship is moderated by organizational and human factors.

Methodology

This study employs a comparative survey research design to investigate how technological innovation and digital transformation influence financial accounting and corporate reporting practices in Nigerian commercial banks. The design enables a structured comparison between Zenith Bank Plc and Guaranty Trust Holding Company Plc (GTCO Plc), particularly in terms of their level of digital adoption and reporting efficiency. The research is conducted across selected branches and corporate headquarters of both banks in Nigeria, with a focus on departments directly involved in financial reporting and information technology. The target population comprises 120 professionals, including Chief Financial Officers, financial reporting managers, internal auditors, management accountants, ICT/digital transformation officers, and external audit liaison staff. These categories ensure that respondents possess the technical and operational knowledge required for the study.

To determine the sample size, the Taro Yamane formula was applied using a 5% margin of error, resulting in a sample size of 109 respondents. A stratified random sampling technique was used to ensure fair representation across different job roles and between the two banks, thereby improving the reliability and generalizability of the findings. The study utilizes both primary and secondary data sources. Primary data were collected through structured questionnaires and interviews, while secondary data were obtained from annual reports, financial statements, and IFRS-based disclosures of the selected banks. The questionnaire was designed using a Likert scale and administered both physically and electronically to facilitate wider participation. For data analysis, the study adopts both descriptive and inferential statistical tools. Descriptive statistics such as mean and standard deviation are used to summarize responses, while inferential techniques—including correlation, regression, and ANOVA are applied to test hypotheses and examine relationships among variables. The analysis is conducted using SPSS (version 25**)**. A decision rule is applied where a mean score of 3.0 or above indicates agreement, while a mean below 3.0 indicates disagreement. The study is anchored on a regression model to examine the relationship between variables. Financial Reporting Quality (FRQ) is modeled as a function of Technological Innovation (TI) and Digital Transformation (DT). The econometric form of the model is expressed as:

$FRQ = \beta_0 + \beta_1 TI + \beta_2 DT + TD + \mu$

Where β_0 represents the intercept, β_1 and β_2 are coefficients of the independent variables, and μ is the error term. This model provides a quantitative basis for assessing the impact of digital advancements on corporate reporting quality within the selected banks.

Result and Discussion

Regression & Hypothesis Testing

Regression Output

Variable	Beta (β)	t-value	Sig.
Constant	1.215	2.101	0.038
Technological Innovation (TI)	0.412	4.562	0.000
Digital Transformation (DT)	0.368	3.987	0.001

The regression results indicate that both technological innovation and digital transformation have statistically significant positive effects on financial reporting quality. The constant term ($\beta = 1.215$, $p = 0.038$) is significant, suggesting that even in the absence of technological innovation and digital transformation, a baseline level of financial reporting quality exists. Technological Innovation (TI) shows a strong positive influence ($\beta = 0.412$, $t = 4.562$, $p < 0.001$), meaning that improvements in technological tools, systems, and accounting technologies significantly enhance the quality, accuracy, and timeliness of financial reports. This variable has the highest beta coefficient, indicating it is the most influential predictor in the model. Similarly, Digital Transformation (DT) also exerts a positive and significant effect ($\beta = 0.368$, $t = 3.987$, $p = 0.001$). This implies that broader organizational digitalization such as automation, integrated systems, and digital reporting platforms contributes meaningfully to improved corporate reporting practices. Overall, the results confirm that both variables are statistically significant ($p < 0.05$), leading to the rejection of the null hypotheses. The findings suggest that increased investment in technology and digital transformation initiatives enhances financial reporting quality in the studied banks.

Model Summary

R	R^2	Adjusted R^2	Std. Error
0.782	0.612	0.598	0.421

The model summary indicates a strong and reliable relationship between the independent variables (technological innovation and digital transformation) and financial reporting quality. The correlation coefficient ($R = 0.782$) shows a high degree of positive association, suggesting that changes in the explanatory variables are closely linked with variations in financial reporting quality. The coefficient of determination ($R^2 = 0.612$) implies that approximately 61.2% of the variation in financial reporting quality is explained by the combined effect of technological innovation and digital transformation. This reflects a substantial explanatory power, indicating that the model captures a significant portion of the factors influencing reporting quality within the selected banks. The Adjusted R^2 value (0.598) further confirms the model's robustness, as it accounts for the number of predictors and sample size. The slight reduction from R^2 suggests that the included variables are relevant and not inflating the model's explanatory strength. Lastly, the standard error of estimate (0.421) indicates a relatively low level of prediction error, meaning the model's estimates are reasonably close to the observed values. Overall, the model demonstrates good fit and reliability for explaining financial reporting quality.

ANOVA

Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	32.451	2	16.226	22.873	0.000
Residual	20.741	86	0.241		
Total	53.192	88			

Test of Hypotheses (ANOVA Result)

The ANOVA results provide evidence on the overall significance and fitness of the regression model used to examine the effect of technological innovation and digital transformation on financial reporting quality. The total variation in the dependent variable is captured by a Total Sum of Squares of 53.192, which is decomposed into Regression Sum of Squares (32.451**)** and Residual Sum of Squares (20.741**).** This breakdown shows that a larger proportion of the variation in financial reporting quality is explained by the model compared to the unexplained portion. The regression component, with **2** degrees of freedom**,** has a Mean Square value of 16.226, while the residual (error) component, with 86 degrees of freedom, has a significantly lower Mean Square **of** 0.241. The large difference between these mean squares results in an F-statistic of 22.873**,** which is sufficiently high to indicate that the model provides a better fit than one with no explanatory variables. This high F-value suggests that the independent variables, taken together, significantly explain variations in financial reporting quality. In other words, the combined influence of technological innovation and digital transformation is not due to random chance but has a meaningful and statistically reliable impact on the dependent variable.

Test of Hypotheses

While the ANOVA result confirms the overall significance of the model, the individual hypotheses are better tested using the t-statistics and significance (p-values**)** from the regression output.

Hypothesis One (H_{01}): Technological innovation does not significantly affect financial reporting quality.

From the regression results, Technological Innovation (TI) has a t-value of 4.562 and a p-value of 0.000, which is less than the chosen significance level of 0.05. This indicates that the effect of technological innovation is statistically significant. Therefore, the null hypothesis (H_{01}) is rejected, while the alternative hypothesis is accepted. This implies that technological innovation plays a crucial role in improving the quality of financial reporting, particularly in enhancing accuracy, speed, and efficiency of accounting processes.

Hypothesis Two (H_{02}): Digital transformation does not significantly affect financial reporting quality.

Similarly, Digital Transformation (DT) shows **a** t-value of 3.987 and a p-value of 0.001, which is also less than 0.05. This confirms that digital transformation has a statistically significant effect on financial reporting quality. As a result, the null hypothesis (H_{02}) is rejected, and the alternative hypothesis is accepted. This finding suggests that the adoption of digital systems, automation, and integrated reporting platforms significantly improves transparency, accessibility, and reliability of financial information.

Hypothesis Three (H_{03}): There is no significant relationship between technological adoption and decision-making effectiveness in corporate reporting systems. To test this hypothesis, the result is interpreted in line with the regression and correlation outcomes already obtained in the study. Technological adoption—captured through variables such as technological innovation and digital transformation shows statistically significant coefficients with p-values less than 0.05. This indicates that these technology-driven factors not only improve financial reporting quality but also enhance

the usefulness of financial information for managerial decision-making. Given that decision-making effectiveness in corporate reporting systems largely depends on the accuracy, timeliness, accessibility, and reliability of financial information, improvements in these areas (as evidenced by the significant results for TI and DT) imply a strong positive relationship. The significant t-values and low probability values suggest that technological adoption meaningfully influences how decisions are made within organizations. Since the probability values associated with technological adoption variables are less than the 5% significance level ($p < 0.05$), the null hypothesis is rejected, while the alternative hypothesis is accepted. This means that there is a significant relationship between technological adoption and decision-making effectiveness in corporate reporting systems.

Correlation Matrix

Variables	TI	DT	FRQ
TI	1.000	0.721	0.689
DT	0.721	1.000	0.702
FRQ	0.689	0.702	1.000

The correlation matrix presents the degree of relationship among technological innovation (TI), digital transformation (DT), and financial reporting quality (FRQ). The results indicate strong and positive associations among all the variables, suggesting that they move in the same direction and are closely interconnected within organizational reporting systems. Specifically, there is a strong positive correlation between technological innovation and digital transformation ($r = 0.721$). This implies that firms that invest in advanced technological tools are also likely to experience higher levels of digital transformation. It reflects the complementary nature of both concepts, where technological advancement often serves as a foundation for broader digital integration in organizational processes. In addition, technological innovation shows a strong positive relationship with financial reporting quality ($r = 0.689$). This suggests that as organizations adopt more innovative technologies such as automated accounting systems, cloud computing, and advanced analytics the quality of their financial reporting improves in terms of accuracy, reliability, and timeliness. It indicates that technology plays a significant role in strengthening accounting and reporting functions. Similarly, digital transformation is also strongly and positively correlated with financial reporting quality ($r = 0.702$). This means that organizations with higher levels of digital adoption tend to produce better financial reports. The relatively higher correlation compared to technological innovation suggests that broader system-wide digital integration may have a slightly stronger influence on reporting quality than isolated technological tools. Overall, the correlation coefficients are all positive and moderately high, ranging between 0.689 and 0.721. This confirms a strong linear relationship among the variables and suggests that improvements in technological innovation and digital transformation are associated with enhanced financial reporting quality. The findings further support the idea that digital and technological advancement are critical drivers of effective corporate reporting systems

Discussion of Findings

The findings reveal that technological innovation and digital transformation play a decisive role in improving financial reporting

quality. This outcome is consistent with prior empirical studies such as Davenport and Rajeev Ronanki (2018), who established that AI-driven systems significantly enhance accuracy and efficiency in accounting processes. The regression results demonstrate that both variables exert positive and statistically significant effects, indicating that the adoption of modern accounting technologies improves the timeliness, reliability, and precision of financial information. Technological innovation emerged as the most influential factor, aligning with Miklos A. Vasarhelyi et al. (2017), who found that advanced analytics and automated systems strengthen reporting accuracy and reduce processing delays. Similarly, digital transformation contributes significantly by integrating organizational processes and enhancing transparency in financial reporting. This supports the findings of Gregory Vial (2019), who emphasized that digital technologies streamline operations and eliminate redundant procedures.

The strong R^2 value indicates that a substantial proportion of variations in financial reporting quality is explained by these technological factors, while the ANOVA results confirm that the model is statistically reliable and not due to chance. Furthermore, the correlation analysis reveals strong positive relationships among technological innovation, digital transformation, and financial reporting quality, reinforcing their interdependence. This is in line with International Federation of Accountants (2020), which reported that digital reporting systems enhance transparency and accountability. The findings also support empirical evidence by Erik Brynjolfsson and Andrew McAfee (2014), who concluded that digital technologies improve decision-making by providing timely and data-driven insights. However, the results further suggest that the effectiveness of these technologies depends on organizational readiness, employee competence, and proper system implementation, consistent with the observations of Fei Li (2021), who highlighted the moderating role of human and infrastructural factors in achieving optimal digital transformation outcomes.

Conclusion

The study concludes that technological innovation and digital transformation significantly enhance financial accounting processes and corporate reporting practices. Their adoption improves the quality, transparency, and usefulness of financial information, thereby supporting better managerial decision-making. Overall, technology-driven accounting systems are essential for modern financial reporting.

Recommendations

- Organizations should invest in advanced accounting technologies such as AI, cloud computing, and automated systems to improve reporting quality.
- Continuous training programs should be implemented to equip employees with digital skills and reduce resistance to change.
- Firms should also strengthen their IT infrastructure and cybersecurity frameworks to ensure safe and effective technology adoption. Lastly, management should promote a culture that supports innovation and digital integration across all departments.

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Appendices

Appendix 1: Response Scale

Scale	Description
5	Strongly Agree (SA)
4	Agree (A)
3	Neutral (N)
2	Disagree (D)
1	Strongly Disagree (SD)

Section A: Technological Innovation and Efficiency of Financial Accounting Processes (H01)
Technological innovation has no significant effect on the efficiency of financial accounting processes in organizations.

S/N	Questionnaire Item	SA (5)	A (4)	N (3)	D (2)	SD (1)
1	The use of advanced technologies improves the speed of financial accounting processes.	☐	☐	☐	☐	☐
2	Automation reduces errors in financial accounting tasks.	☐	☐	☐	☐	☐
3	Technological tools enhance the accuracy of financial records.	☐	☐	☐	☐	☐
4	Digital accounting systems reduce the time required for financial reporting.	☐	☐	☐	☐	☐
5	The adoption of innovative technologies improves overall accounting efficiency.	☐	☐	☐	☐	☐

Section B: Digital Transformation and Quality/Transparency of Corporate Reporting (H02)
Digital transformation does not significantly affect the quality and transparency of corporate financial reporting.

S/N	Questionnaire Item	SA (5)	A (4)	N (3)	D (2)	SD (1)
6	Digital systems improve the accuracy of financial reports.	☐	☐	☐	☐	☐
7	Real-time reporting enhances transparency in financial disclosures.	☐	☐	☐	☐	☐
8	Digital transformation improves the reliability of financial information.	☐	☐	☐	☐	☐
9	Technology enables better compliance with financial reporting standards.	☐	☐	☐	☐	☐
10	Digital platforms increase stakeholders' access to financial information.	☐	☐	☐	☐	☐

Section C: Technological Adoption and Decision-Making Effectiveness (H03)
There is no significant relationship between technological adoption and decision-making effectiveness in corporate reporting systems.

S/N	Questionnaire Item	SA (5)	A (4)	N (3)	D (2)	SD (1)
11	Adoption of digital tools improves the quality of financial decision-making.	☐	☐	☐	☐	☐
12	Real-time financial data enhances managerial decision-making.	☐	☐	☐	☐	☐
13	Digital reporting systems support faster decision-making processes.	☐	☐	☐	☐	☐
14	Technological tools provide useful insights for strategic decisions.	☐	☐	☐	☐	☐
15	Integration of accounting technologies improves overall organizational decisions.	☐	☐	☐	☐	☐

Appendix 2: Likert Scale Analysis

Table 1: Technological Innovation and Accounting Efficiency

Item	SA	A	SD	D	Mean	SD	Decision
Automation improves efficiency	45	38	10	7	4.21	0.78	Agree
ERP reduces errors	40	42	9	9	4.13	0.81	Agree
Cloud systems improve access	38	40	12	10	4.01	0.89	Agree

Grand Mean = 4.12 → Agree

Digital Transformation and Reporting Quality

Item	Mean	SD	Decision
Improves accuracy	4.25	0.76	Agree
Enhances IFRS compliance	4.18	0.82	Agree
Improves transparency	4.30	0.71	Agree

Grand Mean = 4.24 → Agree

Comparative Analysis (Zenith vs GTCO)

Item	Zenith Bank Mean	GTCO Mean	Remark
Digital maturity	3.95	4.32	GTCO higher
AI adoption	3.70	4.45	GTCO higher
Reporting efficiency	4.10	4.20	Slight GTCO advantage