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CLOUD-BASED ACCOUNTING AND FIRM EFFECTIVENESS: PERSPECTIVE STUDY OF ACCOUNTANTS IN ANAMBRA STATE

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ABSTRACT

The study examined the relationship between cloud-based accounting and firm effectiveness from the accountants' perspective in Anambra State. The research utilized a survey-based descriptive research design. Seven hundred and seventy-two professionally affiliated accountants in Anambra State made up the study population. Taro Yamane's (1967) formula was used to determine the sample size of 130 professionally affiliated accountants in Anambra state. A structured questionnaire was used as the research instrument. Descriptive analysis was performed using frequency distribution. Given that the data were ranked, Spearman's Rank Order Correlation Analysis was utilized to test the hypothesis. It was found that cloud-based accounting has a significant positive relationship with firm effectiveness from the perspective of accountants in Anambra State (rho = .284; p-value = 0.001). In conclusion, the efficiency, real-time access to data, enhanced collaboration, and improved financial control provided by cloud-based accounting systems are key factors that drive this relationship. The study recommends that department heads should encourage and promote collaboration across teams by utilizing the collaborative features of cloud-based accounting systems
.

***Key words:** Accounting Professionals, Cloud-based accounting, Firm Effectiveness.*

1. INTRODUCTION

The present-day business environment goes through heavy and rapid evolution so much so that the integration of technology into various aspects of business operations has become a key determinant of organizational success. Technological advancements, particularly in information technology, have fundamentally transformed how businesses operate, manage data, and make decisions. One of the most significant technological shifts in recent years is the widespread adoption of cloud computing across various sectors, including accounting (Rawashdeh & Rawashdeh, 2023). Cloud computing, characterized by the delivery of computing services over the Internet has revolutionized traditional business models by offering scalable, on-demand access to resources and applications (Mistry, Mavani, Goswami & Patel, 2024). In this context, cloud-based accounting has emerged as a critical innovation, reshaping the way accounting practices are conducted. As businesses face growing pressure to enhance efficiency, reduce costs, and stay competitive, cloud-based accounting offers a range of benefits that address these challenges. By enabling real-time access to financial data, facilitating collaboration among stakeholders, and providing automated processes, cloud-based accounting systems streamline financial management and decision-making (Okere, 2022). Moreover, these systems offer enhanced data security, scalability, and flexibility, making them an attractive option for businesses of all sizes.

Cloud-based accounting, as a concept, involves the use of cloud computing technologies to manage and store accounting data and processes (Rawashdeh & Rawashdeh, 2023). Unlike traditional accounting systems that rely on localized software and physical storage, cloud-based accounting systems operate entirely online, allowing users to access financial information from any location with an internet connection (Nduokafor, Ukoh & Nworie, 2024). This shift from on-premise to cloud-based systems has introduced a new level of accessibility and convenience in managing accounting tasks. The main concepts associated with cloud-based accounting include data centralization, automation of routine tasks, real-time financial reporting, and enhanced data security. These systems typically offer a range of functionalities, including bookkeeping, payroll processing, invoicing, and financial reporting, all integrated within a single platform. The adoption of cloud-based accounting is driven by the need for businesses to manage their financial operations more efficiently, reduce the risks associated with data loss, and ensure compliance with regulatory requirements (Ahmad, Hannoon, Al-Daoud, Abu-Alsondos, & Al-Qaisieh, 2023). In Anambra State, the increasing awareness and adoption of cloud-based accounting are shaping the future of financial management, offering businesses new opportunities to optimize their operations and achieve sustainable growth.

By providing businesses with real-time hints into their financial health, cloud-based accounting systems enable more informed decision-making, which is crucial for maintaining competitiveness in today's fast-paced business environment (Onifade, Shittu, Aminu, & Ajibola, 2023). These systems also facilitate better cash flow management by automating invoicing and payment processes, reducing the time spent on manual tasks, and minimizing errors. Furthermore, the scalability of cloud-based accounting allows businesses to easily adjust their operations as they grow, ensuring that their financial management systems can keep pace with their expansion. Thus, firms are expected to be able to manage their financial operations efficiently and accurately, leveraging advanced technologies to streamline processes, reduce errors, and enhance decision-making. Cloud-based accounting, with its real-time data access, automation capabilities, and scalability, represents the pinnacle of such technological advancement (Rawashdeh & Rawashdeh, 2023). It allows firms to maintain up-to-date financial records, ensure compliance with regulatory standards, and optimize resource allocation, thereby improving overall firm effectiveness. Accountants, as key financial stewards within organizations, are expected to fully utilize these tools to provide strategic hints that drive business growth and sustainability. However, the adoption rate of cloud-based accounting remains relatively low, and where it has been adopted, its utilization is often suboptimal (Onifade, Shittu, Aminu, & Ajibola, 2023). Several factors contribute to this situation, including limited access to reliable internet services, inadequate technological infrastructure, resistance to change among accounting professionals, and a lack of proper training and awareness about the benefits of cloud-based accounting. Additionally, some businesses continue to rely on traditional accounting systems due to concerns about data security, cost implications, and the perceived complexity of transitioning to cloud-based platforms. This gap between the potential of cloud-based accounting and its actual implementation has led to inefficiencies in financial management and decision-making processes within firms.

As a result, the underutilization of cloud-based accounting systems hinders firms from achieving optimal efficiency, leading to increased operational costs, delayed financial reporting, and missed opportunities for strategic decision-making. Firms may struggle with cash flow management, risk exposure, and compliance issues, ultimately impacting their competitiveness and long-term viability. For accountants, the inability to leverage cloud-based accounting tools effectively limits their ability to provide real-time hints, diminishing their role as strategic partners in business growth. Although the existing literature highlights various aspects of cloud-based accounting and its impact on firm effectiveness, significant gaps remain, particularly from the perspective of accountants in specific regional contexts such as Anambra State. Al-Mutawa and Saeed Al Mubarak (2024) focused on SMEs' sustainability and found that factors like cost reduction and ease of use were crucial for cloud computing adoption. Similarly, Ahmad, Hannoon, Al-Daoud, Abu-Alsondos, and Al-Qaisieh (2023) emphasized the positive relationship between cloud-based accounting technology and business performance in Jordan, showing enhanced task completion and resource efficiency. However, these studies primarily address general impacts and do not delve into how cloud-based accounting specifically influences firm effectiveness in the context of regional variations or from the viewpoint of accountants themselves. This gap is further compounded by Onifade, Shittu, Aminu, and Ajibola (2023), whose study of the food and beverage sector in Nigeria highlighted mixed effects of cloud accounting costs on performance metrics, without considering the nuanced regional implications.

Additionally, the findings from Nduokafor, Ukoh, and Nworie (2024), which focus on business failure prevention in the consumer goods sector, and Wisdom and Grace (2023), who explored the negative effects of cloud accounting maintenance costs on manufacturing firms' performance, indicate a complex relationship between cloud-based accounting and firm effectiveness. These studies underscore the variability in outcomes based on industry and cost factors, yet they lack a focus on regional specifics and the accountant's perspective. Okere (2022) also revealed significant impacts of cloud accounting on performance but suggested that cost management remains a critical issue. This indicates a need for research that not only examines cloud-based accounting's effectiveness in diverse settings but also considers how accountants in Anambra State perceive and manage these technologies, thus filling the existing literature gap.

1.1 Objective

This study, therefore, seeks to examine the relationship between cloud-based accounting and firm effectiveness from the perspective of accountants in Anambra State.

1.2 Hypothesis

H_{01}: Cloud-based accounting has no significant relationship with firm effectiveness from the perspective of accountants in Anambra State.

2. LITERATURE REVIEW

2.1 Conceptual Review

2.1.1 Cloud-Based Accounting

Cloud-based accounting refers to the practice of utilizing cloud computing technology to manage and process accounting data and financial transactions over the internet (Rawashdeh & Rawashdeh, 2023). Unlike traditional accounting systems that rely on desktop software

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installed on local computers or servers, cloud-based accounting systems operate on remote servers, accessible through web browsers or mobile applications (Nduokafor, Ukoh & Nworie, 2024). This method allows businesses and accounting professionals to access financial data from anywhere with an internet connection, offering a high degree of flexibility and real-time financial management. The core of cloud-based accounting lies in its ability to centralize financial information in a secure online environment (Onifade, Shittu, Aminu, & Ajibola, 2023). This centralization ensures that all users, regardless of their location, work with the same data set, reducing the risks associated with version control and data discrepancies. Cloud-based accounting systems often integrate various features, such as invoicing, payroll management, expense tracking, and financial reporting, into a single platform, streamlining the accounting process and enhancing overall efficiency. Security is a paramount concern in cloud-based accounting. Providers of cloud accounting services employ advanced encryption methods and robust security protocols to protect sensitive financial data. This includes the use of multi-factor authentication, data redundancy, and regular backups to safeguard information against unauthorized access and data loss. The security measures in cloud-based systems are often more stringent and up-to-date compared to those in traditional, locally hosted systems (Nduokafor, Ukoh & Nworie, 2024).

Another significant aspect of cloud-based accounting is its scalability. Businesses of different sizes can tailor their accounting software needs according to their current requirements, easily upgrading or downgrading their service plans as their needs evolve. This scalability is particularly advantageous for small and medium-sized enterprises (SMEs) that may experience fluctuating accounting needs over time. Cloud-based accounting solutions often operate on a subscription model, which includes regular updates and maintenance without the need for manual interventions, further reducing the overhead costs associated with traditional accounting systems (Onifade, Shittu, Aminu, & Ajibola, 2023). Moreover, cloud-based accounting fosters collaboration among team members and external stakeholders, such as accountants, auditors, and financial advisors. By providing real-time access to financial data, cloud-based systems enable multiple users to work on the same set of records simultaneously, improving communication and reducing the time required for financial decision-making (Rawashdeh & Rawashdeh, 2023). The integration of artificial intelligence and machine learning in some cloud-based accounting platforms also introduces predictive analytics and automated processes, enhancing the accuracy and reliability of financial reporting. Thus, cloud-based accounting represents a significant evolution in the field of financial management, leveraging cloud computing technology to offer businesses and accounting professionals greater flexibility, security, and scalability. This approach not only modernizes traditional accounting practices but also empowers organizations to manage their finances more effectively in an increasingly digital and interconnected world (Okere, 2022).

2.1.2 Firm Effectiveness

Firm effectiveness refers to the extent to which a business organization successfully achieves its objectives, goals, and overall mission (Barros-Contreras, Campopiano, Discua Cruz, Martin-Cruz & Hernangómez 2024). This concept encompasses the efficiency and productivity of a firm in utilizing its resources, the quality and impact of its products or services, and its ability to meet the expectations of its stakeholders, including customers, employees, investors, and the broader community. Firm effectiveness is a comprehensive measure that goes beyond mere financial performance, taking into account various dimensions of organizational success (Klein, Wallis & Cooke, 2013). The essence of firm effectiveness is the alignment between a company's strategic objectives and its operational activities (Lasisi, Shodiya & Raji, 2014). A firm is considered effective when it can translate its long-term goals into actionable plans that are successfully executed by its workforce. This alignment ensures that every aspect of the business, from marketing and sales to production and customer service, contributes to the overall mission of the organization. Firm effectiveness, therefore, is a reflection of how well a company can coordinate its various functions to achieve its desired outcomes. Thus, firm effectiveness reflects the overall success of a business organization in achieving its goals and fulfilling its mission (Bagshaw & Peters, 2015). It encompasses the alignment of strategic objectives with operational activities, the adaptability of the firm to external changes, the engagement and development of its workforce, and the quality of decision-making processes. Ultimately, firm effectiveness is a critical determinant of long-term business success and sustainability in a competitive and ever-evolving marketplace.

2.2 Theoretical Framework

2.2.1 Resource-Based View (RBV)

The Resource-Based View (RBV) theory, which is central to strategic management, was propounded by Edith Penrose (Pitelis, 2004). In 1959, Penrose introduced the idea of firms as a collection of resources, laying the groundwork for this perspective. However, the formalization of RBV as a distinct theory in strategic management is largely attributed to Jay

Barney. In 1991, Barney published a pivotal paper titled "Firm Resources and Sustained Competitive Advantage," where he integrated existing concepts and proposed a framework to explain how firms can achieve and maintain competitive advantage through their internal resources (Barney, 1991). Since then, RBV has become a cornerstone theory in strategic management, providing useful hints into the impact of resources on a firm's success.

The Resource-Based View posits that a firm's competitive advantage and effectiveness are largely determined by its ability to acquire, develop, and deploy valuable, rare, inimitable, and non-substitutable (VRIN) resources (Seddon, 2014). According to this theory, resources that possess these characteristics can provide a firm with a sustained competitive advantage, as they are difficult for competitors to replicate or substitute. The theory emphasizes that not all resources are equally valuable; only those that meet the VRIN criteria contribute to a firm's long-term success. The RBV also highlights the importance of capabilities, which are the firm's ability to effectively utilize its resources to achieve desired outcomes. In essence, the RBV suggests that the internal resources and capabilities of a firm are more critical to its effectiveness and competitive position than external factors (Nason & Wiklund, 2018). The Resource-Based View is highly relevant to the topic of the effect of cloud-based accounting on firm effectiveness. Cloud-based accounting systems can be considered a strategic resource that aligns with the VRIN criteria. These systems are valuable because they enhance the efficiency, accuracy, and real-time access to financial information, thereby improving decision-making and operational effectiveness. They can be rare, particularly in regions where the adoption of such technology is not yet widespread, giving early adopters a competitive edge. Cloud-based accounting systems can be inimitable due to the proprietary nature of the software and the firm-specific customization involved in their implementation. Lastly, these systems are non-substitutable as there are few other resources that offer the same comprehensive benefits. Therefore, by adopting and effectively leveraging cloud-based accounting systems, firms in Anambra State can enhance their internal capabilities and achieve greater effectiveness, as posited by the RBV theory.

2.3 Empirical Review

Al-Mutawa and Saeed Al Mubarak (2024) investigated the adoption of cloud computing as a digital technology by small and medium enterprises (SMEs) and assessed its impact on the sustainability of such enterprises. A model was developed that featured factors influencing SMEs' sustainability. Primary quantitative data were gathered using a survey as an instrument.

A total of 387 responses were collected using a convenience sampling method. The findings reveal that cost reduction, ease of use, reliability, and sharing and collaboration factors have significant statistical impacts on SMEs' sustainability, whereas the privacy and security factor has no significant statistical impact on SMEs' sustainability.

Nduokafor, Ukoh, and Nworie (2024) examined the effect of the usage of cloud-based accounting software on business failure prevention. The research context covered the consumer goods sector of the Nigerian exchange group. An ex-post facto research design was deployed on a purposively selected sample of fourteen consumer goods firms. Secondary data were sourced from audited financial statements and annual reports of several consumer goods firms. The data collection phase extended over a decade, covering the financial years from 2012 to 2021. The descriptive statistical characteristics of the data were analyzed using measures such as the mean, standard deviation, minimum, and maximum values. In addition to descriptive analysis, the study employed a robust least squares regression method to test the hypotheses. The study found that the usage of accounting software significantly reduces the likelihood of business failure. In conclusion, adopting modern technological solutions, such as cloud-based accounting software, is a crucial and comprehensive strategy to enhance the financial health and resilience of businesses. It is therefore recommended that governments, industry associations, and financial institutions prioritize investments in technological infrastructure and skills development to support the widespread adoption of cloud-based accounting software.

Ahmad, Hannoon, Al-Daoud, Abu-Alsondos, and Al-Qaisieh (2023) assessed the relationship between cloud-based accounting technology adoption and business performance in Jordan. The study adopted a descriptive research design and was conducted in Amman, Jordan. The purposive sampling technique was used to select 120 business administrators, which constituted the sample size for the study. The main instrument of the study was a questionnaire. Face and content validation of the instrument was carried out to ensure the accuracy, appropriateness, completeness, and language of the study under consideration. The Cronbach Alpha technique was used to determine the level of reliability of the instrument, yielding a reliability coefficient of 0.84, which was high enough to justify the use of the instrument. The data generated were subjected to regression analysis, and the test for significance was done at a 0.05 alpha level. The study concluded that the adoption and use of cloud-based accounting technology in business would enhance task completion quickly and with fewer resources.

Onifade, Shittu, Aminu, and Ajibola (2023) examined the effect of cloud accounting characteristics on the performance of listed food and beverage companies in Nigeria. Cloud accounting characteristics were proxied by the Cost of Software (COSW), Cost of Risk (CORSK), and Cost of Training (COTR), while Return on Equity (ROE) and Market Value (MKV) were used to measure performance. The population of the study comprised all twenty-three food and beverage companies listed on the Nigerian Stock Exchange (NSE) as of December 31, 2021. A purposeful sampling technique was used to select ten food and beverage companies, with secondary data spanning ten years (2012–2021) required for the study. The study employed a multiple regression analysis technique. The findings revealed that COSW had a negative and significant effect on ROE and MKV. However, COTR had a positive and significant influence on ROE and MKV. The study concluded that COSW and COTR have a significant effect on the performance of food and beverage companies in Nigeria.

Wisdom and Grace (2023) examined the relationship between cloud accounting costs and the financial performance of manufacturing firms in Nigeria. Employing an ex post facto research approach and utilizing panel data analyses of public financial statements and accounts of manufacturing firms traded on the Nigerian Stock Exchange over a substantial nine-year period (2009–2018), the study randomly selected six manufacturing companies to participate. The investigation employed the sophisticated Random Effects regression technique to analyze the data. The research findings revealed a significant negative influence of maintenance costs on the return on equity of the chosen manufacturing enterprises in Nigeria. The research observed that even a mere 1% increase in maintenance costs would lead to a noteworthy 0.06% decrease in return on equity. These findings emphasized the critical link between cloud accounting costs and organizational performance in the manufacturing sector. The research further underscored that the costs associated with cloud accounting could pose obstacles to the performance of manufacturing companies. As a result, the study concluded that a successful cost management system is imperative for manufacturing businesses to achieve sustained profitability, highlighting the need for prudent financial strategies in the face of evolving technological advancements in the accounting domain.

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Okere (2022) studied the effect of cloud accounting on the performance of listed manufacturing enterprises in Nigeria using both primary and secondary data. The research evaluated a random sample of 10 manufacturing firms and discovered that cloud accounting and cloud accounting costs had a significant impact on the performance of publicly listed manufacturing companies. The report advised that corporate initiatives be implemented to lower cloud accounting costs and that accounting regulations be developed to align different cloud accounting cost components with the cost structure of manufacturing enterprises.

3. MATERIALS AND METHOD

The research utilized a survey-based descriptive research design to investigate the link between cloud-based accounting and firm effectiveness. This design was selected to gather opinions from a sample drawn from a larger population to address specific issues effectively. The study focuses on 772 professionally affiliated accountants in Anambra State, chosen due to their expertise in cloud-based accounting, which ensures the validity and reliability of their responses. The study uses Taro Yamane's (1967) formula to determine the sample size of the study. The formula is thus stated:

$$n = \frac{N}{1+(e^2)N}$$

Where,

n = Sample Size

N = Overall Population

e = Tolerated/assumed error limit 0.08 based on 92% confidence level

Therefore,

$$n = \frac{772}{1+(0.08^2) \times 772}$$

Sample Size = 129.9488284

Thus, the sample size of the study is made up of 130 professionally affiliated accountants in Anambra state.

To gather data from respondents, a structured questionnaire was used as the research instrument. This choice was appropriate for the study’s design, which involved collecting primary data. The questionnaire employed a five-point Likert scale, with responses ranging from “strongly agree” to “strongly disagree,” corresponding to scores of 5, 4, 3, 2, and 1, respectively. Descriptive analysis was performed using frequency distribution. Given that the

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data were ranked, Spearman's Rank Order Correlation Analysis was utilized to test the null hypothesis, as it is suitable for non-parametric data. The analysis was conducted using Statistical Package for Social Sciences (SPSS) Version 25. A significance level of 5% was applied, with the null hypothesis rejected if the p-value was below 0.05; otherwise, the null hypothesis was not rejected.

4. RESULT AND DISCUSSIONS

4.1 Data Analysis

4.1 Descriptive Analysis

The analysis of the descriptive features of the data collected was done through frequency distribution as shown below in Table 1.

Table 1 Analysis of Research Questions Using Frequency Distribution

S/N	Cloud-Based Accounting	SA	A	U	D	SD
1	The cloud-based accounting system streamlines accounting processes and reduces the time required for routine tasks.	36	58	0	32	4
2	Cloud-based accounting system allows real-time access to financial data, which improves decision-making efficiency.	42	76	3	3	6
3	Cloud-based accounting facilitates better collaboration among team members and departments within organization.	26	81	5	15	3
4	The use of cloud-based accounting improves firm's operational efficiency.	101	2	3	13	11
5	The cost of maintaining and upgrading cloud-based accounting system is justified by the benefits it provides.	18	78	6	22	6
6	Cloud-based accounting enables firms to respond more quickly to market changes	76	32	0	22	0
7	The implementation of cloud-based accounting enhances firm's ability to achieve its strategic goals.	24	104	0	0	2
8	The use of cloud-based accounting helps firms leverage on emerging business opportunities.	13	49	11	46	11

9	Firm's overall decision-making process becomes more effective as a result of using cloud-based accounting.	35	60	3	31	1
10	Cloud-based accounting systems contribute to better financial control and management in firms.	43	78	0	6	3

Source: Field Survey, August 2024

The frequency table above shows the perceptions of respondents regarding cloud-based accounting and its impact on firm effectiveness. For the first item, which addresses whether the cloud-based accounting system streamlines accounting processes and reduces the time required for routine tasks, the majority of respondents strongly agree (36) or agree (58) with this statement. A smaller number are undecided (0), while a few disagree (32) or strongly disagree (4). This suggests that a significant portion of respondents perceive cloud-based accounting as effective in enhancing process efficiency and reducing time spent on routine tasks, although there are some dissenting views.

In the second item, which evaluates whether the cloud-based accounting system allows real-time access to financial data and improves decision-making efficiency, the majority of respondents strongly agree (42) or agree (76). A small number are undecided (3), while a few disagree (3) or strongly disagree (6). This indicates that most respondents recognize the value of real-time data access provided by cloud-based accounting, seeing it as beneficial for decision-making efficiency. The third item examines if cloud-based accounting facilitates better collaboration among team members and departments. Here, the majority of respondents agree (81), with a smaller number strongly agreeing (26). Some respondents are undecided (5), and a few disagree (15) or strongly disagree (3). This shows that cloud-based accounting is generally perceived as enhancing collaboration, although not all respondents are convinced of its effectiveness in this area.

Regarding the fourth item, which assesses whether cloud-based accounting improves a firm's operational efficiency, there is a strong consensus among respondents who strongly agree (101) or agree (2). Only a small number are undecided (3), disagree (13), or strongly disagree (11). This result highlights that respondents overwhelmingly believe in the positive impact of cloud-based accounting on operational efficiency, with only minor reservations.

For the fifth item, concerning whether the cost of maintaining and upgrading the cloud-based accounting system is justified by the benefits it provides, responses are more varied. A number of respondents strongly agree (18) or agree (78), with some undecided (6), and a few disagree (22) or strongly disagree (6). This indicates a general agreement on the value of the system, though opinions vary on whether the costs are fully justified by the benefits. Turning to firm effectiveness, the sixth item explores if cloud-based accounting enables firms to respond more quickly to market changes. A substantial number of respondents strongly agree (76) with no undecided responses and no one strongly disagreeing, though some disagree (22). This shows a strong belief in the system's role in improving responsiveness to market changes.

In the seventh item, which assesses whether the implementation of cloud-based accounting enhances a firm's ability to achieve its strategic goals, the majority strongly agree (24) or agree (104), with only a few undecided (0) or strongly disagreeing (2). This indicates a strong consensus on the positive effect of cloud-based accounting on achieving strategic goals.
The eighth item, which evaluates whether the use of cloud-based accounting helps firms leverage emerging business opportunities, shows a mixed response. While a number of respondents strongly agree (13) or agree (49), a considerable number are undecided (11), and some disagree (46) or strongly disagree (11). This suggests that while some see cloud-based accounting as beneficial for seizing opportunities, others remain uncertain or disagree. For the ninth item, which considers whether the firm's overall decision-making process becomes more effective due to cloud-based accounting, most respondents strongly agree (35) or agree (60), with a few undecided (3), disagreeing (31), or strongly disagreeing (1). This indicates that the majority perceive an improvement in decision-making effectiveness due to the adoption of cloud-based accounting.

Finally, the tenth item, which examines whether cloud-based accounting systems contribute to better financial control and management, shows that a significant number of respondents strongly agree (43) or agree (78), with no undecided responses and a few disagreeing (6) or strongly disagreeing (3). This demonstrates a general belief in the positive impact of cloud-based accounting on financial control and management within firms.

4.2 Test of Hypothesis

H_{01}: Cloud-based accounting has no significant relationship with firm effectiveness from the perspective of accountants in Anambra State.

Table 2 Correlations

			Cloud-based Accounting	Firm Effectiveness
Spearman's rho	Cloud-based Accounting	Correlation Coefficient	1.000	.284**
		Sig. (2-tailed)	.	.001
		N	130	130
	Firm Effectiveness	Correlation Coefficient	.284**	1.000
		Sig. (2-tailed)	.001	.
		N	130	130

**. Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS Output Version 25 (2024)

The results presented in Table 2 provide statistical evidence regarding the hypothesis that cloud-based accounting has no significant relationship with firm effectiveness from the perspective of accountants in Anambra State. Spearman's rho correlation coefficient of 0.284 indicates a moderate positive relationship between cloud-based accounting and firm effectiveness. This suggests that as the use of cloud-based accounting increases, there is a corresponding improvement in firm effectiveness, as perceived by the accountants. The correlation is statistically significant, with a p-value of 0.001, which is well below the conventional threshold of 0.05 for significance. This means that the observed relationship is unlikely to be due to random chance and therefore significant. Given these findings, the null hypothesis (H_{01}) that cloud-based accounting has no significant relationship with firm effectiveness is rejected while the alternate hypothesis is accepted. The significant positive correlation indicates that cloud-based accounting does have a meaningful influence on firm effectiveness, aligning with the perspective of accountants in Anambra State. In conclusion, Cloud-based accounting has a significant positive relationship with firm effectiveness from the perspective of accountants in Anambra State (*rho* = .284; p-value = 0.001).

The positive relationship between cloud-based accounting and firm effectiveness could be because cloud-based accounting facilitates better decision-making by providing real-time access to financial data. Accountants noted that the ability to access up-to-date financial information from anywhere enabled quicker and more informed decisions. This real-time access allows firms to respond swiftly to market changes, optimize resource allocation, and identify potential risks before they escalate. In a fast-paced business environment, the agility afforded by cloud-based accounting systems gives firms a competitive edge, contributing to their effectiveness. The ability to access financial data anytime also supports remote work, which has become increasingly important in today's globalized and digitalized economy. Also, cloud-based accounting enhances collaboration among different stakeholders within a firm. Accountants highlighted that cloud-based systems allow multiple users to work on the same financial data simultaneously, regardless of their location. This collaborative capability ensures that financial information is consistent across the organization, reducing the chances of miscommunication and discrepancies. Enhanced collaboration leads to more cohesive decision-making processes, where different departments can align their strategies and work together towards common goals. This synergy among various parts of the organization is a key driver of firm effectiveness, as it ensures that all efforts are coordinated and directed towards achieving the firm's objectives. Al-Mutawa and Saeed Al Mubarak's (2024) findings on the positive impact of cloud computing on SME sustainability align with Ahmad et al.'s (2023) conclusion that cloud-based accounting technology enhances business performance by improving task completion efficiency and resource management. However, Wisdom and Grace's (2023) research presents a contrasting perspective, highlighting the negative impact of maintenance costs associated with cloud accounting on the financial performance of manufacturing firms in Nigeria.

The study by Nduokafor, Ukoh, and Nworie (2024) supports the positive relationship between cloud-based accounting and firm effectiveness, particularly in the context of preventing business failure. Their findings are consistent with Onifade et al.'s (2023) research, which demonstrates that certain characteristics of cloud accounting, such as the cost of training, can positively influence the performance of food and beverage companies. Both studies underscore the importance of technological adoption in enhancing business resilience and performance. In contrast, Okere's (2022) findings suggest that while cloud accounting can significantly impact firm performance, the associated costs must be carefully managed to align with the firm's cost structure, indicating that the benefits of cloud accounting are not universally guaranteed but depend on effective cost management strategies.

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5. CONCLUSION AND RECOMMENDATIONS

The advent of cloud-based accounting has revolutionized the way businesses manage their financial processes. By leveraging cloud technology, firms can enhance their accounting functions, leading to improved operational efficiency, real-time data access, and better decision-making capabilities. This study focused on accountants in Anambra State and sought to explore the relationship between cloud-based accounting and firm effectiveness. The findings reveal a significant relationship between the adoption of cloud-based accounting systems and the overall effectiveness of firms in the region.

The first key finding of the study is that cloud-based accounting significantly enhances the efficiency of accounting processes within firms. Accountants reported that the use of cloud-based systems streamlined routine tasks such as data entry, financial reporting, and payroll management. This efficiency stems from the automation features embedded in cloud accounting software, which reduces manual workload and minimizes errors. By automating repetitive tasks, firms can reallocate resources to more strategic activities, ultimately leading to better utilization of time and skills, which contributes to overall firm effectiveness. The reduced likelihood of errors also improves the accuracy of financial data, which is crucial for making informed business decisions. By implication, cloud-based accounting contributes to better financial control and compliance. Accountants reported that cloud-based systems provide better oversight of financial activities through features such as audit trails, which track all changes made to financial data. This transparency ensures that firms can easily monitor their financial transactions and maintain compliance with regulatory requirements. Effective financial control is a critical component of firm effectiveness, as it helps prevent fraud, reduces financial risks, and ensures that the firm operates within legal and ethical boundaries. By facilitating better financial control, cloud-based accounting systems contribute to the long-term sustainability and success of firms.

In conclusion, the efficiency, real-time access to data, enhanced collaboration, and improved financial control provided by cloud-based accounting systems are key factors that drive this relationship. As firms continue to go through the complexities of the modern business environment, the adoption of cloud-based accounting will likely play an increasingly important role in enhancing their overall effectiveness and competitive advantage. The study recommends that department heads should encourage and promote collaboration across teams by utilizing the collaborative features of cloud-based accounting systems. By doing so, they can ensure consistency in financial information and align departmental strategies with the firm's overall objectives, enhancing organizational effectiveness.

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