Financial Economics Research; Vol.3, No.6; 2026
E-ISSN: 3006-3663 P-ISSN: 3006-3655
DOI: https://doi.org/10.70267/fer.v3n6.126132
Published by: Zeus Press

A Review of Research on the Impact of Digital Transformation on Corporate Accounting Information Quality

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Abstract

Against the background of the rapid advancement of the digital economy, corporate digital transformation is profoundly reshaping the generation and transmission of accounting information, and the governance effect of digitalization on accounting information quality has become an issue of common concern in practice and academia. Focusing on digital transformation and corporate accounting information quality, this paper reviews the existing relevant literature and conducts a systematic assessment from three dimensions: overall effects, individual attributes of accounting information, and different forms of digitalization. Overall, digital transformation can exert a micro-level governance effect and improve corporate accounting information quality. However, the governance effectiveness of the external digital environment is constrained by firms' internal conditions, and the actual effects of different digital business models vary. Although existing research has identified multiple pathways, including internal control and information transparency, limitations remain, such as insufficient attention to technological risks and industrial-chain transmission, unclear preconditions for different models, and the lack of an integrated theoretical framework. Future research can draw on publicly available micro-level data and the accumulated literature to further deepen research in this field in areas such as risk transmission, constraints on different models, and theoretical framework development.

Keywords

digital transformation, accounting information quality, literature review

1. Introduction

In 2026, the State-owned Assets Supervision and Administration Commission of the State Council issued the Guiding Opinions on Promoting Central Enterprises to Accelerate the Digital and Intelligent Transformation and Upgrading of Finance, further highlighting the importance of corporate digital transformation. With the development of the digital economy, digital technologies have gradually been integrated into business operations, changing business processes, organizational structures, and the ways in which accounting information is generated and disclosed [1, 2]. The relationship between digital transformation and accounting information quality has also become a research topic.

Foreign research on this topic started relatively early. Initially, it mainly focused on the automation of accounting information systems and the effects of electronic data interchange on financial reporting processes,

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and also addressed data accuracy issues [3]. With the development of big data, blockchain, and artificial intelligence, research has gradually shifted to the effects of digital technologies on earnings management and information transparency, as well as the applications of blockchain and intelligent auditing. At the same time, potential problems such as agency costs and algorithmic bias have also received attention [4].

Domestic research mainly focuses on three aspects. First, indicators such as earnings management and financial restatements are used to examine the effects of digital transformation on accounting information quality [1, 5]. Second, the mechanisms involved are analyzed from the perspectives of agency costs, internal control, information asymmetry, and executive incentives [1, 6, 7]. Third, the effects of different forms, such as corporate digital transformation, financial sharing, and external digital finance, are compared, and differences associated with factors such as ownership structure, corporate governance, the external environment, and media attention are examined [5, 6, 8, 9].

Overall, existing studies mostly suggest that digital transformation helps improve accounting information quality. However, the negative effects that may arise from the application of technology and the differences in the effects of different digitalization models under different circumstances have not been sufficiently discussed. Accordingly, this paper reviews the relevant literature from three aspects: overall accounting information quality, specific accounting characteristics, and different digitalization models. It summarizes existing research findings and limitations to provide references for subsequent studies and also offers a reference for enterprises to use digital technologies to improve accounting information disclosure.

2. Conceptual Definitions and Measurement

2.1 Digital Transformation

Corporate digital transformation is the process through which enterprises use digital technologies, such as big data, artificial intelligence, and cloud computing, to transform and upgrade their production, business, finance, and organizational management processes. It is not merely the introduction of technological tools but also a systematic change in business models, organizational logic, and financial systems. At the micro-enterprise level, digital transformation includes both the implementation of enterprise-wide digital strategies and the digital transformation of individual business modules, such as financial shared services, intelligent finance, and e-commerce sales. Existing empirical studies mainly use two common methods to measure digital transformation. The first is text mining, which captures the frequency of digitalization-related words in listed companies' annual reports to construct a comprehensive digital transformation index. The second uses questionnaire surveys or indicators of enterprises' expenditure on digitalization. In addition, some studies distinguish between the application of underlying digital technologies and the digitalization of higher-level business activities, thereby further refining the measurement scope of digital transformation [10]. From a macro perspective, the development of digital finance and national regulatory policies on accounting informatization constitute digital institutions and environments external to enterprises and likewise indirectly affect corporate digital practices.

2.2 Accounting Information Quality

Accounting information quality reflects the extent to which accounting information meets users' needs. Existing studies mainly use two methods to measure it: comprehensive indicators and specific accounting characteristics. Comprehensive indicators include accounting information quality scores, information disclosure violations, financial restatements, and management forecast quality. Specific characteristics include accounting conservatism, accounting information comparability, and book-tax differences. Accounting conservatism reflects the degree of asymmetry in the recognition of gains and losses by enterprises. Comparability reflects the ability to compare accounting information across different enterprises. Book-tax differences can be used to analyze corporate earnings management and reflect earnings information quality. Accounting information quality is affected by factors such as internal control, the external institutional environment, and digital technologies. High-quality accounting information helps reduce information asymmetry and provides a basis for decision-making by investors, creditors, and other stakeholders [11].

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3. Impact of Digital Transformation on the Overall Quality of Accounting Information

3.1 Analysis of Firm Heterogeneity and Its Effects

Existing studies mostly focus on empirical tests of the overall effect of digital transformation on accounting information quality and indicate an overall relationship between the two. Luo et al. (2023) conducted an empirical study based on firm-level samples and verified that corporate digital transformation has a significant effect on accounting information quality [12]. Huang et al. (2025) conducted an empirical analysis using a moderating-effect model and found that the level of corporate governance serves as an important conditional variable that influences the governance effect of digital transformation on accounting information quality [13]. Xi et al. (2024) used large-sample firm data to conduct baseline tests and grouped regressions. While confirming the basic effect of digital transformation, they found clear firm-level heterogeneity in its effect on improving accounting information quality [14]. Huang et al. (2026) used an empirical model to examine the chain relationship among variables. They found a linkage between digital transformation and accounting information quality and further identified their chain-driven effect on new quality productive forces, extending the research perspective to the macro-development level [11]. Overall, this literature uses large-sample empirical evidence to generally confirm that digital transformation has an overall effect on accounting information quality. However, the effect is not homogeneous and is constrained by firms' internal conditions. After the overall effect has been established, the changes brought by digitalization to the external disclosure of accounting information should likewise not be overlooked. The following section reviews studies related to accounting information disclosure.

3.2 Impact on Accounting Information Disclosure

Accounting information disclosure is the main means by which accounting information is communicated externally. It includes mandatory information disclosure and voluntary disclosure, such as management forecasts, and digital transformation affects both disclosure violations and the quality of voluntary disclosure. Ma et al. (2023) used information disclosure violations by listed companies as an inverse proxy indicator and empirically found that digital transformation can curb corporate information disclosure violations and improve the quality of mandatory disclosure. The effect also differs across samples with different ownership types and industries [9]. Shi et al. (2023) empirically showed that digital transformation can improve the quality of accounting information disclosure and that disclosure quality mediates the relationship between digital transformation and corporate innovation. Digitalization alleviates external financing constraints through high-quality disclosure and thereby encourages corporate innovation activities [15]. Peng and He (2022) used listed companies' establishment of e-commerce stores to represent the digital model of 'Internet Plus Sales.' They found that this digital business model can improve the accuracy of management earnings forecasts and enhance the quality of voluntary corporate disclosure [16]. Taken together, digitalization can reduce corporate disclosure violations and improve the level of voluntary disclosure. However, whether improved disclosure quality can be further converted into an increase in the firm's substantive value depends on its internal governance level. The studies above mainly address the overall level of accounting information quality. Because accounting information consists of multiple specific attributes, it is necessary to further analyze findings related to each particular accounting attribute.

4. Impact of Digital Transformation on Individual Attributes of Accounting Information

4.1 Impact on Earnings-Related Accounting Information

The quality of earnings information is a core component of accounting information quality. Existing studies mainly proceed from two perspectives: accounting conservatism and book-tax differences. Lu et al. (2026), using a sample of Chinese A-share-listed companies, found that digital transformation significantly improves corporate accounting conservatism and also produces an industry spillover effect, whereby the digitalization of peer firms likewise promotes improvements in a firm's own accounting conservatism. Mechanism tests showed that digitalization improves accounting conservatism by increasing information transparency, strengthening internal control, and narrowing the scope for real earnings management [10]. Li and Shi (2023) used book-tax differences as a proxy for earnings quality. Their empirical results showed that digital transformation can narrow firms' book-tax differences, restrain managerial earnings manipulation, and exert a

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micro-level governance effect [8]. Qin et al. (2026) used a longitudinal single-case study of a manufacturing firm to analyze the mechanism of digital transformation from an internal-control perspective. Digitalization transforms business processes, strengthens the implementation of internal control, and ultimately improves the quality of corporate earnings information [2]. The studies above confirm that digital transformation can improve earnings-related accounting information. However, the industry spillover effect and the strength of the effect in different firm settings still require further discussion. In addition to earnings quality, accounting information comparability is another important dimension of accounting information quality. The following section organizes the literature on digitalization and accounting information comparability.

4.2 Impact on Accounting Information Comparability

Accounting information comparability helps investors compare the operating conditions of different enterprises. Therefore, the effects of digital transformation on comparability have attracted academic attention. Nie et al. (2022) found, based on A-share samples, that digital transformation can improve accounting information comparability. Information transparency and corporate governance are the pathways through which this effect operates, and the degree of the effect varies with the external environment [7]. Xu (2026) reached a similar conclusion [17]. Sun and Xu (2024) further pointed out that digital transformation can improve accounting information comparability by increasing information transparency and improving corporate governance [18]. Overall, existing studies suggest that digital transformation helps improve accounting information comparability, but its effects are influenced by internal and external conditions of enterprises. In addition, most studies analyze digital transformation as a whole and lack comparisons of the governance effects of different digitalization models, such as financial sharing. This issue requires further research.

5. Impact of Different Forms of Digitalization on Accounting Information Quality

5.1 Impact of Different Internal Digital Business Models on Accounting Information Quality

Internal corporate digitalization does not follow a single model. Big data, intelligent finance, and financial shared services are typical forms implemented by domestic enterprises, and their governance effects differ. Dai and Qiu (2026) analyzed the role of big data applications in improving accounting information quality from theoretical and empirical perspectives. Big data can broaden information sources and reduce the scope for human intervention in information processing [19]. Zhang et al. (2026) empirically examined the impact of intelligent-finance transformation on accounting information quality. Intelligent finance uses algorithms to automate accounting processing and reduce human error, but it also imposes higher requirements on the development of supporting corporate systems [20]. Na and Chen (2024) focused specifically on the financial shared-services model and proposed that it has dual attributes: it can exert a governance effect and improve accounting information quality, but it may also become a tool through which management engages in agency behavior. Whether the governance effect can be realized depends on the degree of internal agency conflict [6]. Thus, different digital business models have their own advantages and disadvantages. Moreover, the impact of digitalization does not end with accounting information quality itself but produces a series of chain-transmission outcomes.

5.2 Impact of Changes in the External Digital Finance Environment on Corporate Accounting Information Quality

Digital finance is part of the external digital environment of enterprises. It does not directly participate in internal accounting processes but affects accounting information quality through market supervision and financing constraints. Zhou Zhaobin and Yang Zhiguo (2023) used small and medium-sized enterprises as their sample and treated financial restatements as an inverse indicator of accounting information quality for empirical analysis. They found that regional digital finance development can reduce corporate financial restatements and encourage enterprises to improve accounting information disclosure [5]. Digital finance broadens corporate financing channels and strengthens external supervision, thereby increasing the cost of earnings manipulation. However, when enterprises have significant internal governance deficiencies, this

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external governance effect is also limited. Overall, digital finance can affect corporate accounting information quality through market mechanisms. Based on existing research, it is necessary to further summarize the findings and limitations of related studies and identify directions for future research.

6. Review and Prospects

6.1 Review of Existing Research

Most existing studies suggest that digital transformation can play a governance role and affect corporate accounting information quality. However, scholars have not reached consistent conclusions about the governance effects of the external digital finance environment or the differences between different digitalization models. Some studies have found that the external digital environment can encourage enterprises to improve accounting information disclosure, while others have pointed out that its effects are limited by the foundation of internal corporate governance. These differences may be related to variations in sample selection and research settings.

Current studies have identified pathways such as internal control and information transparency, but some limitations remain. First, the potential technical risks arising from digital transformation and their transmission effects along the industrial chain have not been sufficiently discussed. Second, the conditions required for different models, such as financial sharing and intelligent finance, to exert governance effects remain unclear. Third, existing mediating and moderating variables are relatively scattered, and a unified theoretical analytical framework is lacking. Therefore, the conditions under which digital transformation affects accounting information quality, its potential risks, and its mechanisms still require further review.

6.2 Research Prospects

In response to the shortcomings above, future research can be extended in the following respects. First, attention should be given to technological risks arising from digital transformation and transmission effects along industrial chains. Publicly available data, such as supply-chain linkage data for listed companies and industry digitalization indices, can be used for testing through multi-group comparative regressions and chain mediation models. Second, research should clarify the preconditions under which different digitalization models realize governance effects. Micro-level cases and large-sample panel data from enterprises using financial shared services and intelligent finance can be tested through grouped regressions and configurational analysis. Third, an integrated theoretical analytical framework should be established. The large body of existing empirical literature on digitalization and accounting information quality can be examined through systematic literature review and inductive-deductive analysis.

7. Conclusion

This paper reviews studies on the external digital finance environment, corporate digital transformation, and accounting information quality, and analyzes how the external digital finance environment affects corporate accounting information quality. Existing studies generally suggest that digital transformation can play a governance role and affect corporate accounting information quality. However, scholars have not reached consistent conclusions about the governance boundaries of external digital finance or the actual effects of different digitalization models. This may be related to differences in sample selection and research settings. Although existing studies have identified pathways such as internal control and information transparency, they have paid insufficient attention to the technical risks arising from digital transformation and its transmission effects along the industrial chain. The conditions under which models such as financial sharing and intelligent finance exert governance effects also remain unclear, and the relevant mediating and moderating variables have not yet been integrated into a unified theoretical analytical framework. This paper summarizes the main disagreements and limitations in existing studies to provide references for future research and for enterprises seeking to promote digital development and improve accounting information disclosure.

This paper also has some limitations. The literature mainly comes from Chinese core journals, the number of databases used is limited, and the coverage of foreign-language literature is insufficient. Therefore, the review of the latest foreign research findings is not comprehensive. In addition, this paper focuses on analyzing

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influencing mechanisms, and the review of case-based studies is not sufficiently systematic. Future research can proceed in two directions. First, it can examine the technical risks arising from digital transformation and their transmission effects along the industrial chain, and clarify the conditions under which different digitalization models exert governance effects. Second, it can integrate the mediating and moderating variables in existing studies and attempt to establish a unified theoretical analytical framework, further expanding research on the external digital finance environment and corporate accounting information quality.

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Funding

This research received no external funding.

Conflicts of Interest

The authors declare no conflict of interest.

Acknowledgment

This paper is an output of the science project.

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