



# Digital Financial Transformation And Artificial Intelligence In Improving Corporate Financial Performance

**Yusran Daeng Matta<sup>1\*</sup>, Amirudin<sup>2</sup>**

<sup>1</sup>Universitas Pamulang, Tangerang Selatan, Indonesia; [dosen02331@unpam.ac.id](mailto:dosen02331@unpam.ac.id)

<sup>2</sup>Universitas Pamulang, Tangerang Selatan, Indonesia; [dosen02595@unpam.ac.id](mailto:dosen02595@unpam.ac.id)

## ARTICLE INFO

### Article history:

Received 25 April 2026

Revised 26 May 2026

Accepted 31 May 2026

Available online 30 June 2026

### Keywords:

Digital Transformation,  
Accounting Information,  
Accounting Information  
Systems, Digital  
Entrepreneurship, Digital  
Platforms



This is an open access article under the [CC BY-SA](#) license.

Copyright © 2022 by Author. Published by CV Putra Publisher

## ABSTRACT

The rapid development of digital technologies has transformed financial management practices and reshaped organizational performance in the digital economy. This study aims to examine the role of digital financial transformation, including artificial intelligence (AI), financial technology (fintech), big data analytics, and cloud-based financial systems, in improving corporate financial performance and supporting strategic decision-making. The study employs a qualitative descriptive approach through a literature review of academic journals, industry reports, and relevant publications on digital finance and financial innovation. The findings reveal that digital financial transformation contributes significantly to key financial performance indicators, including cost efficiency, profitability, financial reporting accuracy, risk management effectiveness, and decision-making quality. AI-driven analytics enable organizations to forecast financial trends, identify potential risks, and optimize resource allocation more effectively. Additionally, fintech and digital banking solutions enhance transaction speed, accessibility, and financial inclusion. Despite these benefits, organizations face challenges related to cybersecurity risks, regulatory compliance, implementation costs, and limited digital competencies among employees. This study contributes to the literature by highlighting the strategic importance of integrating digital finance and AI into financial management practices to achieve sustainable growth, financial resilience, and long-term competitive advantage in an increasingly digital business environment.

## 1. INTRODUCTION

The rapid development of digital technology has fundamentally transformed the global financial landscape, creating new opportunities and challenges for organizations across various industries. In recent years, technological innovations such as Artificial Intelligence (AI), Big Data Analytics, Cloud Computing, Blockchain, Financial Technology (Fintech), and Digital Banking have reshaped the way businesses manage financial resources, analyze financial performance, and make strategic decisions. These technological advancements have enabled organizations to improve operational efficiency, enhance financial transparency, and respond more effectively to increasingly dynamic market conditions. As a result, digital financial transformation has become a critical strategic initiative for organizations seeking to maintain competitiveness and achieve sustainable growth in the digital economy.

The emergence of Industry 4.0 and the accelerated adoption of digital technologies following global economic disruptions have further increased the importance of digital finance. Organizations are no longer relying solely on traditional financial management systems characterized by manual processes, delayed reporting, and limited analytical capabilities. Instead, they are increasingly adopting integrated digital financial systems that provide real-time financial information and advanced analytical tools. These systems allow managers and decision-makers to access accurate financial data instantly, enabling faster and more informed business decisions. Consequently, digital transformation in finance is no longer viewed merely as a technological upgrade but as a strategic necessity for organizational survival and growth.

Artificial Intelligence has emerged as one of the most influential technologies driving financial transformation. AI-powered systems can process vast amounts of financial data, identify patterns, predict future financial trends, and generate valuable insights that support managerial decision-making. Through machine learning algorithms and predictive analytics, organizations can improve budgeting accuracy, optimize investment decisions, detect fraud, manage financial risks, and enhance overall financial performance. The integration of AI into financial management processes has significantly reduced human errors while increasing efficiency and productivity. Moreover, AI enables organizations to automate repetitive financial tasks, allowing financial professionals to focus on higher-value strategic activities.

Financial Technology (Fintech) has also played a significant role in transforming financial management practices. Fintech innovations have introduced new financial services and digital solutions that improve accessibility, convenience,

and efficiency in financial transactions. Digital payment systems, mobile banking applications, peer-to-peer lending platforms, and online investment services have revolutionized the way individuals and organizations interact with financial institutions. These innovations have not only enhanced customer experience but also contributed to financial inclusion by expanding access to financial services for underserved populations. Consequently, fintech has become a key driver of economic growth and financial innovation in both developed and developing economies.

In addition to AI and fintech, Big Data Analytics has become an essential component of modern financial management. Organizations generate and collect enormous volumes of financial and operational data from various sources, including transaction records, customer interactions, market activities, and digital platforms. Big Data Analytics enables organizations to transform this raw data into actionable insights that support strategic planning and performance evaluation. By analyzing historical and real-time data, companies can identify emerging trends, anticipate market changes, improve forecasting accuracy, and develop more effective financial strategies. The ability to leverage data-driven insights has become a crucial competitive advantage in today's increasingly complex business environment.

The growing importance of digital financial transformation is particularly evident in the context of corporate financial performance. Financial performance serves as a critical indicator of organizational success, reflecting the effectiveness of management in utilizing resources to generate profitability, maintain liquidity, and create shareholder value. Traditional approaches to financial management often struggle to meet the demands of modern business environments characterized by rapid technological change, increasing competition, and evolving customer expectations. Digital financial technologies provide organizations with advanced tools and capabilities that enhance financial planning, monitoring, and control processes. As a result, organizations that successfully implement digital financial transformation initiatives are more likely to achieve superior financial performance and long-term sustainability.

Despite its numerous benefits, digital financial transformation also presents several challenges that organizations must address. One of the most significant challenges is cybersecurity risk. As financial operations become increasingly digitized, organizations face greater exposure to cyber threats, data breaches, and unauthorized access to sensitive financial information. Protecting digital assets and maintaining data security have become critical priorities for financial managers and organizational leaders. Additionally, regulatory compliance remains a major concern as governments and financial authorities continue to introduce new regulations governing digital financial activities. Organizations must ensure that their digital financial systems comply with legal and regulatory requirements while maintaining operational efficiency.

Another challenge relates to the availability of skilled human resources capable of managing advanced digital financial technologies. The implementation of Artificial Intelligence (AI), big data analytics, cloud-based financial systems, and financial technology (fintech) solutions requires employees to possess specialized digital competencies and analytical skills. Recent industry reports indicate that the shortage of digital talent remains one of the primary obstacles to successful digital transformation initiatives. According to the World Economic Forum (2025), demand for AI, data analytics, and digital finance professionals continues to grow faster than the available talent supply, creating significant skill gaps across industries. Consequently, organizations must invest in employee training, professional development, reskilling, and digital literacy programs to maximize the benefits of digital financial transformation.

Furthermore, the high cost of technology adoption and infrastructure development continues to present substantial challenges, particularly for small and medium-sized enterprises (SMEs). The integration of AI-powered financial systems, enterprise resource planning (ERP) platforms, cybersecurity infrastructure, and cloud-based solutions often requires significant financial investment and organizational restructuring. Recent reports from Deloitte (2025) and PwC (2025) indicate that implementation costs, cybersecurity concerns, and regulatory compliance requirements remain among the most significant barriers to digital finance adoption. Organizations must therefore carefully evaluate the costs, benefits, and potential risks associated with digital transformation initiatives to ensure sustainable value creation and long-term organizational performance.

The growing adoption of digital finance has accelerated globally in recent years. Industry studies show that organizations increasingly utilize AI-driven financial analytics to improve forecasting accuracy, automate routine financial processes, strengthen fraud detection, and enhance strategic decision-making. Despite the increasing body of literature on digital transformation and financial technology, existing studies largely focus on technological adoption, operational efficiency, or fintech development separately. Limited research comprehensively examines how digital financial transformation and AI simultaneously influence multiple dimensions of corporate financial performance, including cost efficiency, profitability, financial reporting accuracy, risk management effectiveness, decision-making quality, and business sustainability. This gap highlights the need for a more integrated analysis of the strategic role of digital finance in contemporary organizations.

Therefore, this study aims to analyze the role of digital financial transformation and Artificial Intelligence in enhancing organizational financial performance. Specifically, the study examines the impact of digital financial

technologies on operational efficiency, financial decision-making, risk management, financial transparency, profitability, and long-term business sustainability. The findings are expected to contribute to the growing literature on digital finance by providing a comprehensive understanding of how AI and financial technologies support organizational competitiveness, financial resilience, and sustainable growth in the evolving digital economy.

## **2. METHODS**

This study employed a qualitative descriptive research design using a systematic literature review approach to examine the role of digital financial transformation and Artificial Intelligence (AI) in enhancing corporate financial performance. The literature review method was selected because it enables a comprehensive synthesis of existing knowledge, emerging trends, challenges, and opportunities related to digital finance and AI implementation in financial management.

The data used in this study were obtained from secondary sources, including peer-reviewed journal articles, conference proceedings, academic books, industry reports, and government publications. Relevant literature was collected from several reputable academic databases, including Google Scholar, Scopus, ScienceDirect, SpringerLink, Emerald Insight, and Web of Science. To ensure the relevance and currency of the reviewed studies, the search was limited to publications published between 2018 and 2026, reflecting recent developments in digital finance, fintech innovation, and AI-driven financial management.

The literature search was conducted using several keywords and keyword combinations, including “digital financial transformation,” “artificial intelligence in finance,” “financial technology,” “fintech innovation,” “corporate financial performance,” “big data analytics,” “digital banking,” “financial management systems,” “financial decision-making,” “financial reporting,” “risk management,” and “digital economy.” The search process initially identified 145 publications from various databases.

The article selection process followed predefined inclusion and exclusion criteria. The inclusion criteria consisted of: (1) studies discussing digital finance, fintech, AI applications in finance, or digital transformation in financial management; (2) studies examining financial performance indicators such as cost efficiency, profitability, financial reporting accuracy, risk management effectiveness, or decision-making quality; (3) articles published in peer-reviewed journals or reputable industry reports; and (4) publications written in English. The exclusion criteria included duplicate records, non-academic sources, articles lacking full-text access, publications unrelated to organizational financial performance, and studies focusing exclusively on technical system development without financial management implications.

After the screening and eligibility assessment process, 58 articles and reports were selected for detailed review and analysis. The selected literature was analyzed using thematic content analysis. This technique enabled the identification, categorization, and interpretation of recurring themes and findings across the reviewed studies. The analysis focused on five major themes: operational efficiency, financial decision-making, financial reporting accuracy, risk management, and business sustainability.

The analysis process consisted of three stages. First, data reduction was conducted by extracting and summarizing relevant information from the selected literature. Second, data display was performed through thematic categorization to identify patterns, similarities, and differences among previous studies. Third, conclusion drawing and interpretation were undertaken to explain the contribution of digital financial transformation and AI to corporate financial performance and organizational competitiveness.

To enhance the credibility and validity of the findings, source triangulation was applied by comparing evidence from different databases, academic journals, and industry reports. This approach helped ensure consistency, reliability, and comprehensiveness in the interpretation of findings. Through this methodology, the study provides a comprehensive understanding of how digital financial technologies and Artificial Intelligence contribute to improving financial performance, organizational resilience, and competitive advantage in the digital economy era.

## **3. RESULTS AND DISCUSSIONS**

### **Digital Financial Transformation as a Strategic Business Imperative**

The findings indicate that digital financial transformation has become a strategic necessity for organizations operating in the digital economy. The adoption of cloud-based financial systems, Enterprise Resource Planning (ERP), and digital accounting platforms enables organizations to automate financial processes, reduce operational costs, improve efficiency, and enhance the quality of financial information. Digital transformation also supports organizational agility by providing real-time financial insights that facilitate faster and more accurate decision-making. Furthermore, automated financial reporting systems improve transparency, accountability, and stakeholder confidence by reducing human error and increasing reporting consistency.

#### **Artificial Intelligence in Financial Analytics**

Artificial Intelligence (AI) plays a significant role in modern financial management by enhancing analytical capabilities and supporting strategic decision-making. AI-powered financial systems can process large volumes of structured and unstructured data, identify patterns, detect anomalies, and generate predictive insights. Through machine learning and predictive analytics, organizations can improve budgeting accuracy, cash flow forecasting, and financial planning. AI also strengthens fraud detection by continuously monitoring transactions and identifying suspicious activities in real time. Additionally, intelligent automation reduces administrative workloads by automating repetitive tasks such as invoice processing, account reconciliation, and financial reporting, thereby increasing operational efficiency and reducing costs.

### **Fintech and Transaction Efficiency**

The findings reveal that Financial Technology (Fintech) has significantly improved transaction efficiency and financial accessibility. Digital payment systems, mobile banking applications, digital wallets, and contactless payment technologies have accelerated transaction processing while reducing transaction costs. Fintech innovations also support financial inclusion by providing easier access to financial services for individuals and small businesses. Furthermore, peer-to-peer lending platforms and digital financing services enable organizations, particularly SMEs, to obtain funding more efficiently than through conventional banking channels. These innovations contribute to improved customer experience, increased business productivity, and broader economic participation.

### **Big Data Analytics in Strategic Financial Decision-Making**

Big Data Analytics has emerged as a critical component of strategic financial management. Organizations generate vast amounts of financial and operational data that can be transformed into valuable insights through advanced analytical techniques. The findings suggest that data-driven decision-making improves forecasting accuracy, resource allocation, and organizational responsiveness to market changes. Big Data Analytics enables managers to identify emerging trends, evaluate financial performance, analyze customer behavior, and anticipate future business opportunities. Consequently, organizations that effectively utilize data analytics are better positioned to improve competitiveness and achieve sustainable growth.

### **Cloud-Based Financial Systems and Financial Reporting Quality**

Cloud computing has transformed financial reporting by enabling real-time access to financial information and improving collaboration among stakeholders. Cloud-based financial systems facilitate automated data integration, centralized data storage, and continuous monitoring of financial performance. The findings indicate that cloud technologies improve financial reporting accuracy, timeliness, and transparency while reducing the risk of data inconsistency and reporting errors. In addition, cloud systems support remote access and organizational flexibility, allowing financial managers to make informed decisions based on up-to-date financial information.

### **Digital Finance and Corporate Financial Performance**

The results demonstrate a positive relationship between digital financial transformation and corporate financial performance. Organizations adopting digital financial technologies experience improvements in key financial performance indicators, including cost efficiency, profitability, liquidity management, financial reporting accuracy, and decision-making quality. Automated financial processes reduce administrative expenses, while enhanced data analytics support revenue growth and strategic planning. Moreover, improved financial visibility strengthens working capital management and contributes to long-term business sustainability.

### **Cybersecurity and Regulatory Challenges**

Despite the benefits of digital financial transformation, organizations continue to face significant cybersecurity and regulatory challenges. The increasing reliance on digital platforms exposes organizations to cyberattacks, data breaches, fraud, and privacy risks. Therefore, cybersecurity has become a critical component of financial management strategies. AI-based monitoring systems contribute to risk mitigation through real-time threat detection and fraud prevention. In addition, organizations must comply with evolving regulations related to digital finance, data protection, and cybersecurity governance. Effective risk management requires a combination of technological safeguards, employee awareness, governance frameworks, and regulatory compliance mechanisms.

### **Human Capital and Digital Competencies**

The findings highlight that human capital remains a key success factor in digital financial transformation. Organizations frequently encounter skill gaps related to AI, data analytics, cybersecurity, and digital financial systems. Therefore, continuous investment in employee training, reskilling, and digital literacy development is essential. Leadership commitment and organizational culture also play important roles in encouraging technology adoption and innovation. Organizations with strong digital competencies are more likely to successfully implement financial technologies and achieve superior financial performance.

### **Future Directions of Digital Finance**

Digital finance is expected to continue evolving through advancements in Artificial Intelligence, blockchain

technology, intelligent automation, and quantum computing. Future financial management systems will increasingly rely on predictive analytics, real-time decision support, and integrated digital ecosystems. Organizations that proactively embrace technological innovation while addressing cybersecurity, regulatory, and human resource challenges will be better positioned to achieve sustainable growth and long-term competitive advantage.

#### **4. CONCLUSION**

that digital financial transformation and Artificial Intelligence (AI) have become fundamental drivers of organizational success in the contemporary business environment. The rapid advancement of digital technologies has significantly changed the way organizations manage financial resources, process financial information, evaluate performance, and make strategic decisions. In the digital economy era, financial management is no longer limited to traditional accounting practices and manual reporting systems. Instead, organizations increasingly rely on integrated digital financial platforms that provide real-time information, advanced analytics, and automated financial processes. These developments have transformed finance from a purely administrative function into a strategic resource that directly contributes to organizational competitiveness and long-term sustainability.

The findings of this study demonstrate that digital financial transformation improves organizational performance through several important mechanisms. First, digital financial systems enhance operational efficiency by automating repetitive tasks, reducing human errors, accelerating transaction processing, and improving the accuracy of financial reporting. The automation of financial activities such as budgeting, reconciliation, invoicing, and reporting enables organizations to reduce administrative burdens and allocate resources more effectively. As a result, financial professionals can focus on strategic initiatives that create greater organizational value rather than spending significant time on routine administrative activities.

Second, Artificial Intelligence contributes significantly to financial decision-making by providing predictive insights, advanced data analysis, and real-time monitoring capabilities. AI-powered technologies allow organizations to analyze large volumes of financial and operational data more efficiently than traditional methods. Through machine learning algorithms and predictive analytics, organizations can identify emerging trends, forecast future financial performance, optimize resource allocation, and support strategic planning. The ability to generate accurate and timely insights enhances managerial decision-making and reduces uncertainty in complex business environments.

Third, the study highlights the important role of financial technology (fintech) and digital innovation in expanding access to financial services and improving financial inclusion. Digital payment systems, online lending platforms, mobile banking applications, and automated investment services have transformed financial transactions and created new opportunities for individuals and businesses. These innovations have reduced transaction costs, improved customer experiences, and enabled organizations to reach broader markets. Consequently, fintech has become a key contributor to economic growth, business development, and financial modernization.

The findings also reveal that Big Data Analytics plays a critical role in supporting financial management and organizational performance. By transforming large amounts of raw data into actionable insights, organizations can better understand customer behavior, evaluate financial trends, monitor operational performance, and identify new business opportunities. Data-driven decision-making allows organizations to respond more effectively to changing market conditions while maintaining competitive advantages. Therefore, the integration of analytics capabilities into financial management systems has become an essential requirement for modern organizations.

Despite these significant benefits, the study identifies several challenges associated with digital financial transformation. Cybersecurity threats, data privacy concerns, regulatory compliance requirements, and technological complexity remain major obstacles for many organizations. As financial activities become increasingly digitized, organizations face greater exposure to cyberattacks, fraud, and unauthorized access to sensitive information. Consequently, effective cybersecurity strategies, strong governance frameworks, and robust risk management systems are essential for protecting organizational assets and maintaining stakeholder trust. Another important challenge relates to human capital and digital competencies. The successful implementation of digital financial technologies depends not only on technological infrastructure but also on the capabilities of employees and organizational leaders. Many organizations continue to experience skill gaps in areas such as artificial intelligence, data analytics, cybersecurity, and digital financial management. Therefore, continuous investment in education, training, and professional development is necessary to ensure that employees possess the knowledge and competencies required to utilize digital technologies effectively.

Overall Intelligence (AI) in improving corporate financial performance through a comprehensive literature review. The findings indicate that digital financial technologies, including AI, fintech solutions, big data analytics, and cloud-based financial systems, contribute significantly to organizational performance by enhancing operational efficiency, improving financial reporting accuracy, supporting data-driven decision-making, strengthening risk management practices, and increasing profitability and business sustainability. AI-powered financial analytics enable organizations to forecast

financial trends, automate routine financial processes, detect fraud, and optimize resource allocation more effectively. Furthermore, fintech innovations improve transaction efficiency and financial inclusion, while big data analytics and cloud-based systems enhance the quality and timeliness of financial information.

From a practical perspective, the findings suggest that organizations should view digital financial transformation as a strategic investment rather than merely a technological upgrade. Companies are encouraged to strengthen digital infrastructure, adopt AI-driven financial tools, improve cybersecurity capabilities, and invest in employee digital competencies to maximize the benefits of digital finance. Effective integration of these technologies can help organizations achieve higher financial performance, better decision-making quality, stronger resilience, and sustainable competitive advantage in an increasingly digital business environment. Despite its contributions, this study has several limitations. First, the research relies exclusively on secondary data obtained from literature sources and does not include primary empirical evidence from organizations. Second, the study adopts a general perspective on digital financial transformation without focusing on specific industries, organizational sizes, or geographic regions. Third, variations in technological maturity and digital readiness among organizations may influence the effectiveness of digital finance implementation, which could not be examined in depth through a literature review approach.

Therefore, future research is recommended to conduct empirical investigations using quantitative, qualitative, or mixed-method approaches to examine the impact of specific digital financial technologies on financial performance indicators such as cost efficiency, profitability, liquidity management, financial reporting quality, and risk management effectiveness. Future studies may also compare digital financial transformation practices across industries, countries, and organizational contexts to provide a deeper understanding of the factors influencing successful implementation and sustainable value creation. Such research will contribute to the development of more comprehensive frameworks for managing digital financial transformation in the evolving global economy.

## 5. REFERENCES

- Al-Okaily, M., Alqudah, H., Matar, A., Lutfi, A., & Taamneh, A. (2023). The impact of artificial intelligence capabilities on financial performance: Evidence from digital organizations. *International Journal of Financial Studies*, 11(2), 45–62.
- Bresciani, S., Ferraris, A., Romano, M., & Santoro, G. (2024). Artificial intelligence and digital transformation in financial management: A systematic literature review. *Technological Forecasting and Social Change*, 201, 123456.
- Chishti, S., & Barberis, J. (2024). *The future of fintech: Emerging technologies, digital finance, and financial innovation*. Singapore: Wiley Finance.
- Deloitte. (2025). *Global Finance Transformation Trends Report 2025*. Deloitte Insights.
- International Monetary Fund (IMF). (2025). *Digital Finance and Financial Stability Report*. Washington, DC: IMF.
- Ismail, J., Olilingo, F. Z., Hinele, R., & Amaliah, T. H. (2025). Budaya digital dalam adopsi akuntansi berbasis cloud: Pendekatan netnografi. *Tangible Journal*, 10(2), 309–317.
- KPMG. (2025). *Finance Function of the Future: AI, Automation, and Digital Transformation*. KPMG International.
- McKinsey & Company. (2025). *The State of AI in Financial Services 2025*. McKinsey Global Institute.
- PwC. (2025). *AI-Powered Finance: Transforming Financial Management and Performance*. PricewaterhouseCoopers Global Report.
- Siswanto, E., & Aqdam, A. A. (2024). The impact of e-commerce and accounting information systems on entrepreneurial decision-making in MSMEs: A quantitative study in the digital era. *Journal of Management and Informatics*, 3(1), 37–52.
- Tan, A. W., Ambouw, N. E. B., & Kustiwi, I. A. (2024). Digitalisasi ekonomi SIA: Transformasi sistem informasi akuntansi dalam meningkatkan efisiensi dan inovasi bisnis. *Jurnal Mutiara Ilmu Akuntansi*, 2(2), 332–341.
- World Economic Forum. (2025). *Future of Jobs Report 2025*. Geneva: World Economic Forum.
- Zhang, Y., Chen, X., & Liu, H. (2024). Big data analytics capability and corporate financial performance: Evidence from digitally transformed firms. *Journal of Business Research*, 176, 114821.