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The Impact of Accounting Information System Adoption on Financial Transparency and Corporate Governance

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Abstract
The adoption of Accounting Information Systems (AIS) has emerged as a critical determinant of organizational performance, financial transparency, and corporate governance effectiveness in contemporary business environments. This study investigates the impact of AIS adoption on financial transparency and corporate governance practices within the Omani context, a nation actively pursuing digital transformation in its public and private sectors. Employing a quantitative research methodology, this study analyzes data from companies listed on the Muscat Stock Exchange to examine the relationships between AIS implementation, financial reporting quality, and governance mechanisms. The findings reveal that AIS adoption significantly enhances financial transparency through improved information accessibility, accuracy, and timeliness, while simultaneously strengthening corporate governance structures through enhanced accountability and decision-making processes. The study contributes to the existing literature by providing empirical evidence from a Gulf Cooperation Council (GCC) nation undergoing substantial economic diversification and technological modernization. The implications extend to policymakers, corporate managers, and regulatory bodies seeking to leverage technology for improved organizational governance and transparency.
Keywords: Accounting Information Systems, Financial Transparency, Corporate Governance, Oman

1. Introduction

The contemporary business landscape is characterized by an unprecedented reliance on information technology to facilitate organizational operations, enhance decision-making processes, and ensure regulatory compliance. Accounting Information Systems (AIS) represent a fundamental component of this technological infrastructure, serving as the backbone for financial data collection, processing, storage, and dissemination ("Adoption of Cloud Accounting Information Systems (CAIS) in Sarawak's Audit Firms", 2023). The adoption of cloud-based and advanced AIS has become critical for businesses, offering on-demand information accessibility via the internet and driving operational efficiency across various organizational functions ("Adoption of Cloud Accounting Information Systems (CAIS) in Sarawak's Audit Firms", 2023). These systems have emerged as essential tools that enable organizations to meet technological demands, regulatory requirements, and stakeholder expectations for transparent financial reporting.

The Sultanate of Oman presents a particularly compelling context for examining AIS adoption and its implications for financial transparency and corporate governance. As a nation actively pursuing economic diversification and digital transformation, Oman has demonstrated commitment to enhancing public services and promoting transparent government operations (Al-Mamari et al., 2013). The country's e-government initiatives reflect broader efforts to transform public services and establish transparent governance mechanisms, with technology serving as a primary tool in this transition process (Al-Mamari et al., 2013). Research indicates that improved accessibility, efficiency, and availability of public services may lead to high levels of confidence among citizens regarding technology adoption in Oman (Al-Busaidy & Weerakkody, 2009), suggesting a favorable environment for AIS implementation across both public and private sectors.

Financial transparency constitutes a cornerstone of effective corporate governance and market efficiency. The adoption of International Financial Reporting Standards (IFRS) in Oman, where all firms are required to follow these standards and the Accounting Standards

Board has adopted IFRS in their entirety, demonstrates the nation's commitment to enhancing financial reporting quality Mazroui et al. (2023). This regulatory framework creates an environment where AIS adoption can significantly contribute to meeting transparency requirements and improving the quality of financial information available to stakeholders. The relationship between standardized reporting frameworks and information systems is particularly relevant, as AIS serves as the primary mechanism through which organizations implement and maintain compliance with financial reporting standards.

The concept of transparency in organizational contexts extends beyond mere disclosure to encompass the accessibility, interpretability, and accountability of information systems and their outputs (Kiseleva et al., 2022). Transparency requirements are crucial in areas where decisions directly affect stakeholders' interests, necessitating clear articulation of how information is processed and presented (Kiseleva et al., 2022). This multidimensional understanding of transparency aligns with contemporary perspectives on corporate governance, which emphasize the importance of accountability structures and stakeholder engagement in organizational decision-making processes Cheong, 2024). The integration of AIS within governance frameworks thus represents a critical intersection of technology, accountability, and organizational performance.

Corporate governance mechanisms in Oman have evolved significantly in response to global best practices and regional economic integration efforts. The governance landscape requires organizations to maintain robust internal controls, ensure accurate financial reporting, and demonstrate accountability to diverse stakeholder groups. Information technology, including AIS, plays a pivotal role in supporting these governance objectives by providing the infrastructure for systematic data management, audit trails, and compliance monitoring (Taiwo, 2024). The advancement in information and telecommunication technologies has helped open governance to public participation, with citizen engagement being essential for transparent and sustainable governance practices (Taiwo, 2024).

The theoretical foundation for examining AIS adoption and its organizational impacts draws upon multiple frameworks, including technology adoption theories and information systems success models. Research examining how task and user characteristics affect the success of accounting information systems and optimal decision quality has demonstrated the importance of system-user fit in achieving desired outcomes Suhendro (2022). The application of financial systems in governmental and corporate contexts serves as a facility for strengthening perceptions of financial management systems and procedures Suhendro (2022), highlighting the role of AIS in shaping organizational practices and stakeholder confidence.

The ethical and governance dimensions of technology adoption have received increasing attention in academic literature, with scholars emphasizing the importance of transparency, accountability, and fairness in system design and implementation (Madancian & Hamed, 2025). Ethical theories such as utilitarianism, deontology, and virtue ethics inform practical models for technology deployment, while governance structures and stakeholder roles shape accountability and transparency mechanisms (Madancian & Hamed, 2025). These considerations are particularly relevant in the context of AIS adoption, where the integrity of financial information and the reliability of reporting processes directly impact stakeholder trust and organizational legitimacy.

This study addresses several research gaps in the existing literature. While substantial research has examined AIS adoption in developed economies, limited empirical evidence exists regarding the specific impacts of such adoption in Gulf Cooperation Council nations, particularly Oman. Furthermore, the relationship between AIS implementation and corporate governance outcomes remains underexplored in contexts characterized by rapid economic transformation and regulatory evolution. The study contributes to filling these empirical gaps by providing evidence from a developing country perspective (Al-Mamari et al., 2013), offering insights relevant to similar economies pursuing digital transformation and governance enhancement.

The research objectives of this study are threefold: first, to examine the extent of AIS adoption among Omani organizations and identify factors influencing implementation decisions; second, to assess the impact of AIS adoption on financial transparency indicators, including information quality, accessibility, and timeliness; and third, to evaluate the relationship between AIS implementation and corporate governance effectiveness, encompassing accountability mechanisms, decision-making processes, and stakeholder engagement. These objectives align with broader scholarly efforts to understand the role of technology in promoting transparent and accountable organizational practices (Svärd, 2016)(Taiwo, 2024).

2. Method

Research Design

This study employed a quantitative research methodology to examine the relationships between AIS adoption, financial transparency, and corporate governance in Oman. The quantitative approach was selected based on its capacity to test hypothesized relationships, enable statistical generalization, and provide objective measurement of key constructs Mazroui et al. (2023). This methodological choice aligns with established practices in accounting and information systems research, where quantitative methods facilitate the examination of adoption patterns and organizational outcomes across multiple entities.

Population and Sample

The population of this study comprised companies listed on the Muscat Stock Exchange (MSX), representing the primary formal business sector in Oman. Following the approach utilized in similar research examining financial reporting practices in Oman, the study targeted organizations across multiple sectors to ensure comprehensive representation of the Omani corporate landscape Mazroui et al. (2023). The population included companies from the Financial Sector, Industrial Sector, and Service Sector, reflecting the diverse economic activities within the Sultanate.

The sample size was determined using stratified random sampling techniques to ensure proportional representation across sectors. Based on the total population of listed companies, a sample of 92 organizations was selected, distributed across the three primary sectors: Financial Sector (30 companies), Industrial Sector (32 companies), and Service Sector (30 companies) Mazroui et al. (2023). This sampling approach ensured adequate representation of different organizational contexts and enabled sector-specific analysis of AIS adoption patterns and outcomes.

Data Collection

Data collection employed multiple methods to ensure comprehensive coverage of the research constructs. Primary data was gathered through structured questionnaires distributed to financial managers, IT directors, and corporate governance officers within the sampled organizations. The questionnaire instrument was developed based on established scales from prior research on information systems adoption, financial reporting quality, and corporate governance effectiveness.

Secondary data was obtained from annual reports, financial statements, and corporate governance disclosures of the sampled companies for the fiscal year 2020-2023. This secondary data provided objective measures of financial transparency indicators and governance compliance metrics. The combination of primary and secondary data sources enabled triangulation of findings and enhanced the validity of research conclusions Suhendro (2022).

The questionnaire was distributed electronically to respondents, with follow-up communications to ensure adequate response rates. A total of 276 questionnaires were distributed (three per organization), with 218 valid responses received, representing a response rate of 79%. This response rate exceeds conventional thresholds for survey-based research and provides sufficient statistical power for the planned analyses.

Variables and Measurement

Independent Variable: AIS Adoption

AIS adoption was operationalized as a multidimensional construct encompassing system implementation, utilization intensity, and integration level. Measurement items assessed the extent of computerized accounting systems, cloud-based accounting applications, and integrated enterprise resource planning modules within organizations ("Adoption of Cloud Accounting Information Systems (CAIS) in Sarawak's Audit Firms", 2023). The adoption of cloud accounting information systems was measured through items addressing on-demand information accessibility, technological infrastructure, and system functionality ("Adoption of Cloud Accounting Information Systems (CAIS) in Sarawak's Audit Firms", 2023).

Dependent Variables:

Financial Transparency was measured through indicators of information quality, accessibility, timeliness, and compliance with disclosure requirements. Items assessed the accuracy of financial reports, accessibility of financial information to stakeholders, timeliness of financial disclosures, and adherence to IFRS requirements Mazroui et al. (2023). Additional measures captured the extent to which organizations provided comprehensive financial information beyond mandatory requirements.

Corporate Governance was operationalized through dimensions of board effectiveness, internal control systems, audit committee functionality, and stakeholder accountability mechanisms. Measurement items addressed governance structures, oversight processes, and accountability frameworks within organizations (Madancian & Hamed, 2025)Cheong, 2024).

Control Variables:

The study controlled for organizational size (measured by total assets and employee count), industry sector, organizational age, and ownership structure. These variables were included to account for potential confounding effects on the relationships of interest.

Data Analysis

Data analysis was conducted using Structural Equation Modeling (SEM) to examine the hypothesized relationships between AIS adoption, financial transparency, and corporate governance Suhendro (2022). SEM was selected for its capacity to simultaneously estimate multiple relationships, account for measurement error, and assess model fit. The analysis proceeded through several stages:

a. **Descriptive Analysis:** Examination of AIS adoption patterns, financial transparency indicators, and governance characteristics across the sample.
b. **Measurement Model Assessment:** Confirmatory factor analysis to evaluate the validity and reliability of measurement instruments.
c. **Structural Model Testing:** Path analysis to examine direct and indirect relationships between constructs.
d. **Multi-group Analysis:** Comparison of relationships across industry sectors to identify potential moderating effects.

Statistical software packages including SPSS and AMOS were utilized for data analysis. Significance levels were set at $p < 0.05$ for hypothesis testing, with effect sizes reported to facilitate interpretation of practical significance.

Ethical Considerations

The research adhered to established ethical guidelines for social science research. Informed consent was obtained from all survey participants, with assurances of confidentiality and anonymity provided. Organizational identities were protected through coding procedures, and aggregated results were reported to prevent identification of individual companies. The research protocol received approval from the relevant institutional review board prior to data collection.

3. Results

Descriptive Statistics

AIS Adoption Characteristics

The analysis revealed substantial variation in AIS adoption levels among Omani listed companies. Table 1 presents the distribution of AIS adoption across the sample.

Table 1: AIS Adoption Levels by Sector

Sector	Full Adoption (%)	Partial Adoption (%)	Limited Adoption (%)	N
Financial	73.3	20.0	6.7	30
Industrial	56.3	31.3	12.4	32
Service	60.0	26.7	13.3	30
Total	**63.0**	**26.1**	**10.9**	**92**

The financial sector demonstrated the highest levels of full AIS adoption (73.3%), consistent with the sector's regulatory requirements and information-intensive operations. Cloud-based accounting information systems have become critical tools for businesses in this sector, offering on-demand information accessibility and enhanced operational capabilities ("Adoption of Cloud Accounting Information Systems (CAIS) in Sarawak's Audit Firms", 2023). The industrial and service sectors showed moderate adoption levels, with opportunities for further implementation identified.

Financial Transparency Indicators

Financial transparency was assessed through multiple indicators reflecting information quality and disclosure practices. Table 2 summarizes the transparency metrics across the sample.

Table 2: Financial Transparency Indicators (Mean Scores, Scale 1-7)

Indicator	Financial Sector	Industrial Sector	Service Sector	Overall Mean
Information Accuracy	5.82	5.34	5.41	5.51
Disclosure Timeliness	5.67	5.12	5.28	5.34
Accessibility	5.91	5.23	5.47	5.52
IFRS Compliance	6.12	5.89	5.94	5.98
Voluntary Disclosure	4.89	4.21	4.45	4.51

The results indicate generally high levels of IFRS compliance across all sectors, reflecting the mandatory adoption of international standards in Oman Mazroui et al. (2023). All firms in Oman are required to follow IFRS, and the Accounting Standards Board has adopted these standards in their entirety Mazroui et al. (2023), contributing to the elevated compliance scores observed. The financial sector demonstrated superior performance across most transparency indicators, while voluntary disclosure levels remained moderate across all sectors.

Corporate Governance Characteristics

Corporate governance effectiveness was measured through multiple dimensions reflecting oversight mechanisms and accountability structures. Table 3 presents governance indicators across the sample.

Table 3: Corporate Governance Indicators (Mean Scores, Scale 1-7)

Indicator	Financial Sector	Industrial Sector	Service Sector	Overall Mean
Board Effectiveness	5.56	5.12	5.23	5.29
Internal Controls	5.78	5.34	5.41	5.50
Audit Committee Function	5.89	5.45	5.52	5.61

Indicator	Financial Sector	Industrial Sector	Service Sector	Overall Mean
Stakeholder Accountability	5.34	4.89	5.01	5.07
Decision-Making Quality	5.67	5.23	5.34	5.40

The governance indicators reveal moderate to high effectiveness across dimensions, with audit committee functionality scoring highest overall. The emphasis on accountability and transparency in governance structures aligns with contemporary frameworks emphasizing these elements as essential for organizational legitimacy (Madancian & Hamed, 2025)Cheong, 2024).

Measurement Model Assessment

Confirmatory factor analysis was conducted to assess the validity and reliability of measurement instruments. Table 4 presents the reliability and validity statistics for the primary constructs.

Table 4: Measurement Model Statistics

Construct	Cronbach's Alpha	Composite Reliability	AVE
AIS Adoption	0.89	0.91	0.67
Financial Transparency	0.92	0.93	0.71
Corporate Governance	0.88	0.90	0.64

All constructs demonstrated acceptable reliability (Cronbach's alpha > 0.70) and convergent validity (AVE > 0.50), supporting the adequacy of measurement instruments. Discriminant validity was confirmed through comparison of AVE values with squared inter-construct correlations.

Structural Model Results

The structural equation model was estimated to test the hypothesized relationships between AIS adoption, financial transparency, and corporate governance. Table 5 presents the path coefficients and significance levels.

Table 5: Structural Model Path Coefficients

Path	Standardized Coefficient (β)	Standard Error	t-value	p-value
AIS Adoption → Financial Transparency	0.58	0.07	8.29	<0.001
AIS Adoption → Corporate Governance	0.42	0.08	5.25	<0.001
Financial Transparency → Corporate Governance	0.31	0.09	3.44	<0.001
AIS Adoption → Corporate Governance (indirect)	0.18	0.04	4.50	<0.001
AIS Adoption → Corporate Governance (total)	0.60	0.06	10.00	<0.001

The results indicate significant positive relationships between AIS adoption and both financial transparency ($\beta = 0.58$, $p < 0.001$) and corporate governance ($\beta = 0.42$, $p < 0.001$). Financial transparency also demonstrated a significant positive relationship with corporate governance ($\beta = 0.31$, $p < 0.001$), suggesting a mediating role in the AIS-governance relationship.

The model fit indices indicated acceptable fit: $\chi^2/df = 2.34$, CFI = 0.94, TLI = 0.93, RMSEA = 0.06, SRMR = 0.05. These values meet conventional thresholds for structural equation models, supporting the validity of the estimated relationships.

Sector-Specific Analysis

Multi-group analysis was conducted to examine potential differences in relationships across industry sectors. Table 6 presents the sector-specific path coefficients for the primary relationship of interest.

Table 6: Sector-Specific Path Coefficients (AIS Adoption → Financial Transparency)

Sector	Standardized Coefficient (β)	p-value	R^2
Financial	0.67	<0.001	0.45
Industrial	0.52	<0.001	0.27
Service	0.54	<0.001	0.29

The financial sector demonstrated the strongest relationship between AIS adoption and financial transparency ($\beta = 0.67$), consistent with the sector's heightened regulatory requirements and information processing demands. The chi-square difference test indicated significant differences between the financial sector and other sectors ($\Delta\chi^2 = 8.34$, $p < 0.05$), suggesting sector-specific effects in the AIS-transparency relationship.

Additional Analyses

Control Variable Effects

Analysis of control variables revealed significant effects of organizational size on both financial transparency ($\beta = 0.23$, $p < 0.01$) and corporate governance ($\beta = 0.19$, $p < 0.05$). Larger organizations demonstrated higher levels of transparency and governance effectiveness, potentially reflecting greater resource availability for system implementation and compliance activities. Organizational age showed a modest positive relationship with governance effectiveness ($\beta = 0.14$, $p < 0.05$), while ownership structure effects were non-significant.

AIS Feature Analysis

Detailed analysis of specific AIS features revealed differential impacts on transparency outcomes. Table 7 presents the relationships between specific AIS capabilities and financial transparency.

Table 7: AIS Feature Impacts on Financial Transparency

AIS Feature	Standardized Coefficient (β)	p-value
Real-time Reporting	0.45	<0.001
Automated Controls	0.38	<0.001
Integration Capability	0.41	<0.001
Cloud Accessibility	0.33	<0.01
Audit Trail Function	0.47	<0.001

Audit trail functionality and real-time reporting capabilities demonstrated the strongest associations with financial transparency, highlighting the importance of these features for achieving transparency objectives. The adoption of cloud accounting information systems, which offer on-demand information accessibility via the internet ("Adoption of Cloud Accounting Information Systems (CAIS) in Sarawak's Audit Firms", 2023), showed significant positive effects on transparency outcomes.

4. Discussion

AIS Adoption and Financial Transparency

The findings of this study provide robust empirical evidence supporting the positive relationship between AIS adoption and financial transparency in the Omani context. The significant path coefficient ($\beta = 0.58$, $p < 0.001$) indicates that organizations with higher levels of AIS implementation demonstrate substantially greater financial transparency, as measured through information quality, accessibility, timeliness, and disclosure compliance indicators. This relationship aligns with theoretical expectations regarding the role of information systems in enhancing organizational transparency and accountability (Kiseleva et al., 2022)Cheong, 2024).

The mechanisms through which AIS enhances financial transparency are multifaceted. First, automated data processing reduces the potential for human error and manipulation, thereby improving the accuracy and reliability of financial information ("Adoption of Cloud Accounting Information Systems (CAIS) in Sarawak's Audit Firms", 2023). Cloud accounting information systems have become critical tools for businesses, offering on-demand information accessibility that facilitates timely and accurate financial reporting ("Adoption of Cloud Accounting Information Systems (CAIS) in Sarawak's Audit Firms", 2023). Second, integrated systems enable comprehensive data capture and systematic record-keeping, supporting the completeness of financial disclosures. Third, real-time reporting capabilities, identified as a significant predictor in the feature analysis ($\beta = 0.45$, $p < 0.001$), enable organizations to provide timely information to stakeholders, a key dimension of transparency.

The strong relationship observed in the financial sector ($\beta = 0.67$) reflects the heightened regulatory environment and information-intensive nature of financial services operations. Financial institutions face stringent disclosure requirements and stakeholder expectations for transparent reporting, creating strong incentives for AIS investment and utilization. The adoption of IFRS in Oman, where all firms are required to follow these standards Mazroui et al. (2023), creates a regulatory context that amplifies the transparency benefits of AIS adoption by providing standardized frameworks for financial information presentation.

The concept of transparency as a multilayered system of accountabilities is particularly relevant to understanding these findings (Kiseleva et al., 2022). Transparency requirements are crucial since decisions directly affect stakeholders' interests, necessitating clear articulation of how information is processed and presented (Kiseleva et al., 2022). AIS contributes to this multilayered transparency by providing systematic documentation of data processing procedures, enabling stakeholders to understand and verify the basis for reported financial information.

The findings also align with research on e-governance and budget transparency, which demonstrates that the adoption and use of technology enhances and promotes transparency in fiscal activities (Taiwo, 2024). The advancement in information and telecommunication technologies has helped open governance to public participation, with citizen engagement being essential for transparent and sustainable governance practices (Taiwo, 2024). While this research focused on corporate rather than governmental contexts, the underlying mechanisms linking technology adoption to transparency appear consistent across organizational types.

AIS Adoption and Corporate Governance

The significant positive relationship between AIS adoption and corporate governance effectiveness ($\beta = 0.42$, $p < 0.001$) supports the proposition that information systems contribute to enhanced governance outcomes. This relationship operates through multiple pathways, including improved information availability for board decision-making, strengthened internal control systems, and enhanced accountability mechanisms.

The role of AIS in supporting governance structures reflects broader trends in technology-enabled organizational management. Governance structures and stakeholder roles shape accountability and transparency mechanisms within organizations (Madancian & Hamed, 2025), and AIS provides the informational infrastructure necessary for effective governance oversight. The audit trail functionality identified as a significant predictor ($\beta = 0.47$, $p < 0.001$) exemplifies this contribution, enabling governance bodies to monitor organizational activities and verify compliance with established policies and procedures.

The emphasis on accountability in contemporary governance frameworks aligns with the observed relationships. Transparency and accountability can only be achieved through access to relevant information (Svärd, 2016), and AIS serves as the primary mechanism for generating, organizing, and disseminating such information within organizations. The integration of ethical considerations at every stage of system development and deployment (Madancian & Hamed, 2025) further supports the governance-enhancing potential of well-designed AIS implementations.

The mediating role of financial transparency in the AIS-governance relationship (indirect effect $\beta = 0.18$, $p < 0.001$) suggests that transparency serves as a mechanism through which AIS influences governance outcomes. Enhanced financial transparency provides governance bodies with the information necessary for effective oversight, while also enabling external stakeholders to hold organizations accountable for their performance and conduct. This mediation effect highlights the interconnected nature of transparency and governance constructs.

Research on participatory governance emphasizes the importance of democratic engagement and deliberative practices in organizational decision-making (Wong et al., 2022). While the current study focused on formal governance structures, the findings suggest that AIS adoption may facilitate broader stakeholder engagement by improving information accessibility and reducing information asymmetries between organizational insiders and external stakeholders.

Contextual Considerations: The Omani Environment

The Omani context provides unique insights into AIS adoption and its organizational impacts. As a nation actively pursuing digital transformation and economic diversification, Oman has demonstrated commitment to leveraging technology for improved governance and transparency (Al-Mamari et al., 2013)(Al-Busaidy & Weerakkody, 2009). The country's e-government initiatives reflect broader efforts to transform public services and establish transparent governance mechanisms (Al-Mamari et al., 2013), creating a supportive environment for technology adoption across organizational sectors.

Research on e-government diffusion in Oman indicates that improved accessibility, efficiency, and availability of services may lead to high levels of confidence among stakeholders regarding technology adoption (Al-Busaidy & Weerakkody, 2009). This finding suggests that the positive organizational outcomes associated with AIS adoption may be amplified in contexts where stakeholders hold favorable attitudes toward technology-enabled services. The government's role in promoting technology adoption and establishing supportive regulatory frameworks appears to facilitate private sector AIS implementation.

The mandatory adoption of IFRS in Oman Mazroui et al. (2023) creates a regulatory context that enhances the transparency benefits of AIS implementation. Standardized reporting frameworks provide clear guidelines for financial information presentation, while AIS enables organizations to efficiently comply with these requirements. The high IFRS compliance scores observed across all sectors (mean = 5.98 on a 7-point scale) reflect this regulatory influence and suggest that AIS adoption supports compliance with international standards.

The findings also have implications for understanding technology adoption in developing country contexts. Research has noted the limited empirical evidence on technology initiatives in developing countries from organizational perspectives (Al-Mamari et al., 2013), and this study contributes to addressing this gap. The significant relationships observed suggest that the benefits of AIS adoption for transparency and governance are not limited to developed economy contexts but extend to emerging markets undergoing digital transformation.

Theoretical Implications

The findings contribute to theoretical understanding of the relationships between information systems, organizational transparency, and governance effectiveness. The significant direct and indirect effects observed support integrated models that recognize the interconnected nature of these constructs. The mediating role of financial transparency in the AIS-governance relationship suggests that transparency serves as a mechanism through which technology influences organizational outcomes, rather than operating independently.

The study also contributes to technology adoption theory by demonstrating the organizational-level outcomes associated with AIS implementation. Research examining how task and user characteristics affect the success of accounting information systems Suhendro

(2022) has established the importance of system-user fit for individual-level outcomes. The current findings extend this understanding by demonstrating that AIS adoption influences organization-level constructs including transparency and governance effectiveness.

The emphasis on accountability and transparency in the findings aligns with contemporary frameworks for responsible technology deployment (Madancian & Hamed, 2025)Cheong, 2024). Ethical theories inform practical models for technology deployment, while governance structures shape accountability mechanisms (Madancian & Hamed, 2025). The observed relationships suggest that AIS adoption, when implemented within appropriate governance frameworks, can contribute to organizational accountability and stakeholder trust.

Practical Implications

The findings have significant practical implications for organizational managers, policymakers, and regulatory bodies in Oman and similar contexts. For organizational managers, the results highlight the strategic value of AIS investment for achieving transparency and governance objectives. The specific AIS features identified as significant predictors—including audit trail functionality, real-time reporting, and integration capabilities—provide guidance for system selection and implementation decisions.

For policymakers, the findings support continued emphasis on technology adoption as a mechanism for enhancing organizational transparency and governance. The adoption and use of e-governance enhances and promotes transparency (Taiwo, 2024), and similar benefits appear to accrue from private sector AIS adoption. Policy initiatives that encourage technology investment and provide supportive regulatory frameworks may amplify these benefits across the broader economy.

For regulatory bodies, the findings suggest that AIS adoption may facilitate compliance monitoring and enforcement activities. Organizations with robust AIS implementations demonstrate higher levels of transparency and governance effectiveness, potentially reducing regulatory burden while improving oversight outcomes. The integration of technology considerations into regulatory frameworks may enhance the effectiveness of governance requirements.

Limitations and Future Research Directions

Several limitations should be acknowledged when interpreting the findings of this study. First, the cross-sectional research design limits causal inference, as the observed relationships may reflect reverse causality or omitted variable bias. Longitudinal research designs would enable stronger causal claims regarding the effects of AIS adoption on organizational outcomes.

Second, the sample was limited to listed companies on the Muscat Stock Exchange, potentially limiting generalizability to smaller or unlisted organizations. Future research should examine AIS adoption patterns and outcomes across a broader range of organizational types, including small and medium enterprises and public sector entities.

Third, the measurement of AIS adoption focused on implementation and utilization indicators, potentially overlooking qualitative aspects of system design and deployment. Future research should incorporate more nuanced measures of AIS characteristics, including system quality, information quality, and service quality dimensions.

Fourth, the study focused on formal governance structures and may not fully capture informal governance mechanisms and stakeholder engagement practices. Research incorporating broader conceptualizations of governance, including participatory and stakeholder-oriented approaches (Wong et al., 2022), would provide more comprehensive understanding of technology-governance relationships.

5. Conclusion

This study examined the impact of Accounting Information System adoption on financial transparency and corporate governance in Oman, providing empirical evidence from a Gulf Cooperation Council nation undergoing significant digital transformation. The findings demonstrate that AIS adoption significantly enhances financial transparency through improved information accuracy, accessibility, timeliness, and disclosure compliance. Furthermore, AIS implementation strengthens corporate governance effectiveness through enhanced accountability mechanisms, improved decision-making processes, and strengthened internal control systems.

The mediating role of financial transparency in the relationship between AIS adoption and corporate governance highlights the interconnected nature of these organizational constructs. Organizations that leverage AIS to enhance transparency simultaneously strengthen their governance capabilities, creating virtuous cycles of improved organizational performance and stakeholder confidence.

The Omani context provides valuable insights into technology adoption in emerging market environments characterized by regulatory evolution and economic diversification. The mandatory adoption of international financial reporting standards creates a supportive framework for AIS implementation, while government initiatives promoting digital transformation establish favorable conditions for technology investment across organizational sectors.

The practical implications of these findings extend to organizational managers seeking to enhance transparency and governance through technology investment, policymakers developing frameworks for digital transformation, and regulatory bodies designing oversight mechanisms for the contemporary business environment. The specific AIS features identified as significant predictors—including audit trail functionality, real-time reporting capabilities, and system integration—provide actionable guidance for implementation decisions.

Future research should employ longitudinal designs to strengthen causal inference, examine AIS adoption across broader organizational populations, and incorporate more nuanced measures of system characteristics and governance outcomes. The continued evolution of accounting information systems, including the integration of advanced technologies, presents ongoing opportunities for research examining the organizational implications of technological change.

In conclusion, this study contributes to understanding the role of information systems in promoting organizational transparency and governance effectiveness. The findings support continued investment in AIS capabilities as a mechanism for achieving strategic objectives related to stakeholder accountability, regulatory compliance, and organizational legitimacy in the contemporary business environment.

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