International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

Digitalization in Financial Reporting and Analysis of Clothing Boutiques in Baliwag, Bulacan

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ABSTRACT

Accounting and business have also experienced a full transformation due to these digital technologies, solving many problems that traditional processes would often create for the parties involved. Digital devices also facilitate real-time financial and business reporting to companies that analyze data regarding their own performance, industry trends, and compete strategies. This study tested the impact of digitalization on financial reporting and analysis of Baliwag's clothing boutiques in Bulacan. Even better, the research design employed is a descriptive and correlational quantitative research design, enabling the researchers to derive required conclusions regarding the required results. Through purposive sampling, the researchers had the owners or employees of boutiques respond to modified structured survey questionnaires. There was a high correlation between digitalization and financial reporting and analysis. Companies should invest in such digital tools, resources to get people up to speed, and sell a digital mindset. Utilizing integrated data, fostering a digital culture, educating employees and successfully embracing technologies to develop competitive advantages will result in better financial management of companies through the use of financial software for making effective decisions. Digitalization enhances clothing boutique financial reporting and analysis using improved reliability, efficiency, and decision-making. They reduce mistakes alongside accelerating the reporting time through technology adoption and data harmonization. Effective training on the use of digital tools is worth it, and robust digital culture contributes to new collaboration methods.

Keywords: *Clothing Boutiques, Correlational Quantitative Research Design, Data Integration, Descriptive Quantitative Research Design, Digital Culture, Digitalization, Purposive Sampling, Quantitative Research Design, Skills and Training, Technological Adaptation.*

Introduction

Context and Rationale

Digital technology redefined the business and accounting profession for a few years. Previous to the discovery of technology, companies used traditional methods to process and analyze their financial information. The use of traditional methods is, however, prone to presenting difficulties. Financial and operational reports in real time were made possible by digital technologies, allowing firms to monitor money performance, pinpoint market trends, and develop strategies for business to remain competitive.

According to PwC, financial reporting automation raised the efficiency by 30 to 40 percent by 2025. This could be the ongoing streamlining of financial procedures through technology. Based on Deloitte (2022), AI-powered solutions have brought about greater positive control of financial information to some 18 percent of businesses In spite of such advantages, small firms in the Philippines, particularly in the retail industry, experience gigantic challenges such as high costs, limited technical expertise, and resistance to change (Santos & Rivera, 2020). This research work examined the effect of digitalization on clothing boutique financial reporting and analysis in Baliwag, Bulacan. As soon as businesses employed technology, then there ought to be a great reason for or against whether or not such technologies enhance accuracy, efficiency, and decision-making. Determining the effect of digitalization is designed to generate enhanced insights for the owners of business to enhance financial management. The information obtained from research studies offers intellectual benefit through knowledge updates about current developments and discoveries.

According to Negi and Kumar (2024), research offers useful applications for existing methodologies while solving existing issues. The research-based assessment with regard to how digitalization affects financial reporting in Baliwag, Bulacan offered useful information to help boutique owners navigate market trend adaptation. This helps boutiques and business students through the offering of digitization impact on financial reporting and analysis and improved business precision in financial reporting and analysis. The study established the impacts of digitalization of financial reporting and analysis of fashion boutiques in Baliwag, Bulacan that could be an advantage by changing digital aids for financial reporting and analysis instead of performing it in traditional forms.

It is focused on demonstrating how digital tools are able to make their financial procedures more effective, reduce errors that can cause inconsistency and save time. The research emphasized the impact of these modern digital tools which are able to make owners' procedures simpler and enable them to make better decisions.

Theoretical Framework

This research was aided by a theory that validates the impact between financial reporting and digitalization in the case of clothing boutiques in Baliwag, Bulacan.

As Lawrence and Lorsch (1969) defined and further explained by Donaldson (2001), the Contingency Theory asserts that companies thrive when their organizational design matches their environment. The adjustment towards computerized financial reporting in clothing stores within Baliwag, Bulacan can be affected through means they would be able to conform to the various available resources and demand of the market, along with challenges from the various operations. Every small business has unique circumstances, which are likely to affect their different use of digital tools. These circumstances comprised the adoption and solutions employed in technology. Ismail and King (2007) applied Contingency Theory to study the adoption of accounting information systems in small business and found that those companies that tailored their digital adoption strategy to suit their own requirements and external pressures performed more financially efficiently. In this study, Contingency Theory has been applied to explain how, through digitalization, financial reporting and financial analysis can be enhanced for boutique owners to enhance financial decision-making better, procedures more effective, and thrive in a dynamic environment.

Conceptual Framework

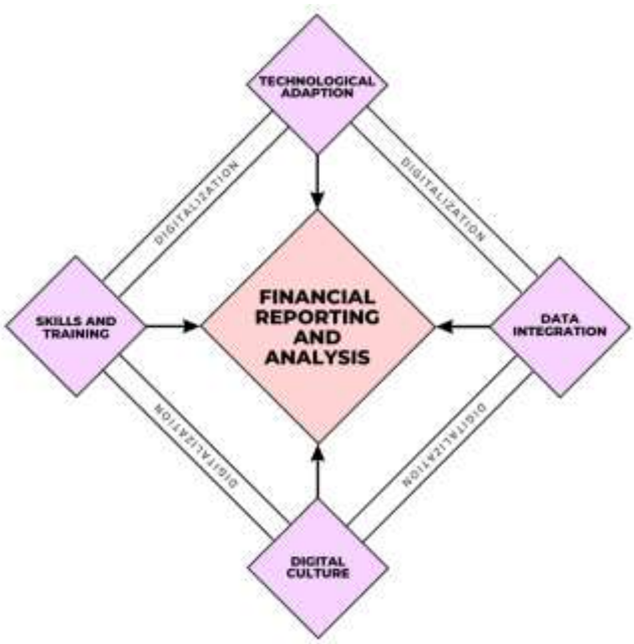

Figure 1. Diamond Model of Digitalization on Financial Reporting and Analysis

Figure 1 depicts the way digitalization affected financial reporting and analysis, particularly the way technological adaptation, data convergence, digital culture, and training and skills will transform financial reporting and analysis of boutiques in Baliwag, Bulacan. The four digitalization categories that affect financial reporting and analysis on how the participants reacted to adapting technology in their financial reporting and analysis are what the researchers are taking into consideration.

Digitalization is now deep in our everyday lives as it offers convenience and simplifies things to be done quicker thus how can digitalization affect financial reporting and analysis. The types of digitalization that is namely, technological adaption, data integration, digital culture, and skills and training affect financial reporting and analysis of a company or business. Technological adaption is when companies utilize technology to facilitate their financial reporting and analysis. Though, data integration is consolidating varied data of an enterprise into a single database or file. Digital culture is the habits of an enterprise in handling the financial reporting as well as its analysis. And finally, skills and training are do businesses employers and employees have the ability to utilize technology and possess the aptitude to train and to get trained.

Research Questions

This study aims to identify the relationship of adopting digitalization in financial reporting and analysis of clothing boutiques in Baliwag, Bulacan.

Specifically, it aims to answer the following questions:

1. How may digitalization be described in terms of:

1.1 Technology Adoption;

1.2 Data Integration;

1.3 Skills and Training; and

1.4 Digital Culture?

2. How may the financial reporting and analysis among the respondents be described?

3. Is there a significant relationship between digitalization and financial reporting and analysis among the respondents?

Hypothesis

This study was guided and tested the hypothesis below at a 0.05 level of significance:

There is no significant relationship between digitalization and financial reporting and analysis among the respondents.

Significance of the Study

This research will identify how digitalization will affect and assist financial reporting and analysis for the clothing industry in Baliwag, Bulacan.

This will be a helpful tool for entrepreneurs, future researchers, accountants, society, and the accounting profession. This is applicable because it will be used as a guide for the owners of clothing boutiques to describe why they would want to innovate technology for their financial reporting and analysis reliability and efficiency, thereby they can make improved business decisions and increase their digitalization knowledge. This research will help in the academic understanding of digitalization of future researchers and serve as a foundation for future research on digitalization and financial reporting and analysis. In addition, the residents of Baliwag will benefit from the economic growth facilitated by local government policies that promote digital transformation in small businesses. This study will attempt to bridge the knowledge gap regarding the impact of digitalization on financial decisions. This will help the community as it emphasizes the seriousness of adopting recent technologies to stay competitive and survive in this era of digital supremacy.

Scope and Delimitations

This research was conducted on the impact of digitalization in clothing boutiques' financial reporting and analysis in Baliwag, Bulacan. The aim of this study is to look at only small and medium clothing boutiques and exclude big clothing stores. The research focused on digitalization, namely technological adaptation, data integration, digital culture, skills and training, and financial reporting and analysis.

The sample size was a total of 78 respondents who are the boutique owners and finance personnel who are hired to take care of the handling of the financial documents. This research was conducted in Baliwag, Bulacan, within the period of the second term of National University-Baliwag's school year 2024–2025. This took four months. To obtain quantitative information, the research employed questionnaires and surveys to obtain data. A quantitative research design tool was employed and will be the primary data collection tool. Analysis employed descriptive and inferential statistics to analyze the data obtained through a clear comprehension of digitalization in financial reporting among the sampled boutiques. This research only examined the impact of digitalization with reference to technological adaption, data integration, digital culture, and training and skills in financial reporting and analysis in Baliwag, Bulacan clothing boutiques.

Methods

Research Design

This study employed quantitative research design. More specifically, descriptive survey and correlational quantitative research design. Quantitative approach was well-suited as it permits the objective and unbiased assessment and statistical analysis of the connection between digitalization and financial reporting and analysis. According to Creswell and Creswell (2022), quantitative research is a method of testing empirical theories through the examination of the relationship among variables and researchers' measurement of these variables through statistical methods. The descriptive survey quantitative design was employed in describing digitalization in terms of technology adaption, data integration, skills and training, digital culture, and financial reporting and analysis. The structured descriptive survey was employed in gathering information from the respondents. The aim of this data was to explain what digitalization is in the sense of the aforementioned four categories and to quantify how different situations could be derived from the respondents. The descriptive correlational quantitative research design was employed to find out how digitalization affects the financial reporting and analysis of Baliwag clothing boutiques, Bulacan.

This also tested whether there was a significant association between financial reporting and analysis, and technological adoption, data integration, digital culture, and skills and training. According to Creswell and Cresswell (2022), in this kind of research, the researchers apply statistical procedures for quantifying and describing the extent to which two or more variables or data sets are related.

Respondents

The participants in this research were the owners or staff of boutique shops in Baliwag, Bulacan, who solely handled financial reporting and analysis at their companies, established the roles of digitalization, namely, how technological adjustment, data connection, digital culture, and talent and training contributed to financial reporting and analysis. The total number of owners of boutiques was determined through use of local directory listings and records. 78 Baliwag, Bulacan clothing boutiques was the sample of this study. The sample was calculated using Slovin's formula n = N / (1 + Ne2) with a margin of error level of .05 for reliability. Purposive sampling was utilized in choosing the respondents who would be included in this study. The researchers utilized purposive sampling specifically to guarantee that the answers the researchers collected were true to the scope of the research. The respondents were selected carefully by researchers based on the list given by the city government of Baliwag, Bulacan. These are the specified inclusions: (1) clothing boutique owners registered in Baliwag, Bulacan; (2) directly involved in analyzing and generating financial reports; and (3) have experience or would like to utilize or embrace digital tools for financial activities.

Instrument

The questionnaire used in the survey was a structured questionnaire since the primary instrument for data collection was the major tool. The questionnaire was written in two sections, the first section addresses digitalization drivers, and the second section evaluates financial reporting and analysis. In relation to digitalization, the survey questions capture four significant factors: technology adoption, data integration, skills and training, and digital culture. Technology adoption was evaluated using the scale Mosteanu and Faccia (2020) created, and data integration was measured per a framework Landau et al. (2020) introduced. Skills and training constructs as well as digital culture constructs were borrowed from Pejić Bach et al. (2019) and Mihelj, Leguina, and Downey (2019). Apart from this, what Fischer et al. (2020) gave scope for measuring the connection between digitalization and financial reporting and analysis. The tools were modified by applying the same survey questions and removing demographic items from the study "The impact of digital transformation on financial reporting and analysis in the accounting industry" by JieWei et al. (2023).

The previous validation of the instruments was done using Cronbach's alpha that resulted in 0.827 showing "very reliable" to confirm the reliability of the dataset. It contains four (4) statements per key factor to capture the respondents' view. The respondents' answers were recorded in the Likert scale instrument using the following: 1 = Strongly Disagree; 2 = Disagree; 3 = Agree; and 4 = Strongly Agree. All the questionnaires were pilot-tested being given to the respondents for ensuring that items were clear, reliable and valid. The outcome indicates the Cronbach Alpha of 0.830 for adoption of technology, 0.851 for integration of data, 0.872 for skills and training, 0.955 for digital culture, and 0.833 for financial reporting and analysis. Survey statements on technology adoption, data integration, skills and training, and digital culture explain how digitalization was applied to the accounting sector, especially on financial reporting and analysis. It also explored how these variables impact financial reporting and analysis, determining their correlation, thus making it relevant to the research purpose.

Data Gathering Procedure

Prior to conducting the survey questionnaire with the chosen respondents, researchers sent a letter of request to the Baliwag City Hall, Bulacan, asking for official records on the total number of clothing boutiques in the city. The researchers and research adviser coordinated with each other and set the sample size of the study. A request letter was also forwarded to the Research Adviser, the Department of Accountancy and Accounting Information System Program Chair, the SBA Dean, the Research Ethics Committee, the Data Privacy Officer, the Academic Director, and the Executive Director of National University Baliwag requesting permission to collect data away from university grounds. The researchers had a pilot test with National University Baliwag students to determine the instrument's clarity and reliability prior to conducting the actual data gathering. The survey questionnaire was personally administered, allowing researchers to clarify answers and settle any query from respondents. Respondents were informed of the purpose of the study, and their participation was purely voluntary with consent. They were also made aware of their right to withdraw from the study.

The survey was made anonymous to keep the respondents' identities safe, and no information about them will be revealed. The researchers told the respondents that the data which will be gathered would be used only in terms of this analysis. The researchers made sure that they will comply with all the ethical principles in the whole research process.

Data Analysis

The answers given by the respondents were tallied, tabulated, and analyzed with the help of Jamovi 2.6.23. Inferential and descriptive statistics were the statistics that were utilized to judge this research. The main focus of descriptive statistics was analyzing how digitalization can be in terms of technological adaptation, data integration, digital culture, and training and skills like frequency, percentages, mean, and standard deviation was utilized to describe the adaptation of digitalization in financial reporting and analysis.

Inferential statistics, Pearson R moment correlation was used to establish whether there is a significant correlation between digitalization and financial reporting and analysis of clothing boutiques.

Ethical Considerations

Ethical clearance for the research was provided by National University Baliwag's research ethics committee prior to conducting data collection. The researchers adhered to the informed consent principle, whereby the respondents are well aware of the study's purpose and that they are volunteering to participate.

All personal identifiers were excluded from the survey questionnaire to safeguard the personal information of the respondents and to make sure that only researchers have access to the data. The research followed the Data Privacy Act of the Philippines (Republic Act No. 10173). Data of the respondents were treated with confidentiality and were not to be divulged to unauthorized persons or entities.

The research was carried out with integrity, where the respondents are treated fairly, honestly, and with respect. An open research process was upheld during the study to prevent any kind of deception, exploitation, or harm.

Results and Discussions

Identifying the relationship of adopting digitalization in financial reporting and analysis

The study included 78 respondents, i.e., owners and staff members directly engaged with financial reporting and analysis of clothing boutiques. It aimed to assess the impact of digitalization on financial reporting and analysis. Descriptive statistics were used to examine respondents' perceptions about the impact of digitalization in financial reporting and analysis. Conversely, Jamovi application was used to determine if there exist significant differences in how digitalization affects financial analysis and reporting in various respondents regarding technological adaption, digital integration, skills and training and digital culture.

Table 1

Descriptive Measures of the Influence Digitalization in Financial Reporting and Analysis in terms of Technological Adaption

No.	***Technology Adoption***		**1**	**2**	**3**	**4**	**Mean**	**SD**	**VI**
1	Adoption of new digital technology can help financial reporting and analysis.	f	2	1	25	50	3.58	0.655	SA
		%	2.6	1.3	32.1	64.1			
2	Investment in innovative software and technology can improve financial reporting and analysis	f	0	4	34	40	3.46	0.596	SA
		%	0	5.1	43.6	51.3			
3	Organizations need to integrate technology successfully into financial reporting and analysis.	f	1	5	26	46	3.49	0.679	SA
		%	1.3	6.4	33.3	59.0			
4	Organizations can encourage employee financial reporting and analysis using digital tools.	f	1	5	27	45	3.50	0.679	SA
		%	1.3	6.4	34.6	57.7			
Overall							3.51	0.652	SA

Legend:	*Rating*	*Verbal Interpretation*	
	3.25- 4.00	Strongly Agree	SA
	2.50- 3.24	Agree	A
	1.75- 2.49	Disagree	D
	1.00 -1.74	Strongly Disagree	SD

Table 1 provides the descriptive statistics of how digitalization impacts financial reporting and analysis from the point of technology adaptation. The highest mean was taken from item number 1, "Adoption of new digital technology can help financial reporting and analysis," with a mean of 3.58 (sd-0.655). Frequency distribution indicated that 64.1% (50) owners or employees of clothing boutiques rated it "Strongly Agree", 32.1% (25) rated it as "Agree", 2.6% (2) selected "Strongly Disagree", and 1% (1.3) selected "Disagree". It indicates that from the viewpoint of the respondents, the adoption of new digital technologies in finance analysis and reporting have contributed value to data accuracy, transparency, and efficiency.

The lowest average was on question number 2: "Investment in new software and technology can enhance financial reporting and analysis," with an average of 3.46 (SD-0.596). The frequency table showed that 51.3% (40) of the respondents graded themselves as "Strongly Agree", 43.6% (34) graded "Agree", 5.1% (4) graded "Disagree", and no one graded "Strongly Disagree".

In accordance, such technologies adapted resulted in enhanced efficiency of financial analysis and reporting through facilitation with automated data and real-time monitoring possible through software packages.

This provides an average of 3.51 (SD-0.652), meaning "Strongly Agree" (SA). Subsequently, technological adoption affected financial reporting and analysis which enabled operation efficiencies through data automations with monitoring in real-time by using software applications.

In the above case, the respondents were very much in agreement regarding the impact of adopting technology in relation to financial reporting and analysis.

Table 2

Descriptive Measures of the Influence Digitalization in Financial Reporting and Analysis in terms of Data Integration

No.	***Data Integration***		**1**	**2**	**3**	**4**	**Mean**	**SD**	**VI**
1	Financial reporting and analysis methods can integrate data from sources well.	f	2	1	49	26	3.27	0.617	SA
		%	2.6	1.3	62.8	33.3			
2	Organizations need to guarantee integrated financial data accuracy and consistency for reporting and analysis.	f	0	3	44	31	3.36	0.558	SA
		%	0	3.38	56.4	39.7			

3	Financial reporting and analytics efficiently address data integration challenges, including compatibility and data purification.	f	0	4	45	29	3.32	0.570	SA
		%	0	5.1	57.7	37.2			
4	Technology speeds up financial reporting and analytical data integration at our organization.	f	1	4	28	45	3.50	0.660	SA
		%	1.3	5.1	35.9	57.7			
Overall							3.36	0.601	SA

Legend:	*Rating*	*Verbal Interpretation*	
	3.25- 4.00	Strongly Agree	SA
	2.50- 3.24	Agree	A
	1.75- 2.49	Disagree	D
	1.00 -1.74	Strongly Disagree	SD

Table 2 provides the descriptive statistics of the effect of digitalization on financial reporting and analysis through data integration. The greatest mean was on item number 4, "Technology accelerates financial reporting and analytical data integration in our organization," with a mean of 3.50 (SD=0.660). The frequency distribution showed that 57.7% (45) of the respondents rated it as "Strongly Agree", 35.9% (28) rated "Agree", 5.1% (4) rated "Disagree", and 1.3% (1) rated "Strongly Disagree". This showed that technology had a significant role to play in accelerating data integration processes in financial reporting and analysis among the respondents.

The lowest mean was achieved by item number 1, "Financial reporting and analysis methods can integrate data from sources well," with a mean of 3.27 (SD=0.617). The frequency distribution revealed that 62.8% (49) rated "Agree", 33.3% (26) of respondents rated "Strongly Agree", and 2.6% (2) rated "Strongly Disagree". 1.3% (1) rated "Disagree". This implies that most of the respondents were assured of the integration ability of financial reporting methods.

The overall mean was 3.36 (SD=0.601) and fell under the category of "Strongly Agree". Integration of data therefore was a primary contributor to the contribution of financial reporting and analysis through enhanced correctness and consistency due to appropriate integrating mechanisms.

Overall, information showed clearly that all the respondents concurred that data integration played a significant impact on financial reporting and analysis.

Table 3

Descriptive Measures of the Influence Digitalization in Financial Reporting and Analysis in terms of Skills and Training

No.	*Skills and Training*		1	2	3	4	Mean	SD	VI
1	Personnel need to be well trained to use financial reporting and analytical software.	f	1	4	30	43	3.47	0.659	SA
		%	1.3	5.1	38.5	55.1			
2	Financial analysts are urged to improve their data analytics skills.	f	0	5	35	38	3.42	0.614	SA
		%	0	6.4	44.9	48.7			
3	A company can provide continual training and upskilling to keep employees current on digital financial reporting and analysis.	f	0	3	37	38	3.45	0.573	SA
		%	0	3.8	47.4	48.7			
4	Staff can fully utilize the digital revolution in financial reporting and analysis.	f	1	1	41	35	3.41	0.591	SA
		%	1.3	1.3	52.6	44.9			
Overall							3.44	0.609	SA

Legend: Rating Verbal Interpretation

3.25- 4.00	Strongly Agree	SA
2.50- 3.24	Agree	A
1.75- 2.49	Disagree	D
1.00 -1.74	Strongly Disagree	SD

Table 3 indicates that skills and training on the effect of digitalization in financial reporting and analysis were examined utilizing descriptive measures. The greatest mean was encountered on item number 1 "Personnel need to be well trained to use financial reporting and analytical software" with a mean score of 3.47 (SD=0.659). The distribution of frequencies revealed that 55.1% (43) of the respondents scored this item as "Strongly Agree", 38.5% (30) scored it "Agree", 5.1% (4) scored it "Disagree", and 1.3% (1) scored it "Strongly Disagree". This implies that sufficient training should be provided to employees to utilize digital applications or tools for purposes of financial report reporting and analysis.

The minimum mean was achieved by question number 4, "Staff can fully utilize the digital revolution in financial reporting and analysis," with a mean of 3.41 (SD=0.591). The frequency distribution showed that 52.6% (41) marked "Agree", 44.9% (35) of the respondents marked "Strongly Agree", 1.3% marked "Disagree" and "Strongly Disagree". That is, digitalization in every way was comprehensible and entirely benefiting the financial reporting from the employees' end.".

The grand mean of 3.44 (SD=0.609), below the "Strongly Agree" level since such ongoing training and upgrading are a requirement for having workers reap fully from digital financial reporting and analysis.

Overall, it was so among the respondents that they strongly agreed that they knew skills and training to be essential for effective digital financial reporting and analysis.

Table 4

Descriptive Measures of the Influence Digitalization in Financial Reporting and Analysis in terms of Digital Culture

No.	***Digital Culture***		**1**	**2**	**3**	**4**	**Mean**	**SD**	**VI**
1	Digital Culture offers a digital first approach to financial reporting and analysis.	f %	2 2.6	3 3.8	47 60.3	26 33.3	3.24	0.648	S
2	Digital Culture can help employees embrace digital transformation and actively seek ways to improve financial reporting and analysis.	f %	0 0	5 6.4	38 48.7	35 44.9	3.38	0.608	SA
3	Digital Culture can promote collaboration on digital financial reporting and analysis.	f %	1 1.3	1 1.3	26 33.3	50 64.1	3.60	0.589	SA
4	Digital Culture helps top management support digital financial reporting and analysis.	f %	1 1.3	1 1.3	40 51.3	36 46.2	3.42	0.593	SA
Overall							3.41	0.610	SA

Legend:	*Rating*	*Verbal Interpretation*	
	3.25- 4.00	Strongly Agree	SA
	2.50- 3.24	Agree	A
	1.75- 2.49	Disagree	D
	1.00 -1.74	Strongly Disagree	SD

Table 4 indicates that from the aspect of Digital Culture in financial analysis and reporting, it is the descriptive measures for its impact. Item number 3, "Digital Culture can facilitate collaboration in digital financial reporting and analysis," carries the highest mean of 3.60 (SD=0.589). Since the frequency distribution illustrates, 64.1% (50) of the participants graded it as "Strongly Agree", 33.3% (26) graded "Agree", 1.3% (1) graded "Disagree", and 1.3% (1) graded "Strongly Disagree". So, it adequately justifies that it fosters and develops a digital culture to attain teamwork and cooperation in financial analysis and reporting.

An item that was identified by the lowest mean was item number 1, "Digital Culture provides a digital-first strategy to financial reporting and analysis," with a score of 3.24 (SD=0.648). Frequency distribution shows that 60.3% (47) rated as "Agree", 33.3% (26) of the respondents rated as "Strongly Agree", 3.8% (3) rated as "Disagree", and 2.6% (2) rated as "Strongly Disagree". This did show that digital-first is accepted.

The general mean value of the answers suggests that the general overall value of the score has been 3.41 (SD=0.610), around "Strongly Agree", thereby developing a robust digital culture that included collaboration, innovative thinking, and management support towards financial analysis and reporting.

Overall, the answers indicate clearly that the participants did "Strongly Agree" on the reality that digital culture is extremely important for financial analysis and reporting.

Table 5

Descriptive Measures of the Influence Digitalization in Financial Reporting and Analysis in terms of Financial Reporting and Analysis

No.	*Financial Reporting and Analysis*		1	2	3	4	Mean	SD	VI
1	Digital transformation improves financial reporting accuracy.	f	0	7	28	43	3.55	0.595	SA
		%	0	9.0	35.9	55.1			
2	Data integration tools improve financial reporting and analysis.	f	2	4	24	45	3.49	0.659	SA
		%	2.6	5.1	34.6	57.7			
3	Real-time financial data availability via digital technologies aids financial analysis decision-making.	f	1	4	29	44	3.47	0.716	SA
		%	1.3	5.1	37.2	56.4			
4	Digitalization can improve financial reporting and analysis.	f	0	4	27	47	3.46	0.658	SA
		%	0	5.1	34.6	60.3			
	Overall						3.49	0.657	SA

Legend:	*Rating*	*Verbal Interpretation*	
	3.25- 4.00	Strongly Agree	SA
	2.50- 3.24	Agree	A
	1.75- 2.49	Disagree	D
	1.00 -1.74	Strongly Disagree	SD

Table 5 presents the descriptive statistics of the impact of digitalization on financial reporting and analysis. The highest mean was found on item number 1, "Digital transformation enhances the accuracy of financial reporting," with a mean of 3.55 (SD=0.595). The frequency distribution indicates that 55.1% (43) of the respondents rated it as "Strongly Agree", 35.9% (28) rated "Agree", 9.0% (7) rated "Disagree", and no one rated "Strongly Disagree". This is ascribed to the fact that automated and digital tools take on very significant roles in the lower errors and consistent outcomes in financial reporting.

Item number 4 is where the lowest mean was found. Its phrase states, "Digitalization can improve financial reporting and analysis", it had a mean of 3.46 (SD=0.658). Frequency distribution reveals that 60.3% (47) of the respondents scored it as "Strongly Agree", 34.6% (27) scored "Agree", 5.1% (4) scored "Disagree", and nobody "Strongly Disagree". This indicated that the respondents might have the overall agreement as much as the benefits of digitalization are involved.

The total average is 3.49 (SD =.657), falling well within the "Strongly Agree" bracket. It implies that digitalization helped in enabling correct financial reporting and analysis by enhancing tools for real-time availability of data and other integrations within this decision-making process.

In essence, the outcome of the data indicates that respondents concurred highly that financial transformation enhances financial reporting and analysis.

Table 6

Correlational Analysis Between Digitalization and Financial Reporting and Analysis of Clothing Boutiques

Digitalization	**r**	**p-value**	**Interpretation**	**Decision**
Technology Adaption	0.576	0.001	Highly Significant	Reject the H_o
Data Integration	0.475	0.001	Highly Significant	Reject the H_o
Skills and Training	0.422	0.001	Highly Significant	Reject the H_o
Digital Culture	0.528	0.001	Highly Significant	Reject the H_o

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

*. Correlation is significant at the 0.05 level (2-tailed).

Table 6 depicts the correlation coefficient (Pearson Correlation) between digitalization in terms of technological adaptation, data integration, digital culture, and training and skills and financial reporting and analysis. The correlation coefficient between digitalization categories and financial reporting and analysis are 0.001, positive, and statistically very highly significant at the 0.01 level (2-tailed). The correlation value of 0.001, lower than that of 0.01, is significantly a high correlation. The result indicated that digitalization and financial reporting and analysis have a high correlation. It indicated that digitalization in the form of technologic adaption, data integration, digital culture, and skill and training has a high impact on financial reporting and analysis. Thus the null hypothesis was rejected.

The findings of the research on the impact of digitalization on financial reporting and analysis of clothing boutiques, suggested that digitalization does have an impact on financial reporting and analysis of clothing boutiques. Adopting new digital technology enhances financial analysis and reporting with better accuracy, integration, and decision-making. Organizations must make sure that technology is integrated properly, encourage employees to use digital tools, and continuously train. Data integration into effective usage with real-time accessibility by digitalization enhances financial analysis, rendering financial reporting more effective and informative. This is in alignment with Alonge, et al (2024) study that the impact of digital transformation on financial reporting and accountability in emerging marketplaces is immense and multi-faceted.

Summary of Findings

The scope of the current study aimed at identifying the effect of financial digitalization reporting and analysis among the clothing boutiques in Baliwag, Bulacan in terms of determining how those driving factors namely the adoption of technology, the integration of data, skills development, and digital culture contributed towards having such effects.

With the steps outlined in the methodology, the solutions to the research questions were established and summarized as follows: The findings indicated that owners and staff of clothing boutiques in Baliwag, Bulacan agreed very much that embracing digital tools improve efficiency and accuracy. Companies need to embrace digital tools in their financial reporting and analysis since such technologies have the ability to minimize errors and greatly enhance the overall financial processes.

Similarly, fashion boutiques also realized the effect of data integration on their business. Results indicated that the majority of respondents agreed very much that technology assists in accelerating financial reporting and data integration. Thus, computer tools assist in speeding-up the merging of data, eliminating errors and delays, emphasizing the necessity of integrating data since it assists in making the financial information more accurate and consistent, resulting in more trustworthy financial insights and improved decision-making.

Additionally, How does digitalization affect financial reporting and analysis in terms of training and skills? Highest mean response: 3.47, SD = 0.659, indicating "Strongly Agree" (SA) most of the respondents strongly agreed that employees should receive proper training to effectively utilize financial reporting and analytical software. The continuous learning and skill development was thus essential for employees to apply digital tools to financial reporting. Companies ought to ensure frequent training for staff. Effective training guarantees that the staff members are well-prepared with the skills needed to use digital finance tools confidently and effectively.

How does digitalization affect financial analysis and reporting concerning digital culture? Item number 3 had the highest mean of (3.60, SD=0.589), that is, people agree very strongly that digital culture facilitates collaboration for financial reporting and analysis. Where there is strong digital culture, there is motivation for collaboration and innovation in reporting. Workers with a strong cultural attitude towards accepting digital tools and processes collaborate with each other effectively.

In what way does digitalization affect financial analysis and reporting of financial matters? Consistent with this, item number 1 had the largest mean response: 3.55, SD=0.595, or "Strongly Agree" (SA) that digital transformation enhances the accuracy of financial reporting. Digitalization enhanced financial reporting through reducing errors, automating processes, and allowing real-time access to data, which translates to more accurate financial analysis. The results indicated that participants believe that financial reporting with the use of digital tools improves data accuracy, accelerates reporting processes, and facilitates decision-making.

What is the relationship between digitalization and financial reporting and analysis in clothing boutiques? As indicated by the findings, the relationship between digitalization, as measured through technology adoption, data integration, digital culture, and training and skills, and financial reporting and analysis is statistically significant at 0.01 level, and the p-values for all variables were 0.001. These indicated that digitalization had a significant influence on financial reporting and analysis. Results showed that the adoption of technology, data convergence, skill building, and digital culture boost financial reporting by maximizing accuracy, efficiency, and availability of real-time data. Firms ought to concentrate on combining digital technologies, building robust digital culture, and ongoing staff training to get the most out of digitalization. By strengthening these factors, companies can obtain more trustworthy financial reporting and better decision-making, which supports earlier research indicating the transformative impact of digitalization on financial reporting and analysis.

Conclusion

According to the findings of the study, the following conclusions have been established:

The results of the study shown that the Strongly Agree adopting digital tools increases the efficiency and accuracy of financial performance. Changing from manual accounting it made their business operation smoother overall. All the participants responded positively with the assistance of digital tools particularly it will save their time and preventing delays that derived from errors within their financial reports and analysis.

The respondents strongly agreed with regard to incorporating financial information. Dependent on accurate integration of data gives their company a clear indication for all the merged information that they require, as they can use this information to accelerate their operation and give accurate information. Participants showed satisfaction on employing data integration to a high degree due to its reliability and transparency for their company's decision making. The participants agreed on a much higher level that they require appropriate training and competences in digital platforms for financial reporting and analytical softwares. Notably they should accord this as a priority before they embrace digitalization in their activities. The participants were satisfied with skills and training. The acquisition of the training will advance knowledge in digital platforms and enhance the employees job performance. The participants highly agreed that digital culture improves collaboration in financial analysis and reporting. This will make employees receptive to digital innovations. This confirms that employees are also on the same page in the business transformation objectives. The participants were satisfied in the significance of digital culture, notably communication and employee engagement. The participants reported that it has a very high level of significance between digitalization, which is being measured by technology adoption, data consolidation, digital culture, skills and training, and financial reporting and analysis being highly significant. Firms must prioritize and enhance these major areas to have a seamless business flow and avert some issues. The participants were contented with concurring that digitalization has an influence with these points when undergoing digitalization.

Based on Lawrence and Lorsch (1969) and as discussed by Donaldson (2001), the Contingency Theory argues that companies thrive when their organizational design matches their environment. Ismail and King (2007) applied Contingency Theory to study the adoption of accounting information systems by small businesses and found that firms that tailored their digital adoption approach to suit their own requirements and external pressures operated more financially successfully. Both contingency theories were stressing that a business had to match its structure and strategies to its key factors in order to perform optimally.

The outcome showed that digitalization transformation is important in financial analysis and reporting by focusing on key areas where technology can aid employee trust and significantly business performance. Similar to the hypothesis that states companies thrive when organizational design suits their environment. Ismail and King (2007) employed Contingency Theory. What this implies is that as boutiques of clothes in Baliwag, Bulacan embrace digitalization, they begin to become effective through the aspect of having the correct form that is congruent with the operation of business. This shall be a boon for them as they are able to optimize the reporting of finance and analysis with accurate results as the basis of decision-making. This also enables an effective adaptive and team-work-oriented culture between owners and staff for a sustained development of business. In the emerging digital economy, we can observe that market competition increases, which implies that the owners of clothing boutiques must make informed decisions from factors such as technology adoption, data fusion, skills and training, and digital culture before transitioning to digitalization. Consequently, when clothing boutiques implement digital platforms effectively, they are guaranteed to prosper and achieve significant business enhancement.

Recommendation

Based on the results and conclusions of the research, the following were the recommendations:

The participants indicated satisfaction with the assistance of digital tools particularly because it will save them time and prevent delays that resulted from mistakes in their financial analysis and reporting. To enhance overall financial management, owners ought to utilize financial software that has automated calculations, real-time updates of data, and reporting functions.

Respondents reported fulfillment in employing data integration extensively because of its reliability and transparency to inform decision-making in their company. Companies need to adopt data integration measures that enhance decision-making and improve transparency. Company owners are able to get detailed reports that show trends in profit, cost structures, and possible issues in finance when financial information is well integrated.

The participants were satisfied with skills and training. The learnings of the training will increase their knowledge in digital platforms and enhance the employees job performance. Companies must always assess and enhance their employee training sessions. Employees will be benefited by interactive workshops, certifications, and refresher courses that keep them updated on the latest developments in financial technology.

The respondents showed appreciation in the significance of digital culture, particularly the communication and employee engagement. Companies should create an environment that encourages the engagement of employees with one another and the utilization of digital financial reporting and analysis. Open communication, collaboration tools, and feedback meetings can facilitate cooperation and ease the transition to digital.

The participants explained that it has a very significant relationship between digitalization, as indicated by technology adoption, data integration, digital culture, training and skills, and financial reporting and analysis is very significant. Companies can recognize the important relationship between digitalization and financial reporting by making sure data integration, digital culture, technology adoption, and frequent training are implemented properly. Through focusing on these crucial areas, companies can improve financial processes and have a competitive advantage.

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