

# Enterprise Transformation in the Digital Age

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**Abstract:** In recent years, digitization has been applied to varying degrees across different industries. With the advent of the digital era, accounting practices are undergoing significant transformations. This article explores the impact of digital transformation on traditional accounting, emphasizing the role of digital technology in enhancing financial decision-making efficiency, accuracy, and automation. Block chain technology is thoroughly examined to explain how it provides a distributed ledger, enhancing transparency and tamper resistance, and altering transaction execution through smart contracts. However, digital accounting faces a series of challenges, including issues related to data privacy, security, and the need for employee training. The article underscores the new requirements imposed on accounting professionals in the digital age, encompassing technical skills, communication abilities, and innovative thinking. Additionally, sustainable development in accounting practices is being propelled by digital tools, elevating the quality of corporate reporting in environmental, social, and corporate governance aspects. Finally, through in-depth case studies, the article summarizes the experiences and lessons learned by some companies that have successfully navigated the accounting challenges of the digital era. This serves as a valuable reference for other organizations during this transformative period.

**Keywords:** Digitalization; Business Transformation; Accounting Talent Requirements.

## 1. Industry Performance in Digital Transformation

The continuous expansion of the digital economy and the rapid growth of industry digitalization have gradually propelled the digital transformation of the accounting industry. In recent years, the digital industry has accounted for approximately 7% of the GDP, with an average annual growth rate of over 25% since 2005. The integration of digital technology with traditional industries has further enhanced the transformation of the economic structure, marking the era of "digitalization." Therefore, the improvement of the accounting standard system, the innovation and effective implementation of the management system for the accounting service market, and the enhancement of the level of accounting informatization will be based primarily on digital information technology, driving the digital transformation of traditional accounting practices[1].

In 2020, the domestic gross domestic product (GDP) exceeded 100 trillion yuan, and the per capita GDP surpassed \$10,000. The contribution rate to global economic growth exceeded 30%. With the implementation of relevant regulations and laws, the direction of the domestic market has gradually become clear, and economic development continues to grow steadily. Among various industries, the accounting sector stands out as particularly important. According to data, by the end of 2020, more than 6.7 million people had obtained the primary professional technical qualification in accounting, over 2.4 million had obtained the intermediate professional technical qualification, and more than 200,000 had obtained the advanced professional technical qualification. Compared to the end of 2015, these figures represent a growth of approximately 79%, 50%, and 72%, respectively. There were over 400,000 professionals in the registered accountant industry, and more than 30,000 partners (shareholders) in accounting firms. Comprehensive institutions have opened accounting courses, with over 13,000 research and education personnel

involved[2]. Currently, digitization in the accounting profession is mainly reflected in the automation of work. The widespread adoption of automation technology has shifted the focus of practical accounting work in enterprises in two main aspects: 1) Repetitive mechanical tasks and simple compliance audit tasks are significantly reduced as they are replaced by digital processing systems. 2) The possibilities and urgency of application analysis and decision support services based on vast data have rapidly increased. In the era of digitization, the scope of accounting duties has become broader, and the technological requirements have gradually expanded. The demand for high-level analytical decision-makers and cross-industry professionals is increasing, accompanied by an increase in workload and the complexity of tasks<sup>[3]</sup>.

## 2. The Nature of Digital Transformation

Enterprise transformation refers to a structural change in the business content and management methods of a company through specific means, aiming to achieve changes in operational performance and profits. However, the entire transformation process is not a one-step process; rather, it involves gradual changes over time and stages in the company's management concepts, organizational structure, workflow, and more. Ultimately, this leads to a transformative leap in the overall operational and management systems of the company. Scholars have different perspectives on the scope of enterprise transformation, leading to the distinction between "narrow enterprise transformation" and "broad enterprise transformation." Scholars like Zhu (2022) argue for the narrow view, considering enterprise transformation as a strategic shift that does not change the company's original goals and existing management system[4]. On the other hand, scholars like Li (2020) take a broad view, considering digital transformation as a change in work systems, unique operational processes, and the nature of employees' work. This transformation is seen as divergent from the company's

original content, diverting existing systems from one "track" to another[5]. The key distinction lies in whether digital transformation is a strategic choice[6].

This article posits that the digital transformation of enterprises falls within the narrow definition of enterprise transformation. It primarily outlines digital transformation based on two aspects: corporate strategy and digital technology. The current trend of industrial digitization is becoming increasingly significant, with various industries gradually influenced by the new generation of information technology characterized by digital applications. Traditional industries are gradually realizing the importance of adapting to the development of the digital economy and are commencing their own digital transformations. The author believes that various forms of enterprise transformation, such as "development transformation under the Internet," "Internet+ transformation," and "transformation under the backdrop of Internet+" are equivalent to digital transformation.

### 3. The Factors Influencing Digital Transformation

Early scholars had two main points of view on the influencing factors of digital transformation: 1) They believed that the primary reason for digital transformation is globalization. They argued that while globalization promotes economic interactions among countries worldwide, it also brings about significant changes in the external environment of each country's economy. It is precisely because of these immense changes that enterprises face threats and challenges. In order to adapt to the changes in the overall environment, enterprises choose to adopt digital transformation strategies[7]; 2) The reasons for enterprises undergoing digital transformation are not only influenced by external factors such as globalization but are also determined by the internal environment of the enterprise. Through research, it was found that when the internal environment of an enterprise does not match the development of the external era, the efficiency of using internal resources significantly decreases. When the efficiency of internal resource utilization does not reach an optimal state, it leads to damage in the creation of enterprise value[8]. Therefore, to align with external information technology and keep pace with the times, enterprises embark on digital transformation.

The author believes that changes in the external environment can lead to strategic transformation in enterprises. However, the insight of top executives into the environment also plays a crucial role in the strategic transformation of the company. Without the collaboration of both aspects, the entire transformation process will not proceed smoothly[9]. Additionally, besides the executives' ability to perceive the internal and external environment, various internal and external factors such as the management level of leaders towards lower-level employees, the personal capabilities of top-level managers, and the introduction of digital technology, all work together and mutually influence the digital transformation of the enterprise.

The digital technology of a business, its strategic choices, the business model it adopts, and the nature of the industry it operates in all have an impact on whether the enterprise undergoes digital transformation. This influence extends beyond the managers involved in digital transformation; employees with a digital mindset and scientifically sound

digital teams also affect the implementation of digital transformation strategies. Therefore, the influencing factors for digital transformation primarily include changes in the internal and external environment, enterprise resources, dynamic capabilities, and executive cognition. Among these, environmental changes act as the external driving force for digital transformation; enterprise resources serve as the fundamental guarantee for digital transformation; dynamic capabilities represent the internal coordinating ability for digital transformation; and executive cognition is a crucial guarantee in determining whether and how smoothly digital transformation takes place.

### 4. Requirements for Accounting Professionals

The ultimate goal of talent development is to achieve effective talent supply, and the principles of talent supply and demand balance help clarify the fundamental issues in formulating training standards. Occupational competence is the core essence of accounting talent development, and the principles of occupational competence analysis assist in constructing the foundational framework for the formulation of training standards[11]. The substance of industry-education collaboration in nurturing talents is a process of cross-industry collaborative management innovation. Therefore, the tools and methods of innovation management theory will contribute to the realization of innovation in industry-education collaboration in talent development. The specific theoretical basis is as follows:

(1) The specificity of talent supply and demand relationships lies in the balance of both quantity and structure. While overall balance is important, structural balance holds greater significance. Analyzing from the perspective of overall balance in talent demand, it is essential to choose appropriate indicators for measuring the accumulation and demand[13];

(2) There is a certain lag in the supply of talent from university education compared to the demand from industries. The fundamental reason for this lies in the cyclical nature of professional talent development. The relative stability of professional talent development programs weakens the flexibility of talent supply in response to demand. Companies can address this by getting involved in university professional talent development early on, reducing the lag in talent supply caused by fixed training cycles. They can contribute by providing course content or involving professional experts in teaching, collaborating with universities to deliver professional education that meets their talent needs. This approach effectively alleviates the temporal differences between talent supply and demand;

(3) The supply of university-educated professionals entering the job market is not standardized. This is fundamentally because students entering the workforce have not only received university education but have also grown under the combined influence of social education and self-directed learning. Achieving absolute standardization in talent supply is unrealistic. University education should play a crucial role in the talent supply process to lessen the burden on students engaged in social and self-directed education. The heterogeneity in talent demand and the non-standardization in talent supply stem from the diversity of occupational positions and individual traits. While the differences on both sides of talent supply and demand present challenges in

effective matching, they also serve as the foundational drive for societal diversity and prosperity.

Taking a comprehensive view, the transformation of accounting professionals in the digital era requires: 1) The ability to choose appropriate indicators for measuring accumulation and demand; 2) Universities providing more targeted teaching programs to address the lag and inflexibility in industry talent caused by the cyclical nature of professional education; 3) Talent not only needs to possess university-based professional education but also must align with the demands of enterprises.

These measures collectively contribute to adapting accounting professionals to the challenges posed by the digital age.

## 5. Case Study

This article selects Haier Smart Home as a case study for the digital transformation of enterprises, based on the following specific reasons:

### 1) Strong Representativeness:

Firstly, according to Euromonitor International data, Haier Smart Home has consistently ranked first on the global retail list of large household appliance brands for ten consecutive years. Secondly, Haier Smart Home tops the list of the most valuable brands in China and has maintained this position for seventeen consecutive years. Lastly, under policy responses, Haier Smart Home has achieved significant results in the field of digital transformation. In 2018, the brand value of Haier Smart Home reached 209.2 billion yuan.

### 2) Ease of Data Acquisition:

Haier Smart Home, being a publicly listed company, provides reliable and highly accessible information. Apart from information disclosed in annual reports, as a benchmark in the home appliance manufacturing industry, various research institutions and mass media regularly publish research reports, promotional materials, and interviews, making data gathering straightforward.

Haier Smart Home is a subsidiary of the Haier Group and holds a pivotal position within the group. It is the largest business group under the Haier Group, encompassing all household appliance operations and having a broad scope of involvement. In the era of the digital economy, the transition from "Qingdao Haier Smart Home" to "Haier Smart Home" goes beyond household appliances themselves, focusing on the accelerated development of a smart home ecosystem brand. This expansion extends from household appliances to integrated home appliances, smart homes, and provides users with the optimal experience in the full ecosystem of clothing, food, housing, and entertainment.

This article identifies four main reasons for the digital transformation of Haier Smart Home:

### 1) Adaptation to Environmental Trends:

The rapid development of the digital economy has led to significant transformations in the production, distribution, sales, financing, and payment systems of traditional industries. As the traditional economic models gradually fade away, new development patterns seamlessly integrate under the impact of the Internet of Things. This fundamental shift is the primary reason for Haier Smart Home's embrace of digital transformation.

### 2) Transformation of Internal Management Models:

In the early stages, Haier Smart Home adopted a hierarchical management model, where employee demands for benefits took precedence over customer needs.

Information flow between departments was not smooth, and hierarchical communication was slow. Seizing the opportunity of this transformation, Haier Smart Home actively explores new management architectures and models suitable for the new era of digital economic development, aiming to better adapt to the digital economy and gain a greater competitive advantage.

### 3) Establishment of a Comprehensive Ecosystem:

Haier Smart Home aims for the full participation of all entities in the supply, production, and sales of products. To achieve this, it needs to weave a vast ecosystem network. Seizing the opportunity of this transformation, Haier Smart Home is actively developing and establishing a mutually beneficial ecosystem, seamlessly connecting all entities within the ecosystem. This approach maximizes the value for users, suppliers, and employees.

### 4) Adaptation to the Trend of Digital Transformation:

Digital transformation is gradually becoming a trend, with the continuous development of the digital economy. Consumer demands are undergoing significant changes, and the core competitiveness of businesses has shifted from traditional "manufacturing capabilities" to "service capabilities + digital capabilities + manufacturing capabilities." This transformation enhances the core competitiveness of enterprises in response to evolving market demands.

## 6. Conclusion

This article posits that the digital transformation of enterprises falls within the narrow sense of corporate transformation and should be coupled with contemporary factors such as the internet for comprehensive enterprise transformation. With the deepening impact of the digital economy across industries, digital transformation becomes an inevitable choice for businesses. The success of an enterprise's digital transformation is contingent upon factors such as its digital technology, strategic choices, business model, and the nature of the industry it operates in. Additionally, the transformation of accounting professionals in the digital era necessitates a holistic consideration of both internal and external factors. This involves targeted teaching programs in university professional education and the capability of professionals to align their skills with the evolving demands of enterprises in a timely manner.

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