Journal of Islamic Accounting and Finance Research
ISSN 2715-0429 (print); 2714-8122 (online)
Vol. 8 No. 1 (2026), 73-92; DOI: https://doi.org/10.21580/jiafr.2025.8.1.28268

Computer self-efficacy and Islamic financial literacy as determinants of Islamic accounting application adoption among sharia-based MSMEs

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Received
5 August 2025
Revised
19 March 2026
Accepted
10 April 2026

Abstract

Purpose - This study examines the impact of computer self-efficacy and Islamic financial literacy on the intentions of Sharia-compliant MSMEs' intentions to adopt Islamic accounting programs.

Method - The study employed a quantitative cross-sectional design. Purposive sampling was employed to choose respondents, and a standardized questionnaire was used to collect data from Central Java's MSME participants. The investigation was performed using Partial Least Squares Structural Equation Modeling (PLS-SEM).

Result - Islamic financial knowledge and computing self-efficacy both had a strong beneficial impact on adoption intention. MSME actors are more qualified to use these technologies if they believe they are more technologically literate and understand the concepts of Islamic finance.

Implication - The findings highlight the importance of Islamic financial understanding and digital skill development in MSMEs' digital transformation.

Originality - This study closes a gap in the literature on Islamic accounting adoption by undertaking the first empirical test of a model that integrates computer self-efficacy and Islamic financial literacy within UTAUT2 for Sharia-compliant MSMEs.

Keywords: Computer self-efficacy; Islamic financial literacy; Islamic accounting application

How to cite (APA Style):

Andriyanto, I., Yulianti, E., Reksadini, M.U., & Wahab, N.A. (2026). Computer self-efficacy and Islamic financial literacy as determinants of Islamic accounting application adoption among sharia-based MSMEs. *Journal of Islamic Accounting and Finance Research, 8*(1), 73-92. https://doi.org/10.21580/jiafr.2025.8.1.28268

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Introduction

In Indonesia, as in many developing countries, micro, small, and medium enterprises (MSMEs) drive a significant share of economic activity. The spread of financial technology and dedicated Islamic accounting applications has opened new doors for these businesses to manage their finances more effectively. Yet among Sharia-based MSMEs. Actual adoption has consistently fallen short of what one might expect given the availability of such tools (Mahmud et al., 2022; Maniam, 2024; Wijayanti et al., 2023).

There is more to the gap than just access. Integrating digital technologies into their daily work continues to be a challenge for many MSMEs (Pranatasari et al., 2022). Conversely, technology supply does not always result in technological demand. Whether adoption actually occurs depends on other considerations.

One of those factors is Islamic Financial Literacy (IFL)—a person's working knowledge of financial concepts grounded in Islamic principles, including the prohibition of riba, zakat obligations, and halal contracting. When that knowledge is solid, MSMEs actors are more likely to seek out and trust financial tools that align with their faith (Hendratmi et al., 2026; Nik Azman et al., 2023). Islamic accounting is an accounting system that records, classifies, and reports financial transactions in accordance with Sharia law and Islamic values (Andespa et al., 2024; Sari et al., 2026). Though both are grounded in Islamic principles, they are distinct: IFL concerns knowledge and awareness, while Islamic accounting is about applying those principles in actual financial reporting and compliance (Bin-Nashwan et al., 2024; Hassouna & Lewaaelhamd, 2025). IFL has consistently been shown to shape financial behavior and, by extension, patterns of technology adoption (Rahayu et al., 2023; Waqas et al., 2025).

Computer self-efficacy (CSE)—a person's belief in their own ability to use digital tools—is another key variable. For MSMEs operators who have had little formal IT training, that sense of digital confidence, or lack of it, can make a real difference in whether they attempt to adopt new systems (Masrizal et al., 2024). Earlier research has shown that people with higher self-efficacy are more likely to engage in technology-related activities (Agarwal et al., 2000; Marakas et al., 1998).

Research has long recognized IFL as a driver of financial behavior and technology-related decisions (Masrizal et al., 2024; Saifurrahman & Kassim, 2021). Similarly, computer self-efficacy, an individual's belief in his/her ability to perform computer tasks, has a strong impact on the intention to adopt technology (Bringula et al., 2017; Compeau & Higgins, 1995). Those with stronger self-efficacy beliefs tend to engage more readily with unfamiliar technology (Agarwal et al., 2000).

Despite this progress, empirical research on the adoption of Islamic accounting applications among Sharia-compliant MSMEs remains limited. Most of the existing research has dealt with fintech adoption in general terms (Mahmud et al., 2022; Maniam, 2024), and the importance of Islamic accounting applications as one sub-category of Sharia-compliant fintech requiring both digital confidence and detailed knowledge of Islamic finance, as codified by PSAK Syariah (SIFAS 101–112), has not been studied. The behavioral determinants of adoption of such applications have not been empirically tested in the context of MSME in Indonesia, although the sector has expanded considerably, and tools aligning with AAOIFI have become increasingly available. Most critically, no prior study appears to have examined CSE and IFL jointly as predictors of intention to use these tools – a gap at the intersection of digital readiness and Islamic financial knowledge, which this study addresses within the extended UTAUT2 framework (Venkatesh et al., 2012).

In practice, Sharia-compliant MSMEs in Central Java continue to underuse Islamic accounting applications despite growing availability (Hudaefi et al., 2023; Nugraheni et al., 2025). The knowledge-behavior gap implies a problem of the transformation of Islamic MSMEs digitalization (Ajzen, 2011; Venkatesh et al., 2012).

Prior studies have not treated Islamic accounting as a distinct category of Sharia-compliant fintech, and the combined role of computer self-efficacy and Islamic financial literacy has received little focused attention, particularly among MSME operators.

From a research gap perspective, prior work has examined IFL and CSE in isolation, without adequately exploring how the two—religious financial knowledge on one side and psychological digital readiness on the other—jointly influence Islamic accounting application adoption intention (Compeau & Higgins, 1995; Salehzadeh et al., 2021). In addition, the distinction between Islamic financial literacy and Islamic accounting is seldom considered in empirical studies, creating conceptual confusion that this research seeks to address (Aji et al., 2020; Albaity & Rahman, 2019; Amin et al., 2011). This study addresses a research gap by examining how the two constructs influence MSMEs' intentions to adopt and use Sharia-compliant Islamic accounting applications in Central Java. The current study integrates the value-based and technology-based views to achieve a more comprehensive understanding of digital adoption behavior in a Sharia-compliant economy.

Literature Review

The theoretical foundation of this study is the extended UTAUT2 framework. UTAUT2, unlike its predecessors TAM and TPB, takes into account motivational and contextual drivers of adoption in addition to functional factors. This greater reach makes

it appropriate for situations in which morals and religious beliefs influence behavior in addition to practical utility.

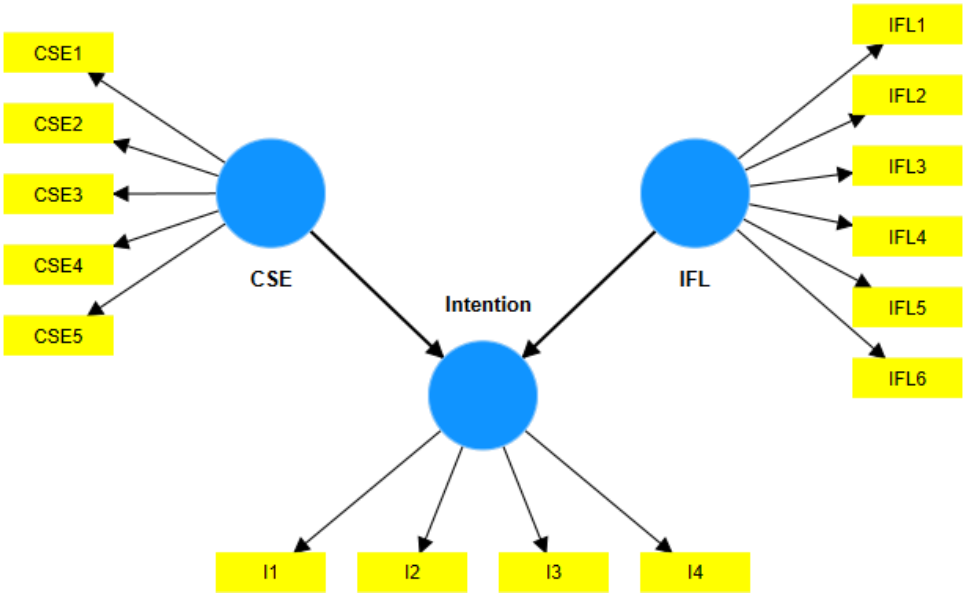
In UTAUT2, computer self-efficacy is directly related to perceived ease of use. People who trust their own competence to manage digital systems are more eager to test new technologies, and this relationship has been well-documented, especially in circumstances where users lack formal technical training (Compeau & Higgins, 1995b; Venkatesh et al., 2012).

IFL adds a values-based layer to the adoption process. For MSME operators working within a Sharia framework, understanding Islamic financial principles is not just academic knowledge — it actively shapes their financial decisions and behavior. Though UTAUT2 does not originally account for this dimension, recent empirical work has identified IFL as a meaningful driver of Islamic fintech adoption.

CSE and IFL together indicate two distinct but complementary routes: technical capability and value compatibility. Adoption is most likely when MSME actors feel both digitally able and religiously motivated. This reasoning leads to the study's central proposition: both constructs significantly and positively influence intention to use Islamic accounting applications.

Figure 1

Conceptual Framework: The Relationship of Computer Self-Efficacy (CSE), Islamic Financial Literacy (IFL), and Intention to Use Islamic Accounting Applications



Source: Authors' work

Hyphotesis Development

Computer Self-Efficacy (CSE)

Across multiple studies, CSE has been a reliable predictor of perceived ease of use and adoption intention in accounting-related digital systems (Bringula et al., 2017; Compeau & Higgins, 1995). Islamic financial literacy, meanwhile, does more than improve financial decision making; it also speaks directly to the values and ethical commitments of Sharia-oriented MSMEs (Majid & Nugraha, 2022; Tubastuvi & Rusydiana, 2024).

CSE, in essence, reflects how capable someone believes themselves to be when working with computer-based tools (Compeau & Higgins, 1995). This form of perceived competence has consistently emerged as a key factor in the adoption of digital technologies, particularly among those without extensive formal IT training. Bandura's Social Cognitive Theory (1997) provides the theoretical grounding here, linking self-efficacy beliefs to actual behavioral engagement. For systems like Islamic accounting applications, that sense of capability matters especially because users face both technical and contextual demands. Recent literature (Lestari et al., 2025; Mahmoud et al., 2025) confirms that CSE is a meaningful predictor of digital adoption among MSMEs, especially in developing economies.

The relationship between CSE and digital adoption willingness is well-established, and it is especially strong among small business owners without formal IT backgrounds. Studies in digital learning settings confirm that CSE shapes both perceived ease of use and behavioral intention — a finding consistent with TAM, where self-efficacy ultimately feeds through into adoption intent (Venkatesh et al., 2012).

Current literature demonstrates that CSE significantly predicts digital tool adoption among MSMEs in developing economies, including Indonesia (Juita et al., 2026; Victorina Rosette Mantik et al., 2024). Based on this evidence, the following hypothesis is proposed:

H1: Computer Self-Efficacy (CSE) has a significant and positive influence on the intention to use Islamic accounting applications among MSMEs in Central Java

Islamic Financial Literacy (IFL)

IFL refers to a person's understanding of the Islamic principles governing financial activity, including the prohibition of riba, zakat obligations, and halal contracting requirements. This understanding strengthens financial decision-making and helps keep behavior aligned with religious commitments. Pranatasari et al. (2022) and Supriadi et al. (2025) highlight that digital Islamic literacy is critical for MSMEs to understand and trust Sharia-compliant financial technologies. Similarly, studies by Rahayu et al. (2023)

and Trianto et al. (2021) support the relevance of Islamic financial knowledge in ensuring sustainable adoption.

When IFL is well-developed, people make more ethically grounded financial decisions and are more receptive to Sharia-aligned digital tools (Edward et al., 2024). According to Pranatasari et al. (2022), MSMEs whose owners score high on IFL tend to be more proactive in seeking out and adopting Islamic financial solutions rather than waiting for these tools to find them. IFL has also been marked to drive broader adoption of Islamic banking products and fintech applications (Mahmoud et al., 2025). Recent investigations (Masrizal et al., 2024; Supriadi et al., 2025) have reported that individuals with higher levels of IFL are more inclined to adopt Sharia-compliant financial technologies. Within the UTAUT2 framework, IFL can be seen as a mechanism that builds value congruence—helping potential users see the technology as an expression of, rather than a departure from, their deeply held beliefs, thereby strengthening behavioral intention.

Recent investigations highlight that IFL contributes to stronger perceived behavioral control within the TPB framework, thereby reinforcing the intention to use Sharia-compliant systems (Abbas et al., 2022). Based on this evidence, the following hypothesis is proposed:

H2: Islamic Financial Literacy (IFL) has a significant and positive influence on the intention to use Islamic accounting applications among MSMEs in Central Java

Intention to Use Islamic Accounting Applications

Islamic accounting programs are a unique type of financial technology that differs fundamentally from traditional accounting software. Rather than simply functioning as digital accounting tools, these programs are well-designed to ensure full compliance with Islamic financial principles specified in Indonesia's Sharia Accounting Standards (PSAK Syariah/SIFAS 101-112). In practical terms, this implies the program incorporates functionality that tools such as Zahir or QuickBooks do not provide: Automatic zakat calculation modules aligned with PSAK 109, transaction recording mechanisms that identify and ban interest-based entries, profit-and-loss ledger templates organized around mudharabah and musharakah contracts, halal financing tracking, and Sharia compliance audit trails

In Indonesia, such applications include Si-Akuntansi Syariah, Lamikro Syariah, and accounting modules incorporated into Baitul Maal wa Tamwil (BMT) management systems. Adoption decisions are impacted not only by perceived usability but also by the depth of the user's Islamic financial literacy. This is because the usage of these products is inextricably linked to the user's awareness of and adherence to Sharia financial principles. (Solikhatin et al., 2024; Wijayanti et al., 2023). Behavioral desire to use such

apps displays a dual orientation — toward technological efficiency and religious compliance — making it a more theoretically rich construct than intention to utilize generic accounting software. Prior research has shown that perceived compatibility, religious values, and perceived self-efficacy all have a substantial influence on intention (Ajzen, 2011).

Among MSMEs in Central Java, the perceived usefulness and convenience of Islamic accounting programs greatly influence their intention to adopt them, especially when combined with Islamic economic concepts.(Pranatasari et al., 2022; Solikhatin et al., 2024). Empirical evidence supports a dual-path model in which CSE and IFL favorably impact users' intentions to utilize Islamic accounting software. This association demonstrates how technological readiness and Sharia understanding influence Islamic MSMEs' digital adoption decisions. These findings highlight the significance of combining technological characteristics (such as digital aptitude) with religio-financial awareness. Thus, this framework proposes that CSE and IFL exert direct and significant influences on the intention to use Islamic accounting applications, especially in MSME contexts.

Research Methods

This study employs a quantitative design. Surveys were distributed to MSME owners and managers operating in accordance with Sharia principles in Central Java. Respondents were selected through purposive sampling based on active business involvement and at least basic familiarity with digital tools.

A total of 130 valid responses were obtained and included in the analysis. Measurement items were adapted from previously validated instruments to ensure both reliability and contextual relevance. All constructs were measured using a five-point Likert scale ranging from strongly disagree to agree strongly. The full operationalization of each construct is laid out in Table 1.

Data analysis was conducted using Partial Least Squares Structural Equation Modeling (PLS-SEM) with SmartPLS software. The analysis followed a two-stage procedure. The first stage involved evaluating the measurement model by assessing reliability and validity through indicator loadings, composite reliability, and average variance extracted. The second stage focused on evaluating the structural model by examining path coefficients, statistical significance, and predictive relevance.

To minimize potential bias, procedural remedies were applied, including ensuring respondent anonymity and separating measurement items across constructs (Podsakoff et al., 2003).

Stage 1 – Outer Model Evaluation assessed reliability and validity through indicator loadings ≥ 0.70, Composite Reliability (CR) ≥ 0.70, and Average Variance Extracted (AVE)

≥ 0.50. Fornell-Larcker criterion (Fornell & Larcker, 1981), and the HTMT ratio (Henseler et al., 2015).

Stage 2 – Inner Model Evaluation examined hypothesized relationships through the coefficient of determination (R2), path coefficient (β), effect size (f2) using Cohen's (Cohen, 2013), benchmarks of 0.02 (small), 0.15 (medium), and 0.35 (large), predictive relevance (Q2) via blindfolding where Q2 > 0 indicates predictive relevance, and hypothesis testing via bootstrapping with 5,000 resamples at $p < 0.05$ (Hair et al., 2019).

Table 1

Operationalization of Variables

Variable	Code	Indicator
CSE	CSE1	I am confident in my ability to learn new accounting software independently.
	CSE2	I can solve basic digital accounting problems without assistance.
	CSE3	I can use Islamic accounting applications even without prior training.
	CSE4	I can operate digital financial tools effectively on my own
	CSE5	I feel confident using computer-based accounting systems for my business.
IFL	IFL1	I understand the concept of Riba prohibition in Islamic finance
	IFL2	I am familiar with zakat obligations applicable to my business.
	IFL3	I understand the principles of halal financial contracts.
	IFL4	I can differentiate between Islamic and conventional financial products.
	IFL5	I understand how Sharia-compliant accounting differs from conventional accounting.
	IFL6	I am aware of the Islamic financial regulations applicable to my MSME.
INT	INT1	I intend to use Islamic accounting applications for my business in the near future.
	INT2	I plan to adopt Islamic accounting software to manage my business finances.
	INT3	I am willing to recommend Islamic accounting applications to other MSME actors.
	INT4	I am motivated to use Islamic accounting applications in my business operations regularly.

Source: Authors' work

Results

Outer Model Evaluation

The measurement model was assessed before examining structural relationships. As shown in Table 2, all three constructs met the required psychometric standards across all criteria considered. AVE values ranged from 0.653 to 0.717, each comfortably above

the 0.5 threshold for convergent validity (Fornell & Larcker, 1981). Composite Reliability (CR) fell in the range of 0.886 to 0.915, while Cronbach's Alpha ranged from 0.842 to 0.880—both sets of values well exceeding the accepted 0.70 benchmark for internal consistency. Indicator loadings across all constructs spanned 0.751 to 0.877, which is above the 0.70 minimum threshold (Hair et al., 2019).

Discriminant validity was assessed using the Fornell-Larcker criterion (Fornell & Larcker, 1981) and the HTMT ratio (Henseler et al., 2015). As shown in Table 3, the square root of each construct's AVE exceeded the inter-construct correlations, confirming that each construct is empirically distinct.

Table 2

Convergent Validity and Reliability

Construct	Indicators	Loadings Range	AVE	CR	Cronbach's Alpha
CSE	5	0.751 – 0.841	0.653	0.886	0.842
IFL	6	0.763 – 0.858	0.674	0.902	0.864
INT	4	0.802 – 0.877	0.717	0.915	0.880

Source: Authors' work

Table 3

Fornell-Larcker Criterion

Construct	CSE	IFL	INT
CSE	0.808		
IFL	0.489	0.821	
INT	0.573	0.541	0.847

Source: Authors' work

Table 4

Hypothesis Testing Results

Hypothesis	Path	β	t-value	p-value	f^2	Q^2	Result
H1	CSE → INT	0.421	5.671	0.000	0.218	0.391	Supported
H2	IFL → INT	0.398	4.938	0.000	0.196	0.391	Supported

Source: Authors' work

Inner Model Evaluation

The R2 value of 0.611 indicates that 61.1% of the variance in behavioral intention is explained by CSE and IFL, reflecting a moderately strong model fit that compares favorably with similar studies in Islamic fintech adoption literature (Darmansyah et al., 2020; Irimia-Diéguez et al., 2023; Maniam, 2024). Both hypotheses were supported at $p < 0.001$, as shown in Table 4. Effect size (f2) values of 0.218 and 0.196 indicate medium practical significance (Cohen, 2013), and Q2 values of 0.391 confirm the model's predictive relevance (Hair et al., 2019).

Discussion

The results validate prior research emphasizing the importance of self-efficacy in technology adoption among small businesses (Agarwal et al., 2000; Bringula et al., 2017; Compeau & Higgins, 1995). Specifically, MSME actors with greater confidence in their computer skills are more inclined to explore and use digital accounting tools tailored to Islamic financial norms.

H1 is confirmed: CSE exerts a significant, positive effect on adoption intention ($\beta=0.421$, $t=5.671$, $p < 0.001$, $f2=0.218$). This result is consistent with Social Cognitive Theory, which posits that individuals with higher confidence in their ability to perform computer-based tasks are more likely to engage with and adopt new digital systems. In the context of Islamic MSMEs in Central Java, where many actors have limited formal IT training, self-confidence in digital skills is a particularly critical driver of adoption (reff). This finding aligns with prior research by Compeau & Higgins (1995), Marakas et al. (1998), Khoa (2023), and others, such as Lestari et al. (2025) and Mahmoud et al. (2025), which established CSE as a robust predictor of technology acceptance across diverse digital contexts.

H2 is likewise supported: IFL significantly and positively predicts adoption intention ($\beta = 0.398$, $t = 4.938$, $p < 0.001$, $f^2 = 0.196$). Theoretically, this aligns with the Theory of Planned Behavior (Ajzen, 2011), in which IFL strengthens perceived behavioral control and subjective norms — both key antecedents of behavioral intention. Notably, IFL functions not merely as a knowledge variable but also as a values-alignment mechanism — MSME actors with high IFL simultaneously seek technological efficiency while ensuring compliance with Islamic ethical imperatives (Edward et al., 2024; Tubastuvi & Rusydiana, 2024). This result is consistent with findings by Masrizal et al. (2024), Mahmoud et al. (2025), and Irimia-Diéguez et al. (2023)

These findings reinforce earlier work by Majid & Nugraha (2022), Masrizal et al. (2024), and Supriadi et al. (2025), all of which connect deeper Islamic financial knowledge with more ethical financial conduct and a greater inclination to adopt Sharia-compliant technology. With Islamic accounting software, adoption is never purely

efficiency driven. Users are also concerned about if their behaviors accord with Islamic principles.

The findings are consistent with UTAUT2, demonstrating that effort expectancy (by CSE) and normative-religious motivation (via IFL) alter behavioral intention simultaneously. The model's high explanatory power (R^2 = 0.611) highlights the significance of these two characteristics in predicting digital behavior in Islamic economic settings.

CSE has a significant effect on behavioral intention (β = 0.421, p < 0.001), which can be explained by the effort expectancy construct of UTAUT2. When individuals perceive a technology as manageable within their existing competence, the cognitive cost of adoption decreases, making intention formation more likely. (Venkatesh et al., 2012). In the MSME setting, where formal IT training is rarely available, CSE serves not just as a skill indicator but also as a motivator, lowering the perceived effort threshold for working with complex, Sharia-compliant accounting software. This finding has far-reaching implications beyond simple replication of earlier work: it shows that, for Islamic MSME players, digital self-confidence is a prerequisite for even exploring Sharia-compliant digital technologies. Without it, religious motive alone is insufficient to generate adoption intent, indicating that efficacy-building initiatives must precede, rather than accompany, product distribution (Lestari et al., 2025; Mahmoud et al., 2025).

IFL has a significant effect on behavioral intention (β = 0.398, p < 0.001), indicating that it not only increases financial knowledge but also activates value congruence, which reduces adoption resistance by aligning a technology's embedded features with the user's religious norms (Masrizal et al., 2024). Within UTAUT2, these maps onto hedonic motivation and social influence, particularly salient among MSMEs embedded in pesantren-based economic networks where Islamic accounting tools are evaluated through both theological and communal lenses. IFL thus functions as a faith-rationality integrator, converting abstract Sharia norms — riba prohibition, zakat obligation, halal contract compliance — into concrete behavioral predispositions toward Sharia-compliant digital tools; a conversion pathway not captured by conventional TAM or original UTAUT frameworks.

Considered jointly, CSE and IFL account for 61.1% of variance in behavioral intention (R^2 = 0.611), lending support to a dual-pathway model of Islamic MSME technology adoption: a cognitive-technical route (CSE → reduced effort expectancy → intention) and a normative-religious route (IFL → value congruence → intention). This structure offers a theoretically grounded extension of UTAUT2 to Islamic fintech contexts, adding empirical precision to the emerging literature on religiously-moderated technology adoption (Mahmoud et al., 2025; Maniam, 2024). Crucially, neither pathway appears to function well in isolation: strong CSE without IFL may steer users toward conventional,

non-Sharia digital tools, while high IFL without sufficient CSE may leave religious motivation digitally unrealized. Meaningful adoption requires both to operate together—a finding with direct implications for how digital transformation programs targeting Islamic MSMEs are designed and rolled out.

On the ground, Sharia-based MSMEs in Central Java—especially those operating in more remote or rural settings—continue to face real technological constraints, from patchy digital infrastructure to limited digital literacy. The strong role of CSE in this study suggests that simply providing device access is not enough; what is needed are programs that actively build confidence and develop practical skills.

At the same time, while Islamic financial awareness tends to be relatively high in this region—shaped in part by the long presence of pesantren networks and BMT institutions—this awareness has not fully translated into actual digital adoption as one might hope. Literacy, it seems, is a necessary but not sufficient condition; it needs to be accompanied by usable tools, accessible training, and a supportive ecosystem before knowledge becomes consistent behavior. The gap between stated intention and actual use—not directly measured in this study—points toward potential moderating factors such as organizational support, perceived usefulness, or financial constraints that warrant attention in future work.

Positioning these findings within UTAUT2 also clarifies the theoretical boundaries of the model. Unlike TAM, which centres narrowly on perceived usefulness and ease of use, UTAUT2 accommodates the hedonic and social motivations that are particularly salient in Islamic economic contexts (Venkatesh et al., 2012). Future extensions of this model could incorporate facilitating conditions — such as the availability of affordable Sharia-compliant software and regulatory support from OJK for Islamic fintech — as well as social influence variables, including peer adoption within BMT networks and endorsement by religious authorities, to further account for the gap between stated intention and actual usage behavior that this study, by design, does not address.

Future research might also consider integrating institutional theory, which posits that organizational norms and external pressures (e.g., government regulations or religious authorities) significantly influence innovation adoption. In the case of Islamic MSMEs, formal fatwa institutions or Islamic financial cooperatives may act as change agents or barriers to the adoption of digital Sharia accounting.

Practically, these insights suggest the need for: (1) Digital skills training targeting MSME actors. (2) Integration of Islamic finance education into entrepreneurship programs. (3) Development of affordable, user-friendly Islamic accounting tools.

The research supports that integrating psychological readiness (self-efficacy) and religious-financial understanding (Islamic literacy) is key to designing policy interventions to accelerate Islamic digital transformation among MSMEs.

The simultaneous contribution of CSE and IFL ($R^2 = 0.611$) introduces the concept of "faith-informed digital behavior"—technology adoption driven not only by cognitive readiness but also by moral and theological resonance. This integrated perspective highlights how Sharia-driven MSMEs in Central Java navigate digital transformation by balancing technological functionality with religious integrity (Pranatasari et al., 2022; Solikhatin et al., 2024).

From a theoretical standpoint, this study extends the work of Venkatesh et al. (2012) and Davis (1989b) by introducing religiosity-informed constructs into the adoption framework, supporting calls for culturally and religiously sensitive models of technology acceptance (Mahmoud et al., 2025; Maniam, 2024). The model's explanatory power ($R^2 = 0.611$) compares favorably with similar studies in the Islamic fintech adoption literature, where R^2 values typically range between 0.40 and 0.65 (Masrizal et al., 2024; Supriadi et al., 2025).

Compared to studies in other Muslim-majority contexts — Malaysia (Edward et al., 2024), Nigeria (Mahmoud et al., 2025)(Mahmoud et al., 2025), and the broader Gulf region (Irimia-Diéguez et al., 2023) — the findings demonstrate consistent patterns, suggesting that CSE and IFL may represent universal drivers of Islamic fintech adoption. However, CSE's influence ($\beta = 0.421$, $f^2 = 0.218$) slightly exceeds that of IFL ($\beta = 0.398$, $f^2 = 0.196$), suggesting that in Central Java, digital confidence plays a marginally more prominent role — a pattern that diverges slightly from Malaysian and Nigerian contexts where IFL tends to exert stronger influence (Mahmoud et al., 2025; Maniam, 2024).

The findings carry concrete implications for multiple stakeholders. Islamic universities should integrate digital skills training into Islamic economics curricula (Lestari et al., 2025; Sari et al., 2026). Fintech developers should prioritize user-friendly, Sharia-certified applications with localized interfaces (Hudaefi et al., 2023). Government agencies should design holistic policy interventions simultaneously addressing digital competency and Islamic financial education gaps (Supriadi et al., 2025; Tubastuvi & Rusydiana, 2024).

Conclusion

Taken together, the evidence from this study makes clear that both Computer Self-Efficacy and Islamic Financial Literacy play meaningful roles in shaping MSME actors' intentions to adopt Islamic accounting applications. What these findings imply, practically speaking, is that building digital competence and deepening Sharia-based financial knowledge are not competing priorities but mutually reinforcing ones—both

are preconditions for meaningful digital transformation among Islamic MSMEs. The study underscores the need for integrated programs that develop these two capacities in tandem rather than treating them as separate agendas.

The results are consistent with UTAUT2, confirming that behavioral intention is shaped by effort expectancy (CSE) and normative-religious motivation (IFL), a dual-pathway mechanism. Furthermore, the study demonstrates that both utilitarian considerations and ethical-religious motivations jointly guide adoption behavior in Islamic digital finance.

This study was driven by two interrelated questions about digital transformation in faith-oriented economic communities: Does computer self-efficacy predict adoption intention among Sharia-compliant MSME actors, and does Islamic financial literacy exercise a comparable influence? The data provide a clear affirmative answer to both.

CSE emerged as a significant positive predictor of adoption intention ($\beta = 0.421$, $t = 5.671$, $p < 0.001$), as did IFL ($\beta = 0.398$, $t = 4.938$, $p < 0.001$). Together, these two constructs accounted for 61.1% of the variance in behavioral intention among 130 Sharia-compliant MSME actors surveyed in Central Java ($R^2 = 0.611$). The medium effect sizes for both paths ($f^2 = 0.218$ and 0.196, respectively) underscore that these are not merely statistically detectable but substantively consequential relationships.

From a theoretical perspective, these findings extend the applicability of TAM (Davis, 1986) and TPB (Ajzen, 2011) to an Islamic digital finance context, demonstrating that psychological readiness (CSE) and religious value alignment (IFL) jointly shape technology adoption behavior. This contributes to the growing literature on faith-informed digital behavior, where acceptance of technology is shaped not only by cognitive capability but also by moral and theological resonance (Mahmoud et al., 2025; Masrizal et al., 2024).

Several limitations deserve acknowledgment. The sample was drawn exclusively from Central Java, which naturally constrains how far the findings can be extended to regions with different socio-cultural or digital infrastructure conditions (Rahayu et al., 2023) The cross-sectional design rules out longitudinal inference, and several potentially important moderating variables—including perceived usefulness, organizational support, and religiosity level—were not included in the model (Sari et al., 2026). Future work would benefit from widening the geographic scope, measuring actual usage behavior rather than just intention, and incorporating additional theoretical constructs—such as elements of institutional theory—to build a richer picture of digital adoption dynamics among Islamic MSMEs (Alshater et al., 2022; Mahmoud et al., 2025; Maniam, 2024).

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