

FROM SIMPLE BOOKKEEPING TO SAK: ACCOUNTANT IDENTITY CONFLICTS IN MSMEs UNDERGOING DIGITAL TRANSFORMATION

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Abstract

Digital transformation has encouraged Micro, Small, and Medium Enterprises (MSMEs) to shift from simple bookkeeping practices toward the implementation of Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM). This study aims to explore how accountants, business owners, and financial staff interpret changes in their professional roles during the digital transformation of accounting practices. The research employed a qualitative interpretive approach using a phenomenological method to understand participants' subjective experiences. The findings indicate that the transition from traditional bookkeeping to a standards-based digital accounting system creates tensions between the established identity of transaction recorders and the emerging identity of strategic information providers. Identity conflicts are reflected in technology resistance, anxiety related to competency development, uncertainty regarding new responsibilities, and shifts in knowledge authority from practical experience to digital and accounting expertise. However, the adaptation process is supported by training programs, digital literacy enhancement, and professional mentoring, enabling individuals to develop more adaptive, collaborative, and data-oriented professional identities. The study contributes to the literature by emphasizing the social and professional dimensions of accounting digitalization in MSMEs and highlights that successful digital transformation depends not only on technological readiness but also on the reconstruction of professional identity within a changing business environment.

Keywords: Digital Transformation, Professional Identity, MSME Accounting, SAK EMKM, Accounting Digitalization.

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1. Introduction

Micro, Small, and Medium Enterprises (MSMEs) constitute the backbone of the Indonesian economy, contributing significantly to employment, income distribution, and national economic growth. Along with the rapid expansion of the digital economy, MSMEs are increasingly encouraged to improve their governance practices, particularly in financial recording and reporting (Pradis & Baba, 2026). Digital transformation is no longer viewed merely as the adoption of information technology but rather as a comprehensive organizational change involving business processes, organizational structures, decision-making mechanisms, and the competencies of individuals responsible for managing financial information. Previous studies have demonstrated that accounting digitalization improves operational efficiency, transaction accuracy, financial transparency, and managerial decision-making within MSMEs (Welly et al., 2025; Verhoef et al., 2021).

Despite these developments, financial management practices among many Indonesian MSMEs remain dominated by simple bookkeeping systems that primarily focus on recording cash inflows and outflows. Financial records are frequently prepared manually, inconsistently, and without full compliance with applicable accounting standards. Limited accounting literacy, inadequate human resources, and low levels of digital capability continue to hinder the implementation of standardized accounting practices (Sentosa & Rachmi, 2025). Consequently, regulators and professional accounting organizations have promoted the implementation of Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) as a means of improving financial reporting quality and enhancing the accountability of MSMEs.

The implementation of SAK EMKM in the digital era represents a transformation that extends beyond technological substitution. Cloud-based accounting systems, integrated digital platforms, automation, and artificial intelligence have fundamentally changed how financial transactions are recorded, processed, analyzed, and reported (Sharon et al., 2026). Digital accounting systems enable real-time transaction processing, automated account classification, and standardized financial reporting, thereby improving compliance with SAK EMKM while simultaneously expanding the strategic value of accounting information for business planning and decision-making (Troshani et al., 2021; Moll & Yigitbasioglu, 2019). Consequently, successful digital transformation depends not only on technological infrastructure but also

on the readiness of individuals responsible for accounting functions within MSMEs.

The human dimension of digital transformation has therefore become increasingly important. Existing research on accounting digitalization has predominantly examined technological adoption, system effectiveness, organizational performance, and financial reporting quality (Lokuge & Duan, 2021; Vial, 2019). Comparatively less attention has been devoted to understanding how digital transformation reshapes the professional identities of individuals responsible for accounting activities. As accounting technologies become increasingly sophisticated, accountants and financial staff are expected to move beyond traditional bookkeeping responsibilities and assume broader roles as digital technology users, financial analysts, and providers of strategic business information (Majiding, 2025). These changing expectations inevitably alter how individuals perceive themselves and their professional responsibilities.

This study adopts Burke & Stets, 2009 as its grand theoretical framework. Identity Theory argues that individuals construct meanings about themselves through the social roles they repeatedly perform. Professional identity develops when occupational roles become internalized into an individual's self-concept and are continuously reinforced through organizational interactions and work experiences. Individuals naturally seek consistency between their identity standards and the expectations attached to their professional roles. When organizational change significantly alters these role expectations, discrepancies arise between existing identities and newly required identities, generating identity conflict.

Within the context of accounting digital transformation, Identity Theory provides a robust explanation of how technological change reshapes accountants' professional identities. The transition from simple bookkeeping toward digital accounting systems and SAK EMKM implementation requires accounting practitioners to acquire new competencies, including digital literacy, analytical capabilities, standardized accounting knowledge, and technology-based decision support. Consequently, individuals who previously identified themselves primarily as transaction recorders are expected to perform as strategic financial information providers capable of interpreting accounting information and supporting organizational decision-making. Digital transformation therefore represents not only technological innovation but also a transformation of professional role expectations and occupational identity.

Identity conflict emerges when previously established professional identities are no longer compatible with the competencies, responsibilities, and organizational expectations required within digitally transformed environments. According to Identity Theory, inconsistencies between established identity standards and newly imposed role expectations create psychological tension that may be expressed through resistance to technology, anxiety regarding competency development, uncertainty about professional responsibilities, and concerns over diminished professional legitimacy (Burke & Stets, 2009; Pratt et al., 2006). For accounting practitioners in MSMEs, these tensions become particularly evident during the transition from experience-based bookkeeping toward standardized digital accounting practices supported by SAK EMKM. Rather than representing simple resistance to technological innovation, identity conflict reflects an ongoing negotiation between established professional identities and emerging occupational demands.

Identity Theory further explains that identity conflict is not the endpoint of organizational change but an important stage in the process of professional identity reconstruction. Through continuous learning, organizational support, professional training, mentoring, and repeated interaction with digital accounting technologies, individuals gradually redefine the meaning of their professional roles and integrate newly acquired competencies into their self-concepts. This reconstruction process enables accounting practitioners to transition from traditional bookkeeping identities toward more adaptive, collaborative, digitally literate, and strategically oriented professional identities capable of responding to the increasing complexity of contemporary accounting practices.

Although previous studies have extensively investigated digital transformation in MSMEs, most have concentrated on technology adoption, accounting information systems, compliance with accounting standards, and organizational performance (Troshani et al., 2021; Verhoef et al., 2021). Comparatively limited attention has been devoted to understanding how digital transformation reshapes accountants' professional identities through the mechanisms proposed by Identity Theory. Existing studies rarely explain how changing role expectations generate identity conflict or how accounting practitioners reconstruct their professional identities while adapting to digital accounting systems and SAK EMKM implementation. Furthermore, previous research has predominantly employed quantitative approaches, limiting

understanding of the subjective experiences underlying identity transformation during digitalization.

To address this gap, this study employs an interpretive qualitative approach to explore how accountants, financial staff, and MSME owners interpret their professional role changes during the transition from simple bookkeeping to digital accounting systems based on SAK EMKM. Drawing upon Identity Theory, this research seeks to explain how identity conflict emerges during accounting digital transformation and how accounting practitioners reconstruct their professional identities in response to evolving technological and organizational demands. The findings are expected to contribute both theoretically, by extending Identity Theory within the context of accounting digitalization, and practically, by providing insights into the human dimension of digital transformation programs for MSMEs.

Digital Transformation in MSME Accounting

Digital transformation has become one of the most significant developments affecting accounting practices in Micro, Small, and Medium Enterprises (MSMEs). Rather than representing merely the adoption of accounting software, digital transformation fundamentally changes how financial information is generated, processed, interpreted, and utilized within organizations (Vial, 2019). Contemporary accounting technologies—including cloud accounting systems, enterprise resource planning applications, artificial intelligence, and automated financial reporting—have expanded the traditional function of accounting from transaction recording toward strategic decision support (Troshani et al., 2021; Moll & Yigitbasioglu, 2019).

Previous studies consistently report positive organizational outcomes from accounting digitalization. Welly et al. (2025) demonstrate that digital accounting improves financial reporting quality and operational efficiency among Indonesian MSMEs. Similarly, Sharon et al. (2026) found that digital accounting systems strengthen compliance with SAK EMKM while enhancing managerial decision-making capabilities. At the international level, Verhoef et al. (2021) and Nambisan et al. (2019) argue that digital transformation reshapes organizational capabilities by integrating technological innovation with business strategy.

Despite these advantages, successful digital transformation depends not solely on technological readiness but also on human adaptation. Accounting

practitioners are required to acquire digital competencies, analytical thinking, and standardized accounting knowledge. Consequently, digital transformation should be understood as both a technological and a socio-professional process that changes how accounting work is performed.

Professional Identity in Accounting

Professional identity has received increasing attention within accounting research because accounting work is continuously shaped by organizational change, technological innovation, and evolving professional expectations. Identity Theory (Burke & Stets, 2009) explains that professional identity develops through repeated enactment of occupational roles. Individuals internalize role expectations into their self-concepts and seek consistency between their professional identity and organizational expectations.

Within accounting, professional identity has evolved substantially over recent decades. Traditionally, accountants were viewed primarily as financial recorders responsible for bookkeeping accuracy and compliance with accounting standards. However, the emergence of digital technologies has transformed accountants into strategic partners who combine financial expertise with analytical capability, digital literacy, and business advisory functions (Richins et al., 2017; Moll & Yigitbasioglu, 2019).

Recent studies further demonstrate that accountants increasingly perform roles extending beyond financial reporting, including digital system management, business intelligence, and organizational decision support (Troshani et al., 2021). This evolution indicates that professional identity is dynamic rather than static, continuously reconstructed in response to organizational and technological change.

Identity Conflict and Professional Identity Reconstruction

Identity conflict occurs when existing professional identities become inconsistent with newly emerging role expectations (Burke & Stets, 2009). During periods of organizational transformation, individuals frequently experience discrepancies between previously established competencies and newly required professional capabilities. Such discrepancies generate psychological tension that may appear as technology resistance, competency anxiety, uncertainty regarding professional responsibilities, and concerns over professional legitimacy (Pratt et al., 2006).

Previous interpretive studies have shown that identity conflict is a common phenomenon during professional transitions. Ibarra (1999) argues that professionals reconstruct their identities by experimenting with new professional roles before integrating them into stable self-concepts. Likewise, Pratt et al. (2006) explain that professional identity develops through iterative learning cycles involving organizational interaction, experience, and reflection.

Within accounting, digital transformation intensifies this process because technological innovation changes not only accounting procedures but also professional expectations. Individuals responsible for accounting functions in MSMEs must redefine their professional identities from transaction recorders into digitally competent financial information providers capable of supporting strategic decision-making. Identity reconstruction therefore becomes an essential mechanism enabling successful adaptation to digital accounting environments.

Research Gap and Positioning of the Study

Although the literature has extensively examined accounting digitalization, existing studies predominantly emphasize technological adoption, accounting information systems, digital readiness, organizational performance, and compliance with accounting standards. Most quantitative studies focus on measuring implementation success, system effectiveness, or financial reporting quality while paying limited attention to the subjective experiences of accounting practitioners during organizational change.

Moreover, studies discussing professional identity in accounting generally concentrate on large organizations, public accounting firms, or corporate accountants. Comparatively little research has investigated how professional identity evolves within MSMEs undergoing digital transformation and implementing SAK EMKM. Existing research also rarely explains the mechanisms through which digital transformation generates identity conflict and how accounting practitioners reconstruct their identities throughout the adaptation process.

This study addresses these gaps by adopting an interpretive qualitative perspective grounded in Identity Theory. Rather than examining digital transformation solely as technological adoption, this research conceptualizes digital transformation as a social process through which accounting practitioners negotiate, challenge, and reconstruct their professional identities. Consequently,

this study contributes to the development of interpretive accounting literature by extending understanding of the human dimension of accounting digitalization, particularly within the context of Indonesian MSMEs implementing SAK EMKM.

2. Research Method

This study employed an interpretive qualitative approach using a phenomenological research design to explore the lived experiences of individuals performing accounting functions in Micro, Small, and Medium Enterprises (MSMEs) during the transition from simple bookkeeping practices to the implementation of Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) supported by digital accounting systems. A phenomenological design was selected because the primary objective of this study was to understand how participants interpreted changes in their professional roles, experienced identity conflict, and reconstructed their professional identities throughout the digital transformation process. Within the interpretive paradigm, reality is viewed as socially constructed through individuals' interactions, experiences, and interpretations of organizational change rather than as an objective phenomenon that can be measured quantitatively (Creswell, 2014).

The research was conducted between January and March 2026 in several MSMEs located in East Java, Indonesia, that had implemented digital accounting applications and adopted SAK EMKM in their financial reporting practices. The research setting was selected because these MSMEs had experienced substantial changes in accounting practices resulting from accounting digitalization.

Participants were selected using purposive sampling to ensure that each informant possessed rich experience relevant to the research objectives. The inclusion criteria required participants to (1) be directly involved in accounting or financial management activities, (2) have experience using digital accounting systems, and (3) participate in preparing or utilizing financial reports based on SAK EMKM. Eight participants were involved in the study, consisting of MSME owners, accounting staff, finance administrators, and MSME consultants.

Data were collected using semi-structured in-depth interviews, supported by non-participant observations and document analysis.

Semi-structured interviews were selected because they allowed participants to describe their lived experiences while providing flexibility for the researcher to explore emerging issues related to professional identity, role transition, competency development, and digital adaptation. Each interview lasted approximately 60–90 minutes and was conducted either face-to-face at participants' workplaces or online when direct meetings were not possible. All interviews were audio-recorded with participants' permission and subsequently transcribed verbatim.

To enrich contextual understanding, non-participant observations were conducted during visits to participating MSMEs. The observations focused on participants' interactions with digital accounting systems, financial recording practices, organizational routines, and workplace behaviors during accounting activities. Field notes were prepared immediately after each observation session to document contextual information and researcher reflections.

Documentary evidence was also collected to support interview findings. The supporting documents included financial statements prepared under SAK EMKM, accounting procedures, digital accounting reports, organizational guidelines, training materials, and internal administrative documents. These documents were used to verify participants' narratives and strengthen the contextual interpretation of the digital transformation process.

The trustworthiness of the research was established by adopting the four criteria proposed by Lincoln and Guba (1985): credibility, transferability, dependability, and confirmability. Credibility was enhanced through data triangulation, member checking, and peer debriefing. Data triangulation was conducted by comparing information obtained from interviews, observations, and documentary evidence to ensure consistency across multiple data sources. Member checking was carried out by returning interview summaries and preliminary interpretations to several participants for confirmation that the findings accurately reflected their experiences and intended meanings. Peer debriefing involved discussions with fellow qualitative researchers and accounting academics throughout the analytical process to challenge emerging interpretations and minimize researcher bias.

Transferability was strengthened by providing detailed descriptions of the research context, participant characteristics, and organizational settings, allowing readers to determine the applicability of the findings to similar contexts.

Dependability was ensured through the maintenance of an audit trail, consisting of comprehensive documentation of interview schedules, field notes, coding procedures, analytical memos, reflective journals, and successive revisions of thematic development throughout the research process.

Confirmability was supported through continuous researcher reflexivity, whereby the researcher maintained reflective notes documenting methodological decisions, assumptions, and potential biases to ensure that interpretations remained grounded in participants' lived experiences rather than researcher expectations (Lincoln & Guba, 1985).

The data were analyzed using interpretive thematic analysis following the six-phase framework proposed by Braun and Clarke (2021). This analytical approach was selected because it enables researchers to identify, organize, and interpret patterns of meaning while preserving the richness of participants' lived experiences.

The first phase involved familiarization with the data. Interview recordings were transcribed verbatim and read repeatedly alongside field notes and documentary evidence to achieve an in-depth understanding of participants' experiences.

The second phase consisted of open coding, during which meaningful statements related to digital transformation, professional identity, identity conflict, competency development, and adaptation were identified and assigned initial codes. Coding was conducted inductively, allowing concepts to emerge directly from participants' narratives rather than being predetermined by existing theoretical categories.

In the third phase, similar codes were systematically compared and grouped into broader conceptual categories representing recurring patterns across participants' experiences. Relationships among categories were continuously examined through constant comparison until coherent conceptual groupings were established.

The fourth phase involved theme development, during which related categories were synthesized into broader themes representing the essence of participants' lived experiences. Five major themes emerged from the analysis: Technology Resistance, Competency Anxiety, Role Uncertainty, Authority Shift,

and Adaptation Pressure. These themes collectively describe the identity conflicts experienced by accounting practitioners during digital transformation.

The fifth phase consisted of reviewing and refining the themes to ensure that each theme accurately represented the underlying data and maintained internal coherence while remaining distinct from other themes. Representative quotations from participants were then selected to support each thematic interpretation.

The final phase involved interpreting the findings through the theoretical perspective of Identity Theory (Burke & Stets, 2009). The analysis focused on understanding how discrepancies between established identity standards and newly emerging professional role expectations generated identity conflict during accounting digitalization. Furthermore, the interpretation examined how participants gradually reconstructed their professional identities through continuous learning, organizational support, digital competency development, and practical experience. Consequently, the analytical process not only identified what participants experienced but also explained how and why professional identity reconstruction occurred throughout the implementation of digital accounting systems within MSMEs.

3. Result and Discussion

The findings reveal that the implementation of Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), supported by digital accounting systems, represents more than a technological transition. Rather, it constitutes a process of professional identity transformation among individuals responsible for accounting activities within MSMEs. While previous studies have primarily conceptualized digital transformation as an organizational and technological phenomenon (Vial, 2019; Verhoef et al., 2021), the present findings demonstrate that digitalization simultaneously reshapes how accounting practitioners perceive themselves, interpret their professional responsibilities, and perform their organizational roles. The thematic analysis identified four sequential yet iterative phases of professional identity reconstruction: Identity Disruption, Identity Negotiation, Identity Adaptation, and Identity Integration. Together, these phases explain how accounting practitioners gradually reconstruct their professional identities during the implementation of SAK EMKM.

Identity Disruption: The Emergence of Professional Identity Conflict

The first phase emerged when MSMEs introduced digital accounting systems and adopted SAK EMKM as the basis for financial reporting. Prior to this transition, participants generally perceived accounting as a routine administrative activity focused on recording cash inflows and outflows. However, digital accounting systems required them to prepare standardized financial statements, understand accounting principles, utilize digital technologies, and provide financial information to support managerial decision-making.

This transition generated significant identity conflict, reflected in four recurring themes: technology resistance, competency anxiety, role uncertainty, and authority shift. Participants expressed concerns that their previous experience with manual bookkeeping was no longer sufficient because organizational expectations increasingly emphasized digital competence and compliance with accounting standards.

These findings support Identity Theory (Burke & Stets, 2009), which argues that identity conflict arises when established identity standards become inconsistent with newly expected social roles. However, the present study extends this theoretical perspective by demonstrating that, within MSMEs, identity disruption is influenced not only by changing organizational expectations but also by institutional pressure created through the implementation of SAK EMKM. Therefore, SAK EMKM functions not merely as an accounting standard but also as an institutional catalyst that initiates professional identity transformation.

Identity Negotiation: Reinterpreting Professional Roles

Following the initial disruption, participants entered a negotiation phase in which they attempted to reconcile their previous identities as transaction recorders with emerging expectations as digitally competent accounting practitioners. This process involved continuous learning, participation in training programs, interactions with accounting software, collaboration with business owners, and guidance from consultants and mentors.

Rather than immediately accepting their new responsibilities, participants gradually reinterpreted what it meant to perform accounting work within a digital environment. They compared previous work routines with new

accounting requirements and experimented with different ways of integrating digital technologies into their daily practices.

Pratt et al. (2006) argue that professional identity reconstruction occurs through reflection and repeated enactment of new professional roles. The findings of this study support this perspective while extending it by demonstrating that identity negotiation within MSMEs is fundamentally collaborative. Unlike larger organizations, where professional roles are relatively specialized, MSMEs often require owners, accounting staff, and finance personnel to perform overlapping responsibilities. Consequently, professional identity develops not only through individual reflection but also through organizational interaction, collective learning, and continuous collaboration.

Identity Adaptation: Developing Digital Accounting Competencies

As participants became increasingly familiar with digital accounting systems, they gradually entered the adaptation phase. During this stage, they developed greater confidence in preparing financial reports based on SAK EMKM, using accounting software, and interpreting financial information for managerial purposes.

The findings indicate that successful adaptation was facilitated by several enabling factors, including continuous professional training, improvements in digital literacy, mentoring programs, repeated practical experience, and organizational support. These factors enabled participants to internalize new competencies and redefine their understanding of accounting work.

Previous studies have generally emphasized technological capability as the primary determinant of successful digital transformation (Vial, 2019). However, the present findings demonstrate that technological readiness alone is insufficient. Instead, successful implementation depends on individuals' ability to reconstruct their professional identities while simultaneously acquiring new competencies. Thus, digital transformation should be understood as both a technological and a socio-professional learning process.

Identity Integration: Reconstructing Professional Identity

The final phase represents the stabilization of participants' reconstructed professional identities. At this stage, participants no longer perceived

themselves merely as bookkeepers responsible for recording financial transactions. Instead, they increasingly identified themselves as providers of strategic financial information capable of supporting business planning, financial decision-making, and organizational accountability.

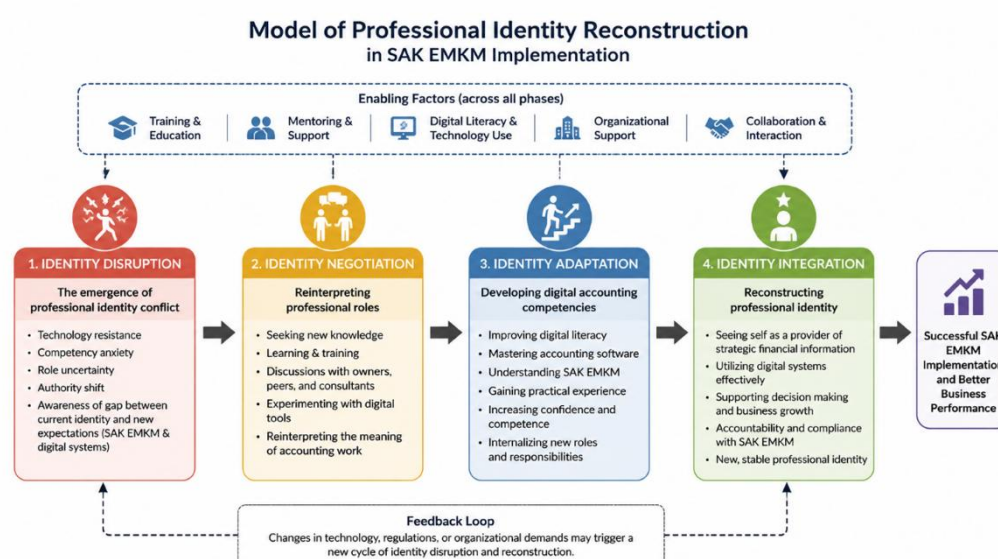
The reconstructed professional identity was characterized by several key attributes, including digital competence, analytical capability, compliance with accounting standards, collaborative working practices, and data-driven decision support.

This finding reinforces Burke and Stets' (2009) proposition that professional identity becomes stabilized through repeated enactment of newly expected roles. Nevertheless, the findings also suggest that professional identity within MSMEs remains dynamic rather than static. Technological innovation, regulatory changes, and evolving organizational demands may reactivate identity disruption, requiring individuals to continuously reconstruct their professional identities.

Proposed Model of Professional Identity Reconstruction

Based on the findings, this study proposes a conceptual model describing the process of professional identity reconstruction during the implementation of SAK EMKM. The model consists of four interconnected phases:

Figure 1. Model of Professional Identity Reconstruction



Each phase is connected through continuous organizational learning and professional development. The transition from Identity Disruption to Identity Negotiation is triggered by the realization that previous bookkeeping practices are no longer sufficient to meet organizational expectations. As participants recognize this discrepancy, they begin seeking new knowledge and experimenting with new professional roles.

The movement from Identity Negotiation to Identity Adaptation is facilitated by several enabling factors, including digital literacy, continuous training, mentoring, organizational support, and repeated use of digital accounting systems. These factors enable participants to gradually internalize new competencies and develop confidence in performing digitally supported accounting activities.

Finally, Identity Integration occurs when newly acquired competencies become incorporated into participants' professional self-concepts. At this stage, individuals consistently perform their new roles as strategic providers of financial information rather than merely recording financial transactions.

Importantly, the findings indicate that this process is iterative rather than linear. Future technological innovations, software updates, regulatory reforms, or organizational changes may generate new identity conflicts, initiating another cycle of professional identity reconstruction.

Theoretical Contributions and Conceptual Implications

This study contributes to the literature on professional identity and accounting digitalization in three significant ways. First, the findings extend Identity Theory Burke & Stets, 2009 by demonstrating that professional identity reconstruction within MSMEs is influenced not only by changing role expectations but also by institutional accounting reforms. The implementation of SAK EMKM acts as an institutional mechanism that reshapes professional legitimacy by introducing standardized accounting practices and digital reporting requirements.

Second, the study expands the digital transformation literature proposed by Vial (2019). While previous research primarily explains digital transformation through technological adoption and organizational capability, the present findings demonstrate that successful digital transformation also depends on individuals' ability to reconstruct their professional identities. Consequently,

sustainable digital transformation requires both technological readiness and identity adaptation.

Third, this study develops the concept of Identity Reconstruction in SAK EMKM Implementation, conceptualizing professional identity transformation as a dynamic process consisting of four interconnected phases: Identity Disruption, Identity Negotiation, Identity Adaptation, and Identity Integration. Unlike previous studies that primarily describe identity reconstruction as an individual psychological process, the proposed model emphasizes that identity reconstruction within MSMEs is simultaneously shaped by technological innovation, organizational interaction, institutional regulation, and continuous professional learning.

The conceptual implication of this study is that professional identity reconstruction functions as the central mechanism linking digital transformation to the successful implementation of SAK EMKM. Accordingly, digital transformation should not be viewed merely as technological adoption but as an integrated socio-technical process in which technology, organizational learning, institutional standards, and professional identity continuously interact to produce sustainable change in accounting practices within MSMEs.

4. Conclusion

This study explored how the implementation of Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM), supported by digital accounting systems, reconstructs the professional identity of accounting practitioners within MSMEs. The findings demonstrate that the implementation of SAK EMKM is not merely a process of adopting digital accounting technologies or complying with accounting standards. Instead, it represents a dynamic process of professional identity reconstruction through which individuals redefine their roles, competencies, and professional responsibilities in response to digital and institutional change.

The study identified four interconnected phases of professional identity reconstruction: Identity Disruption, Identity Negotiation, Identity Adaptation, and Identity Integration. The findings indicate that identity disruption emerges when traditional bookkeeping practices become inconsistent with new organizational and institutional expectations. This conflict encourages

individuals to negotiate their professional roles through continuous learning, interaction with digital technologies, organizational collaboration, and professional mentoring. Over time, repeated practice, organizational support, and competency development facilitate identity adaptation, ultimately leading to the integration of a new professional identity characterized by digital competence, compliance with SAK EMKM, analytical capability, and strategic decision-support functions. The process is iterative rather than linear, as technological innovation, regulatory changes, and evolving organizational demands may reactivate identity reconstruction.

This study contributes to the professional identity literature by extending Identity Theory (Burke & Stets, 2009). While previous studies primarily explain identity reconstruction as a response to changing role expectations, this research demonstrates that institutional accounting reforms represented by SAK EMKM also function as important drivers of professional identity change within MSMEs. Furthermore, the findings expand digital transformation literature by showing that successful accounting digitalization depends not only on technological readiness but also on individuals' capacity to reconstruct their professional identities. Accordingly, this study proposes the concept of Identity Reconstruction in SAK EMKM Implementation, which conceptualizes professional identity transformation as a dynamic four-phase process linking digital transformation with successful accounting standard implementation.

From a practical perspective, the findings suggest that policymakers, professional accounting organizations, and MSME support institutions should complement digital accounting initiatives with continuous professional development, mentoring, and organizational learning programs. Strengthening digital competencies alone is insufficient unless accompanied by strategies that facilitate the reconstruction of professional identity. Such an approach may enhance the sustainability of SAK EMKM implementation and improve the quality of financial reporting within MSMEs.

This study has several limitations. The findings are based on a qualitative investigation involving a limited number of participants within a specific MSME context, which may restrict the generalizability of the proposed model. Future research could validate the proposed Professional Identity Reconstruction Model using quantitative or mixed-method approaches across different industries, organizational settings, and national contexts. Longitudinal studies may also

provide deeper insights into how professional identity evolves over time during continuous digital transformation.

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