THE EFFECT OF ACCOUNTANTS' DIGITAL READINESS ON DIGITAL ACCOUNTING TRANSFORMATION: THE MODERATING ROLE OF PROFESSIONAL IDENTIFICATION AND COMMITMENT IN IRAQI COMMERCIAL BANKS

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Abstract. This study examines the effect of accountants' digital readiness on digital accounting transformation in the Iraqi commercial banking sector and investigates the moderating role of professional identification and commitment. A descriptive and analytical research design was employed. Data were collected through a structured questionnaire administered to accountants, internal auditors, and financial managers working in public and private commercial banks in Iraq. A total of 130 valid responses were analyzed using SPSS v.26. The analysis included descriptive statistics, simple regression, and hierarchical moderation analysis using the PROCESS Macro. The results show that accountants' digital readiness has a statistically significant positive effect on digital accounting transformation (**$\beta = 0.740$, $p < 0.001$**) and explains **54.8% of the variance ($R^2 = 0.548$)**. Professional identification and commitment also significantly strengthen this relationship (**$B = 0.268$, $p < 0.001$**). The interaction term accounts for an additional **5.4% of the explained variance ($\Delta R^2 = 0.054$)**, increasing the total explanatory power of the model to **67.5% ($R^2 = 0.675$)**. These findings indicate that digital readiness contributes more strongly to accounting transformation when accountants demonstrate higher levels of professional identification and commitment. The study therefore recommends that bank management invest in continuous training in advanced financial technologies while also strengthening professional ethics and responsible digital practices.

Keywords: digital readiness, digital accounting transformation, professional identification, professional commitment, Iraqi commercial banks, moderating effect.

ВЛИЯНИЕ ЦИФРОВОЙ ГОТОВНОСТИ БУХГАЛТЕРОВ НА ЦИФРОВУЮ ТРАНСФОРМАЦИЮ БУХГАЛТЕРСКОГО УЧЕТА: МОДЕРИРУЮЩАЯ РОЛЬ ПРОФЕССИОНАЛЬНОЙ ИДЕНТИФИКАЦИИ И ПРИВЕРЖЕННОСТИ В КОММЕРЧЕСКИХ БАНКАХ ИРАКА

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Аннотация. Целью настоящего исследования является изучение влияния цифровой готовности бухгалтеров на цифровую трансформацию бухгалтерского учета в коммерческом банковском секторе Ирака, а также анализ модерирующей роли профессиональной идентификации и приверженности. В исследовании применен описательно-аналитический подход. Данные были собраны с помощью структурированной анкеты, распространенной среди бухгалтеров, внутренних аудиторов и финансовых менеджеров государственных и частных коммерческих банков Ирака. В общей сложности были проанализированы 130 валидных ответов с использованием SPSS v.26. Статистический анализ включал описательную статистику, простой регрессионный анализ и иерархический модерационный анализ с применением PROCESS Macro. Результаты показали, что цифровая готовность бухгалтеров оказывает статистически значимое положительное влияние на цифровую трансформацию бухгалтерского учета (**$\beta = 0{,}740$; $p < 0{,}001$**) и объясняет **54,8% дисперсии ($R^2 = 0{,}548$)**. Профессиональная идентификация и приверженность также статистически значимо усиливают данную взаимосвязь (**$B = 0{,}268$; $p < 0{,}001$**). Включение члена взаимодействия дополнительно объясняет **5,4%**

дисперсии ($\Delta R^2 = 0,054$), увеличивая общую объясняющую способность модели до **67,5% ($R^2 = 0,675$)**. Полученные результаты свидетельствуют о том, что влияние цифровой готовности на цифровую трансформацию бухгалтерского учета усиливается при более высоком уровне профессиональной идентификации и приверженности бухгалтеров. В связи с этим рекомендуется развивать непрерывное обучение сотрудников современным финансовым технологиям одновременно с укреплением профессиональной этики и принципов ответственного использования цифровых технологий.

Ключевые слова: цифровая готовность, цифровая трансформация бухгалтерского учета, профессиональная идентификация, профессиональная приверженность, коммерческие банки Ирака, модерирующий эффект.

Introduction

Digital transformation is reshaping financial and banking operations worldwide. Technologies such as Artificial Intelligence (AI), Cloud Computing, and Robotic Process Automation (RPA) are increasingly being integrated into banking processes and accounting systems (Bhimani, 2020). As a result, the role of accountants is gradually shifting beyond traditional bookkeeping and record keeping toward data analysis, decision support, and digitally enabled financial functions (Moll & Yigitbasioglu, 2019).

In this context, accountants' digital readiness has become increasingly important for the effective adoption and use of new technologies. Digital readiness involves the knowledge, skills, and adaptability required to work effectively with modern accounting systems and digital tools. Even advanced technologies may fail to deliver their expected benefits when accounting professionals lack sufficient digital competence and adaptability (Moll & Yigitbasioglu, 2019; Leitner-Hanetseder et al., 2021). At the same time, technical competence alone may not ensure the responsible use of digital technologies. Professional identification and commitment can support

ethical judgment, professional responsibility, and the appropriate use of technology in financial reporting and accounting practice.

These issues are particularly relevant to the Iraqi commercial banking sector, where banks are increasingly adopting digital technologies and modernizing their accounting and reporting systems. Such changes require accounting professionals not only to develop technical capabilities but also to maintain professional standards, ethical responsibility, and commitment to the accounting profession. Understanding how these factors interact is therefore important for the effective implementation of digital transformation initiatives.

Accordingly, this study examines the effect of accountants' digital readiness on digital accounting transformation in Iraqi commercial banks and investigates whether professional identification and commitment strengthen this relationship. The findings are intended to contribute to the academic literature while also providing practical implications for bank managers, financial regulators, and accounting professionals.

Research Problem

Iraqi commercial banks are undergoing increasing digitalization, including the adoption of technologies such as Robotic Process Automation (RPA), cloud computing, and digital payment systems. Although technological infrastructure is essential to this process, the effectiveness of digital transformation also depends on the accountants, internal auditors, and financial managers who use and manage these technologies.

The central research problem is therefore to determine the extent to which accountants' digital readiness contributes to digital accounting transformation in Iraqi commercial banks and whether professional identification and commitment strengthen this relationship.

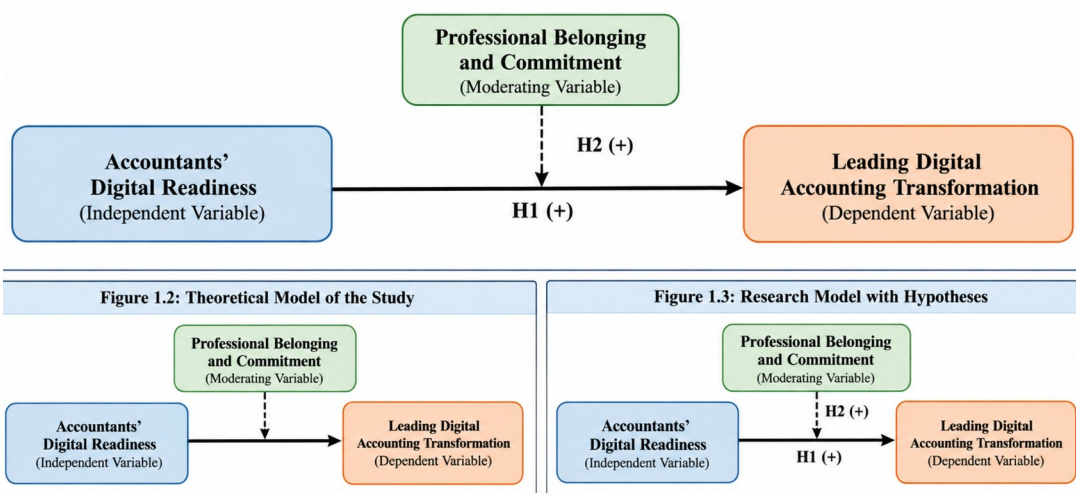
Research Significance

Academic Significance: This study contributes to the existing literature by integrating a technical factor—accountants' digital readiness—with a professional and

behavioral factor—professional identification and commitment—within a single model of digital accounting transformation. It also extends the limited empirical literature on these relationships in the context of the Iraqi commercial banking sector.

Practical Significance: The findings provide practical insights for Iraqi commercial banks, the Central Bank of Iraq, and professional accounting bodies. They may assist in designing staff development programs, strengthening professional standards, and developing digital transformation strategies that address both technological capabilities and professional behavior.

Conceptual Framework



Research Hypotheses

- **First Main Hypothesis (H1):** Accountants' digital readiness has a statistically significant positive effect on digital accounting transformation in Iraqi commercial banks.
- **Second Main Hypothesis (H2):** Professional identification and commitment positively moderate the relationship between accountants' digital readiness and digital accounting transformation in Iraqi commercial banks.

Methodology and Statistical Tools

Dimension	**Details**
Research Methodology	Descriptive-analytical approach
Research Population	Accountants, internal auditors, and financial managers working in Iraqi commercial banks, including public and private banks

Dimension	Details
Research Sample	A sample of accountants, internal auditors, and financial managers from selected Iraqi commercial banks. A total of 150 questionnaires were distributed, of which 138 were returned and 130 were valid for statistical analysis.
Data Collection Tool	A structured questionnaire based on a 5-point Likert scale
Statistical Software	SPSS v.26, including the PROCESS Macro for moderation analysis
Statistical Tests	Cronbach's Alpha, descriptive statistics, simple regression analysis, and hierarchical interaction regression analysis

Previous Studies

1. Studies on Digital Readiness and Accounting Transformation

- **ALDybi (2025):** Examined the role of digital transformation technologies in enhancing the credibility and reliability of financial statements in Iraqi private banks. A questionnaire was distributed to 120 accountants, auditors, and account managers, and 100 valid responses were analyzed using SPSS. The findings revealed statistically significant relationships between the use of digital transformation technologies and the credibility and reliability of financial statements. The study also highlighted the need to improve technological infrastructure and strengthen accountants' capabilities to adapt to ongoing digital change.
- **Alhasnawi et al. (2026):** Investigated the integration of Artificial Intelligence technologies into auditing, with particular emphasis on auditor readiness, facilitating conditions, and technical capability. The findings showed that successful technology adoption depends not only on access to advanced digital tools but also on the readiness and technical competence of accounting and auditing professionals. The study therefore emphasized continuous professional development and adequate technological support as important conditions for effective digital transformation in auditing.
- **Alnasar and Jaber (2025):** Examined the effect of digital transformation on the effective use of financial technology among accounting information systems professionals in Iraqi commercial banks. Based on 109 valid questionnaire

responses analyzed using SPSS and AMOS, the study found that digital transformation improves the efficiency of internal banking operations and supports faster and more effective financial services. The authors also emphasized the importance of strengthening technological infrastructure and providing continuous training to improve employees' ability to use financial technologies.

- **Moll and Yigitbasioglu (2019):** Examined how emerging internet-related technologies, including cloud computing, Big Data, blockchain, and Artificial Intelligence, are reshaping the work of accountants. The study showed that these technologies are transforming traditional accounting tasks and increasing the demand for new digital skills and competencies that enable accountants to remain relevant and contribute greater value in increasingly digitalized business environments.

2. Studies on Accountants' Professional Identification and Commitment

- **Bamber and Iyer (2002):** Examined professional and organizational identification among auditors and the potential conflict between these two forms of identification. Based on a sample of 252 Big 5 auditors, the study found relatively high levels of both professional and organizational identification and relatively low levels of organizational-professional conflict. Professional identification was also positively associated with organizational identification, highlighting its importance in understanding auditors' professional attitudes and behavior.
- **Hall et al. (2005):** Examined professional commitment among accountants as a multidimensional construct and discussed its implications for professional attitudes and behavior. The study emphasized the importance of considering different dimensions of professional commitment when examining accountants' attachment to and continued involvement in the profession.
- **Leitner-Hanetseder et al. (2021):** Investigated how Artificial Intelligence and other digital technologies are changing the roles, tasks, and skill requirements of accounting professionals. Using a Delphi study and expert workshops, the authors

found that digital transformation is reshaping professional roles and increasing the need for new digital competencies and effective collaboration between accounting professionals and AI-based technologies.

Research Gap

Although a growing body of research has examined digital transformation and professional behavior in accounting, two important gaps remain:

1. **Limited Integration of Technical and Professional Factors:** Previous studies have generally examined digital readiness and professional identification or commitment separately. Limited attention has been given to how these technical and professional factors interact within a single explanatory model of digital accounting transformation.
2. **Limited Evidence from the Iraqi Banking Sector:** The Iraqi commercial banking sector is undergoing rapid technological and regulatory change. However, empirical evidence on the interaction between accountants' digital readiness and their professional identification and commitment remains limited in this context. Examining these relationships may therefore provide both theoretical and practical insights into digital accounting transformation in Iraqi commercial banks.

Section One: Theoretical Framework

1.1 Accountants' Digital Readiness

1.1.1 Concept and Development of Digital Readiness

Digital readiness in accounting refers to the ability of individuals and organizations to adopt and use digital technologies effectively. It involves the knowledge, technical skills, resources, and adaptability required to integrate digital tools into accounting processes and improve the quality, efficiency, and timeliness of financial information.

The concept of digital readiness extends beyond the availability of hardware and software. It also includes the cognitive and behavioral capabilities that enable accountants to adapt to technological change and perform more analytical and

decision-oriented roles. As digital technologies become increasingly integrated into accounting practice, accountants are expected to move beyond routine data-entry activities and contribute more actively to financial analysis, interpretation, and strategic decision-making.

1.1.2 Dimensions of Digital Readiness in the Banking Environment

Digital readiness in the banking environment can be examined through three interrelated dimensions:

- **Technological Readiness:** Refers to the availability of appropriate technological infrastructure, including secure cloud-based banking systems, reliable processing capabilities, and integrated databases that support real-time financial processing and regulatory compliance.
- **Human and Skills Readiness:** Refers to the digital knowledge and technical competencies of accounting personnel, including their ability to work with technologies such as Robotic Process Automation (RPA), Big Data Analytics, and Artificial Intelligence applications.
- **Cultural and Organizational Readiness:** Refers to the ability of the organization to support technological change through flexible structures, an innovation-oriented culture, continuous training, and effective managerial support for the adoption of digital systems.

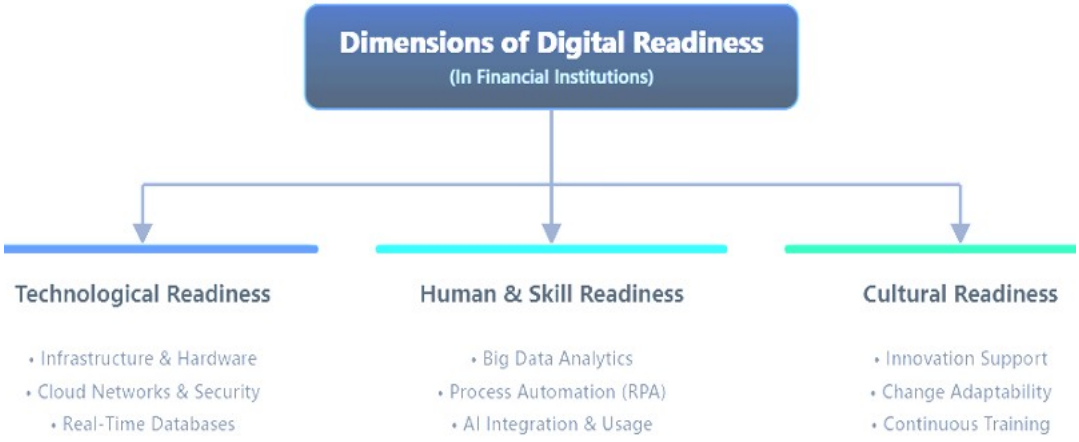


Figure (1.1): Dimensions of Digital Readiness in Financial Institutions

1.2 Digital Accounting Transformation

1.2.1 Concept and Levels of Digital Accounting Transformation

Digital accounting transformation refers to the systematic integration of digital technologies into accounting processes, including the collection, processing, analysis, and reporting of financial information. Technologies such as Blockchain, Cloud Computing, and Artificial Intelligence are increasingly used to improve the efficiency, timeliness, and analytical capabilities of accounting systems (Alhasnawi et al., 2026).

The literature commonly distinguishes among three related levels of digital change:

- **Digitization:** The conversion of paper-based documents and records into electronic formats.
- **Digitalization:** The use of digital technologies to improve specific transactions, procedures, and accounting processes.
- **Digital Transformation:** Broader organizational and process-level change in which digital technologies reshape accounting systems, workflows, reporting practices, and decision-making processes.

1.2.2 Interaction Between Digital Readiness and Professional Identification and Commitment

The successful adoption of digital technologies depends not only on technological infrastructure but also on the capabilities and professional attitudes of the people who use them. Accountants' digital readiness provides the knowledge, skills, and adaptability needed to work effectively with advanced digital tools. At the same time, professional identification and commitment may encourage accountants to apply these technologies responsibly and in accordance with professional and ethical standards.

The interaction between these factors is therefore important for digital accounting transformation. Higher levels of professional identification and

commitment may strengthen the positive effect of digital readiness by encouraging accountants to use their technical capabilities in ways that support reliable, transparent, and responsible accounting practices.

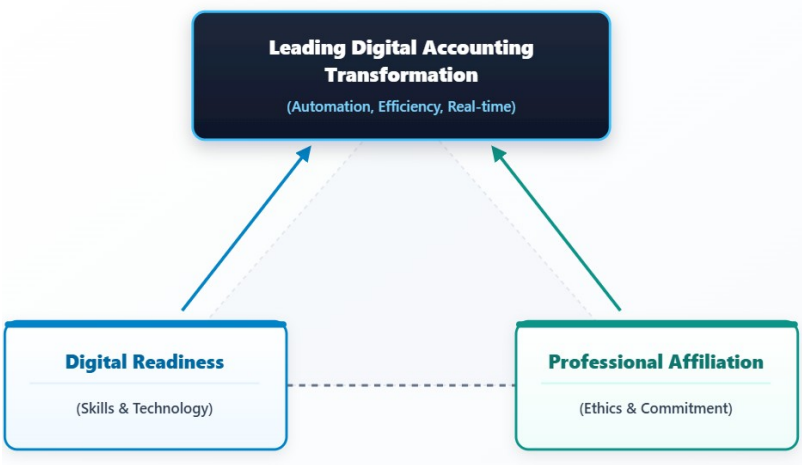


Figure (1.3): Conceptual Model of the Moderating Role of Professional Identification and Commitment

Source: Prepared by the researcher.

Section Two: Professional Identification and Commitment of Accountants

2.1 Introduction

Human capital remains a central element in ensuring the credibility and reliability of accounting systems, regardless of the level of technological advancement. Digital tools, automation, and Artificial Intelligence can improve processing efficiency, data accuracy, and the timeliness of financial information. However, the integrity, objectivity, and transparency of accounting outputs also depend on accountants' adherence to professional values and ethical standards.

This section examines professional identification and commitment as the moderating variable in the study. It discusses their theoretical and behavioral foundations, key dimensions, and relevance to accounting practice in financial institutions, particularly banks. Special attention is given to the challenges associated with digital transformation and the growing use of Artificial Intelligence (AI), Big Data Analytics, and Robotic Process Automation (RPA).

2.2 Conceptual Framework of Professional Identification and Commitment

2.2.1 Professional Identification

Professional identification refers to the psychological, emotional, and behavioral connection that individuals develop with their profession, including a sense of pride, identification with professional values, and commitment to its standards and social role (Aranya & Wheeler, 1986).

In accounting and auditing, professional identification goes beyond holding an academic qualification or professional license. It reflects the extent to which practitioners internalize the values and responsibilities of the profession and seek to protect its reputation and credibility among the public and other stakeholders (Bamber & Iyer, 2002).

In an increasingly digital environment, professional identification also involves adapting to technological change while maintaining established ethical principles. Accountants are therefore expected to combine professional integrity and objectivity with continuous learning and the development of relevant digital competencies (Moll & Yigitbasioglu, 2019; Leitner-Hanetseder et al., 2021).

2.2.2 Professional Commitment

Professional commitment refers to an individual's attachment to the profession and willingness to uphold its values, standards, and ethical requirements, even when faced with organizational, financial, or social pressures (Hall et al., 2005; Lord, 1992). It is reflected in a practitioner's willingness to support professional objectives, comply with ethical principles, and avoid behavior that could undermine the credibility of the profession. Professional commitment is therefore closely related to professional identity and professional responsibility (Fogarty & Kalbers, 2000).

In contemporary accounting practice, professional commitment also involves a willingness to adapt to technological innovation and develop the knowledge required to use digital tools effectively and responsibly.

2.2.3 Importance of Professional Identification and Commitment in Modern Accounting Practice

Professional identification and commitment are particularly important in banking and financial reporting because they influence accountants' attitudes, professional judgment, and responses to organizational and technological change. Their importance can be considered in several areas:

1. **Financial Reporting Quality and Disclosure:** Professional commitment encourages accountants to prepare and report financial information objectively and in accordance with professional standards, thereby supporting the reliability and quality of financial reporting (DeZoort & Lord, 1997).
2. **Reducing the Risk of Misleading Accounting Practices:** Strong professional and ethical commitment may reduce the likelihood that accountants engage in misleading financial reporting, inappropriate earnings management, or other practices that undermine transparency and stakeholder confidence (Sikka, 2009).
3. **Compliance with Professional and Regulatory Standards:** Professional identification encourages accountants to maintain their technical knowledge and remain informed about accounting standards and regulatory requirements relevant to banking operations (Bamber & Iyer, 2002).
4. **Supporting Responsible Digital Transformation:** Professional identity and commitment may also facilitate the adoption of new technologies by encouraging accountants to engage with technological change while maintaining professional responsibility and ethical judgment (Leitner-Hanetseder et al., 2021).

2.3 Dimensions of Professional Identification and Commitment

The accounting and behavioral literature suggests that professional identification and commitment can be examined through three closely related dimensions:

2.3.1 Ethical Commitment and Adherence to Professional Standards

Ethical commitment refers to adherence to the fundamental principles that guide professional accounting practice, including integrity, objectivity, confidentiality, professional competence, and due care (Rest, 1986).

The growing use of Artificial Intelligence and other digital technologies introduces additional professional and ethical concerns related to transparency, accountability, professional judgment, and the responsible use of technology (Sutton et al., 2016; Han et al., 2023).

2.3.2 Professional Identity and Pride

Professional identity reflects the extent to which accountants view their profession as an important part of their personal and professional self-concept. Accountants with a strong professional identity are more likely to value the reputation, credibility, and social standing of the profession.

A strong professional identity may also encourage accountants to protect professional standards, maintain credibility, and avoid practices that could compromise ethical integrity or public trust.

2.3.3 Continuous Professional Development

Professional commitment also involves continuous learning and the development of new knowledge and technical competencies (Fogarty & Kalbers, 2000). This dimension has become increasingly important as accounting becomes more digitalized. Accountants need to update their knowledge of technologies such as Artificial Intelligence, Big Data Analytics, Blockchain, and Robotic Process Automation (RPA) in order to maintain their professional relevance and contribute effectively to organizational decision-making.

2.4 Professional Commitment and Digital Transformation in the Banking Environment

2.4.1 Organizational and Professional Pressures

Accountants may experience tensions between organizational objectives and professional responsibilities. Financial institutions may emphasize profitability, operational efficiency, and management objectives, whereas professional standards require transparency, objectivity, integrity, and accountability to relevant stakeholders (Lord, 1992).

Professional commitment may help accountants respond to such pressures by maintaining professional standards and considering the interests of stakeholders, including depositors and regulators (Bamber & Iyer, 2002). These tensions may become more pronounced as banks increasingly automate accounting and control processes.

2.4.2 Digital Transformation and Professional Responsibility

Digital transformation can improve processing efficiency, data accuracy, and the automation of routine accounting tasks. At the same time, it introduces new professional and ethical challenges related to data security, privacy, algorithmic transparency, system governance, and responsibility for technology-assisted decisions (Sikka, 2009).

Strong professional identification and commitment may support the responsible use of digital technologies by encouraging accountants to apply professional judgment, comply with ethical and regulatory requirements, and use digital systems in a transparent and accountable manner.

Section Three: Empirical Analysis of Iraqi Commercial Banks

Introduction

Building on the theoretical discussion presented in the previous sections, this section examines the empirical relationships among the study variables. It assesses accountants' digital readiness as the independent variable, professional identification

and commitment as the moderating variable, and digital accounting transformation as the dependent variable in Iraqi commercial banks.

The section describes the research methodology and sample, evaluates the reliability of the measurement instrument, and presents descriptive and inferential statistical analyses used to test the study hypotheses.

3.1 Research Methodology and Field Procedures

3.1.1 Research Approach and Population

The study employed a descriptive and analytical research design to examine the relationships among the study variables. The study population consisted of accountants, internal auditors, and financial managers working in public and private commercial banks in Iraq.

3.1.2 Study Sample and Data Collection Instrument

A total of 150 questionnaires were distributed electronically and in printed form to accountants, internal auditors, and financial managers working in selected Iraqi commercial banks, including Rasheed Bank, Rafidain Bank, Trade Bank of Iraq (TBI), and Bank of Baghdad.

Of the 150 questionnaires distributed, 138 were returned, representing a response rate of **92.0%**. After data screening, 130 questionnaires were considered suitable for statistical analysis, representing **86.7%** of the total questionnaires distributed.

The questionnaire consisted of 28 items covering the three study constructs. Accountants' Digital Readiness was measured using 10 items, Professional Identification and Commitment using 10 items, and Digital Accounting Transformation using 8 items. All items were assessed using a five-point Likert scale ranging from **1 = Strongly Disagree** to **5 = Strongly Agree**.

3.2 Sample Characteristics and Instrument Reliability

3.2.1 Sample Description

The demographic characteristics of the sample show that 82% of the respondents held bachelor's or master's degrees in Accounting or Finance, while 74% had more than five years of professional experience in the banking sector. These characteristics indicate that the respondents had relevant educational backgrounds and professional experience for evaluating issues related to digital transformation and professional commitment.

3.2.2 Instrument Reliability

The internal consistency of the questionnaire was assessed using Cronbach's Alpha (α) for each study construct and for the overall instrument.

Table (3-1): Internal Consistency Reliability of the Study Variables

Variable	**Dimensions / Subscales**	**Number of Items**	**Cronbach's Alpha (α)**	**Reliability Level**
Independent Variable	Accountants' Digital Readiness	10	0.892	Very High
Moderating Variable	Professional Belonging and Commitment	10	0.867	Very High
Dependent Variable	Leading Digital Accounting Transformation	8	0.914	Very High
Entire Instrument	Total Scale	28	0.935	Excellent

Source: Prepared by the researcher based on the statistical output generated from the field data using SPSS v.26.

Analysis: The Cronbach's Alpha coefficients for all study constructs exceeded the commonly accepted threshold of 0.70, indicating a high level of internal consistency reliability.

3.3 Descriptive Statistical Results

Descriptive statistics, including means, standard deviations, and relative weights, were calculated for the main study variables.

For interpretation purposes, the five-point Likert scale was divided into three levels: **Low (1.00–2.33), Moderate (2.34–3.67), and High (3.68–5.00)**. Higher mean scores therefore indicate higher levels of the respective construct.

Table (3-2): Descriptive Statistics for the Main Study Variables

Variable	Mean	Standard Deviation	Relative Weight (%)	Level	Rank
Professional Belonging & Commitment	4.12	0.54	82.4%	High	1
Leading Digital Accounting Transformation	3.85	0.61	77.0%	High	2
Accountants' Digital Readiness	3.68	0.68	73.6%	High	3
Overall Study Average	3.88	0.51	77.6%	High	—

Source: Prepared by the researcher based on statistical output generated using SPSS v.26.

Analysis: Professional Identification and Commitment ranked first, with a mean of 4.12 and a relative weight of 82.4%, indicating a high level among the respondents. Digital Accounting Transformation ranked second, with a mean of 3.85 and a relative weight of 77.0%, while Accountants' Digital Readiness ranked third, with a mean of 3.68 and a relative weight of 73.6%. Although all three variables were rated at a high level, Digital Readiness received the lowest mean score, suggesting that further organizational support and continuous technical training may be beneficial.

3.4 Hypothesis Testing and Moderation Analysis

3.4.1 Testing the First Main Hypothesis: Effect of Digital Readiness on Digital Accounting Transformation

Hypothesis Statement: Accountants' digital readiness has a statistically significant positive effect on digital accounting transformation in Iraqi commercial banks.

Table (3-3): Simple Regression Results for Hypothesis 1

Independent Variable	Coefficient of Determination (R^2)	Calculated F-Value	Sig. Level (p-value)	Regression Coefficient (β)	Calculated t-Value	Decision
Digital Readiness	0.548	155.24	< 0.001	0.740	12.46	Supported

Dependent Variable: Digital Accounting Transformation.

Analysis and Interpretation: The results indicate that accountants' digital readiness has a statistically significant positive effect on digital accounting

transformation (**β = 0.740, p < 0.001**). Digital readiness explains **54.8% of the variance (R^2 = 0.548)** in digital accounting transformation among Iraqi commercial banks. These findings support Hypothesis 1.

3.4.2 Testing the Second Main Hypothesis: Moderating Role of Professional Identification and Commitment

Hypothesis Statement: Professional identification and commitment positively moderate the relationship between accountants' digital readiness and digital accounting transformation in Iraqi commercial banks.

To test the moderating effect, a hierarchical moderation analysis was conducted using the PROCESS Macro. Digital Readiness was entered in Model 1, Professional Identification and Commitment was added in Model 2, and the interaction term between Digital Readiness and Professional Identification and Commitment was included in Model 3.

Table (3-4): Hierarchical Moderation Analysis Results

Model	Variables Entered	R^2	ΔR^2	F-Change	Sig. Level (p-value)
Model 1	Digital Readiness	0.548	0.548	155.24	< 0.001
Model 2	Digital Readiness + Professional Belonging and Commitment	0.621	0.073	24.46	< 0.001
Model 3	Digital Readiness + Professional Belonging and Commitment + Interaction Term	0.675	0.054	20.94	< 0.001

Dependent Variable: Digital Accounting Transformation.

The interaction term between Digital Readiness and Professional Identification and Commitment was positive and statistically significant (**B = 0.268, t = 4.58, p < 0.001**).

Analysis and Interpretation:

1. **Model 1** shows that Digital Readiness explains **54.8% of the variance** in Digital Accounting Transformation (**R^2 = 0.548, p < 0.001**).

2. When Professional Identification and Commitment was added in **Model 2**, the explanatory power of the model increased to **62.1% ($R^2 = 0.621$)**, representing an additional **7.3% of explained variance ($\Delta R^2 = 0.073$, $p < 0.001$)**.
3. In **Model 3**, the addition of the interaction term between Digital Readiness and Professional Identification and Commitment produced a further statistically significant increase of **5.4% in explained variance ($\Delta R^2 = 0.054$, $p < 0.001$)**. The final model explained **67.5% of the variance ($R^2 = 0.675$)** in Digital Accounting Transformation.
4. The positive and statistically significant interaction coefficient (**B = 0.268, t = 4.58, p < 0.001**) indicates that Professional Identification and Commitment strengthens the positive relationship between Digital Readiness and Digital Accounting Transformation.

Conclusion: The positive effect of accountants' digital readiness on digital accounting transformation becomes stronger at higher levels of professional identification and commitment. These results support the second main hypothesis.

3.5 Discussion of Empirical Findings

1. **Levels of the Study Variables:** The results show that accountants in Iraqi commercial banks have a high level of Professional Identification and Commitment (**Mean = 4.12**), indicating a strong attachment to professional values and responsibilities.
2. **Role of Digital Readiness:** Digital Readiness has a statistically significant positive effect on Digital Accounting Transformation. This finding highlights the importance of digital skills, adaptability, and technological competence in supporting the adoption of automated accounting systems and advanced digital technologies in banking.
3. **Moderating Role of Professional Identification and Commitment:** The moderation analysis shows that the positive effect of Digital Readiness on Digital Accounting Transformation becomes stronger as Professional Identification and

Commitment increases. This finding suggests that technical competence is more effective when accompanied by a strong professional identity, ethical responsibility, and commitment to professional standards.

Conclusions and Recommendations

1. Conclusions

Based on the empirical findings, the study reached the following conclusions:

1. **High Level of Professional Identification and Commitment:** Accountants and financial personnel in Iraqi commercial banks reported a high level of Professional Identification and Commitment (**Mean = 4.12**). This indicates a strong attachment to professional values and responsibilities, which may support integrity, objectivity, and compliance with professional and regulatory requirements during technological change.
2. **Significant Role of Digital Readiness:** Accountants' Digital Readiness has a statistically significant positive effect on Digital Accounting Transformation (**β = 0.740, R^2 = 0.548, p < 0.001**). The findings indicate that digital skills, technological adaptability, and competence in using modern accounting systems are important factors in the successful adoption of digital accounting practices.
3. **Moderating Role of Professional Identification and Commitment:** Professional Identification and Commitment significantly strengthen the relationship between accountants' Digital Readiness and Digital Accounting Transformation (**B = 0.268, ΔR^2 = 0.054, p < 0.001**). The effect of Digital Readiness becomes stronger as the level of Professional Identification and Commitment increases.
4. **Need for Continuous Professional Development:** Although Digital Readiness was rated at a high level (**Mean = 3.68**), its mean score was lower than that of Professional Identification and Commitment (**Mean = 4.12**). This finding indicates a continuing need for structured training in advanced financial technologies, including Artificial Intelligence, Robotic Process Automation, and Enterprise Resource Planning systems.

2. Recommendations

Based on the study findings, the following recommendations are proposed for bank managers, financial regulators, and professional accounting bodies:

1. **Strengthen Digital Skills Development:**
   - Provide continuous and specialized training in advanced financial software, data analytics, digital auditing, and emerging accounting technologies.
   - Update accounting workflows to support automated processes, real-time financial reporting, and digital control systems.
2. **Integrate Professional Ethics into Digital Transformation:**
   - Incorporate professional codes of conduct and ethical standards into digital transformation strategies and internal audit procedures.
   - Promote an organizational culture that supports technological innovation while maintaining professional integrity, accountability, and responsible use of digital technologies.
3. **Enhance Institutional and Regulatory Support:**
   - Encourage commercial banks to continue upgrading their technological infrastructure and adopting integrated digital financial management systems.
   - Develop and update regulatory guidelines governing digital accounting processes, with particular attention to data security, system reliability, and accountability.
4. **Future Research:**
   - Conduct longitudinal studies to examine the long-term effects of digital transformation on financial performance, reporting quality, and audit effectiveness.
   - Examine additional moderating or mediating variables, such as organizational culture, leadership style, digital governance, and cyber-risk management maturity.

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