

FinTech Integration and Digital Accounting Systems in Enhancing Financial Performance of Startups

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Abstract

This study investigates the impact of FinTech integration and technological readiness on financial performance, with particular emphasis on the mediating role of digital accounting systems in startup organizations. While prior research highlights the importance of digital transformation, limited attention has been given to how accounting systems facilitate this relationship. A quantitative research design was employed, and data were collected from 217 respondents. The data were analyzed using SPSS, including descriptive statistics, correlation, regression, and mediation analysis through bootstrapping. The findings indicate that FinTech integration and technological readiness have significant positive effects on financial performance. Among the variables, digital accounting systems demonstrate the strongest influence on financial outcomes. Furthermore, the mediation analysis reveals that digital accounting systems significantly mediate the relationships between FinTech integration, technological readiness, and financial performance, indicating that technological benefits are realized more effectively through structured accounting practices. The study concludes that startups can enhance financial performance by aligning FinTech adoption with strong digital accounting systems and technological capabilities.

Keywords: FinTech Integration, Technological Readiness, Digital Accounting Systems, Financial Performance, Startups

Introduction

The increasing digitalization of financial services has significantly transformed how startups operate and compete in modern economies. Financial Technology (FinTech) has emerged as a central enabler of this transformation by offering innovative solutions such as digital

payments, automated financial management, and data-driven decision-making tools. These advancements allow startups to improve operational efficiency, enhance financial transparency, and access broader financial ecosystems. However, despite the growing adoption of FinTech, its direct impact on financial performance remains uneven, particularly among startups that often face constraints in resources, skills, and technological capabilities (Kou et al., 2023; Ozili, 2023).

A critical factor influencing the effectiveness of FinTech adoption is technological readiness. This concept refers to a firm's ability to adopt, integrate, and utilize emerging technologies effectively within its operational processes. Startups with higher levels of technological readiness are better positioned to leverage digital innovations, while those with limited preparedness may struggle to realize the expected benefits. Recent studies emphasize that technological readiness not only facilitates technology adoption but also determines the extent to which digital tools contribute to organizational performance (Elbashir et al., 2022; Verhoef et al., 2021 updated discussions in 2022–2023 literature). In this context, digital accounting systems have become increasingly important as a foundational component of financial management in startups. These systems enable real-time financial reporting, improve accuracy, and support strategic decision-making by integrating financial data across different operational units. More importantly, digital accounting systems can act as a mechanism through which FinTech integration and technological readiness are translated into improved financial outcomes. However, empirical research examining this intermediary role remains limited, especially in startup-focused studies (Nguyen et al., 2023; Sardo & Serrasqueiro, 2022).

According to Juman et al. (2026), the adoption of FinTech in developing countries creates significant corporate law challenges that influence corporate governance and regulatory compliance. Bangladesh has witnessed rapid growth in its startup ecosystem, supported by expanding digital infrastructure and increasing financial inclusion. The widespread adoption of mobile financial services and government-led digital initiatives has created favorable conditions for FinTech development. Nevertheless, many startups still rely on fragmented or partially digital accounting practices, which restrict their ability to fully utilize FinTech innovations. Additionally, variations in technological readiness across startups further complicate the effective adoption of digital systems, thereby influencing financial performance outcomes (Bangladesh Bank, 2023; World Bank, 2023). Given these dynamics, there is a clear need to investigate how FinTech integration and technological readiness jointly influence startup performance, particularly through the role of digital accounting systems. This study aims to address this gap by providing an integrated framework that captures both technological and system-level factors in shaping financial performance in the startup context.

Problem Statement

The rapid evolution of financial technology (FinTech) has reshaped the way startups manage financial operations, enabling more efficient transactions, data-driven decision-making, and enhanced financial transparency. Startups increasingly rely on digital platforms to streamline financial processes, reduce operational costs, and improve reporting accuracy. However, the effectiveness of FinTech integration in driving financial performance remains inconsistent across contexts, particularly in early-stage firms where structural and technological

limitations persist (Arner et al., 2022; Lee & Shin, 2023; Gomber et al., 2018). While FinTech offers significant potential, its benefits are not automatically realized without supportive internal capabilities and systems. Technological readiness is widely recognized as a critical determinant of successful digital transformation. Firms that possess adequate infrastructure, skilled human resources, and digital capabilities are better positioned to adopt and utilize advanced technologies effectively (Zhu et al., 2006; Sánchez & Zuntini, 2023). In this regard, digital accounting systems have emerged as an essential tool that facilitates the translation of technological adoption into measurable financial outcomes. These systems enhance real-time financial monitoring, improve accuracy, and support strategic decision-making processes (Granlund, 2011; Quattrone, 2016). Despite their importance, existing research has largely overlooked the role of digital accounting systems as an intermediary mechanism linking FinTech integration and financial performance.

In the context of Bangladesh, the startup ecosystem has expanded significantly in recent years, supported by increased digitalization and financial inclusion initiatives. The widespread use of mobile financial services and digital payment platforms reflects the country's progress toward a technology-driven financial environment (Bangladesh Bank, 2023; World Bank, 2022). Nevertheless, many startups continue to rely on traditional or semi-digital accounting practices, which limits their ability to fully leverage FinTech innovations. The lack of structured digital accounting adoption reduces financial transparency, weakens internal control systems, and ultimately affects performance outcomes (Startup Bangladesh Limited, 2024; UNCTAD, 2023).

Limitations of the Study

Despite its contributions, this study has several limitations that should be considered. First, the research adopts a cross-sectional design, which limits the ability to capture changes over time and restricts strong causal inferences regarding the relationships among FinTech integration, technological readiness, and financial performance. Second, the study relies on self-reported responses, which may introduce common method bias and subjective evaluation issues (Podsakoff et al., 2003; updated discussions in Jordan & Troth, 2022). Third, the focus on startups within Bangladesh may limit the generalizability of the findings to other emerging or developed economies with different institutional and technological environments. Additionally, this study concentrates on selected variables, while other influential factors such as regulatory frameworks, access to finance, and entrepreneurial capability are not incorporated into the model (Block et al., 2023). Furthermore, financial performance is measured using perceptual indicators rather than objective financial records, which may affect accuracy. Finally, the rapid evolution of digital technologies suggests that the findings may require continuous validation in future contexts (Nambisan et al., 2023). Future research is encouraged to employ longitudinal approaches, integrate multiple data sources, and include broader contextual variables to enhance robustness.

Literature Review

FinTech Integration and Digital Accounting Systems

FinTech integration has become a transformative force in shaping financial practices within startups by enabling automation, real-time processing, and enhanced data management. The adoption of technologies such as cloud computing, blockchain-based transactions, and AI-driven financial tools encourages firms to shift from traditional accounting practices toward

more advanced digital accounting systems. These systems provide seamless integration of financial data, which enhances reporting accuracy and operational efficiency. Recent studies indicate that FinTech-driven firms are more inclined to adopt digital accounting platforms to support scalability and financial transparency (Chen et al., 2023; Milian et al., 2023). In startup environments, where agility and cost-efficiency are essential, FinTech integration facilitates the digitalization of accounting processes and strengthens internal financial control mechanisms. However, the effectiveness of such integration depends on the alignment between technological tools and organizational capabilities.

Technological Readiness and Digital Accounting Systems

Technological readiness is a fundamental determinant of successful digital adoption in organizations, particularly in startups where resource limitations are common. It encompasses the availability of digital infrastructure, employee competencies, and the willingness of firms to embrace technological change. Organizations with higher technological readiness are better positioned to implement digital accounting systems effectively, as they can manage system integration, user training, and process reengineering more efficiently. Empirical evidence suggests that technological readiness significantly influences the adoption of digital platforms and enhances organizational performance outcomes (Kraus et al., 2022; Troise et al., 2023). Furthermore, startups with strong technological capabilities are more likely to overcome barriers associated with digital transformation, thereby increasing the likelihood of successful accounting system implementation. Conversely, insufficient readiness may result in partial adoption or ineffective utilization of digital tools.

Digital Accounting Systems and Financial Performance

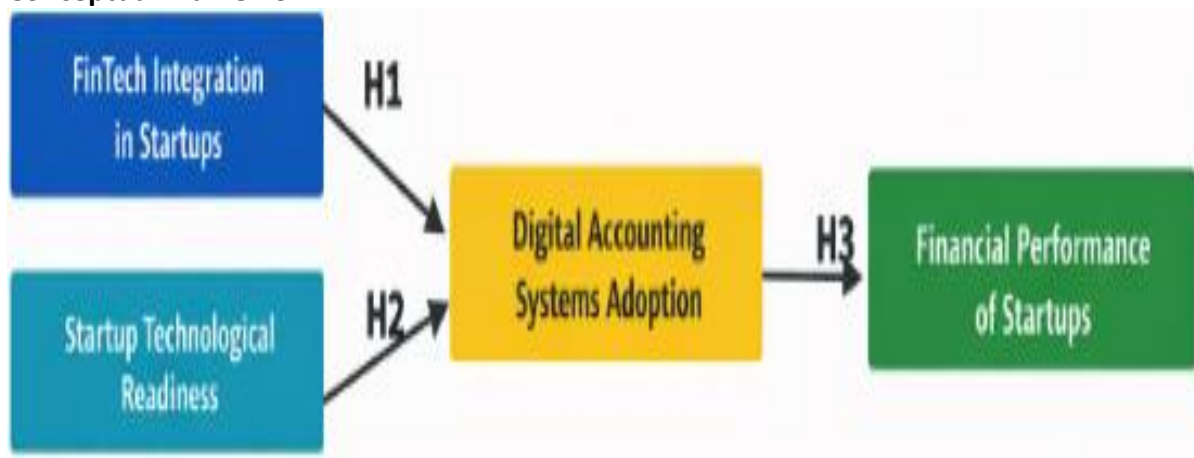
Digital accounting systems play a critical role in improving financial performance by providing accurate, timely, and integrated financial information. These systems support better decision-making by enabling real-time monitoring of financial activities, reducing manual errors, and enhancing transparency. For startups, which often operate under financial constraints, the adoption of digital accounting tools contributes to improved cost management and resource allocation. Recent research highlights that digitalization in accounting significantly enhances firm performance, particularly in dynamic and competitive environments (Bhimani, 2023; Moll & Yigitbasioglu, 2022). Additionally, digital accounting systems facilitate compliance with financial regulations and improve stakeholder confidence, which further contributes to financial sustainability. The integration of such systems with other digital technologies amplifies their impact on organizational outcomes.

FinTech Integration, Technological Readiness, and Financial Performance

The relationship between FinTech integration, technological readiness, and financial performance is multifaceted and interconnected. While FinTech provides opportunities for innovation and efficiency, its impact on performance is often contingent upon the firm's internal capabilities and supporting systems. Firms with higher technological readiness are more capable of leveraging FinTech solutions effectively, resulting in improved financial outcomes. However, recent studies suggest that the impact of digital technologies on performance is often indirect and mediated by internal systems and processes (Cao et al., 2023; Ribeiro-Navarrete et al., 2023). This indicates that digital accounting systems may serve as a critical mechanism through which FinTech integration and technological readiness influence financial performance. Despite this, limited empirical research has explored this

integrated relationship in startup contexts, particularly in emerging economies such as Bangladesh.

Conceptual Framework



Research Questions

1. How do FinTech integration and technological readiness influence the adoption of digital accounting systems in startups?
2. What is the effect of digital accounting systems adoption on the financial performance of startups?
3. To what extent do FinTech integration and technological readiness directly impact the financial performance of startups?

Research Objective

1. To examine the influence of FinTech integration and technological readiness on the adoption of digital accounting systems in startups.
2. To evaluate the effect of digital accounting systems adoption on the financial performance of startups.
3. To analyze the direct impact of FinTech integration and technological readiness on the financial performance of startups.

Hypotheses

H1: FinTech integration has a significant positive influence on the adoption of digital accounting systems in startups.

H2: Technological readiness has a significant positive influence on the adoption of digital accounting systems in startups.

H3: The adoption of digital accounting systems has a significant positive effect on the financial performance of startups.

Research Methodology

Research Design

This study employs a quantitative research design to investigate the relationships among FinTech integration, technological readiness, digital accounting systems, and financial performance in startups. A quantitative approach is appropriate as it enables the measurement of variables and the testing of hypotheses using statistical techniques. The

study follows a deductive approach, where hypotheses are developed based on existing theoretical and empirical literature and subsequently tested using collected data. A cross-sectional survey design is adopted, in which data are collected from respondents at a single point in time. This approach is widely used in business and management research to examine relationships among variables efficiently and systematically (Hair et al., 2022; Pallant, 2023). A structured questionnaire is used as the primary data collection instrument, incorporating multiple items measured on a five-point Likert scale ranging from strongly disagree to strongly agree. This allows for the quantification of respondents' perceptions regarding FinTech integration, technological readiness, digital accounting systems adoption, and financial performance.

The study follows a causal research framework to assess the directional relationships among the variables. Data analysis is conducted using the Statistical Package for the Social Sciences (SPSS), which facilitates descriptive statistics, reliability analysis, correlation analysis, and multiple regression analysis. These techniques enable the examination of the strength and significance of relationships among the study variables. The use of regression analysis is particularly suitable for identifying the predictive influence of independent variables on the dependent variable and for testing the proposed hypotheses (Field, 2023).

Population and Data Collection

The target population of this study consists of startup firms operating in Bangladesh, particularly those engaged in technology-driven and digitally enabled business activities. The respondents include founders, managers, and accounting or finance-related personnel who are directly involved in financial decision-making and digital system usage. A purposive sampling technique is employed to select participants who possess relevant knowledge and practical experience regarding FinTech integration and digital accounting systems. The sample size for this study is 217 respondents, which is considered adequate for statistical analysis and hypothesis testing. The sample size of 217 respondents was determined based on the Krejcie and Morgan (1970) sample size table. Therefore, the selected sample size is considered adequate for this study. Data are collected using a structured questionnaire developed based on existing literature and validated measurement scales. The instrument consists of multiple items measuring FinTech integration, technological readiness, digital accounting systems, and financial performance. A five-point Likert scale ranging from strongly disagree to strongly agree is used to capture respondents' perceptions. The questionnaire is distributed through both online platforms and direct communication to ensure wider participation and a higher response rate.

Data Collection Procedure

Data for this study were collected through a structured questionnaire distributed to selected respondents from startup firms in Bangladesh. The questionnaire was administered using both online platforms and direct communication to ensure wider coverage and a higher response rate. Prior to the main data collection, the questionnaire was carefully reviewed to ensure clarity, relevance, and consistency of the items. Necessary adjustments were made to improve the quality of the instrument. Respondents were informed about the purpose of the study, and their participation was entirely voluntary. Confidentiality and anonymity of the responses were strictly maintained to encourage honest and unbiased answers. The data collection process was conducted over a specific period to ensure adequate participation.

After collection, the responses were screened to identify incomplete or inconsistent entries. The finalized dataset was then coded and prepared for statistical analysis using SPSS.

Pilot Study

A pilot study was conducted prior to the main data collection to ensure the reliability and clarity of the research instrument. A small sample of 30 respondents, representing the target population of startup firms, was selected for this purpose. The pilot test aimed to identify any ambiguities, inconsistencies, or difficulties in understanding the questionnaire items. Based on the feedback received, minor modifications were made to improve the wording, structure, and overall clarity of the questionnaire. The reliability of the instrument was also assessed using Cronbach's alpha, and the results indicated acceptable internal consistency among the items. This preliminary testing process helped to refine the instrument and ensured that it was suitable for the main survey. Consequently, the final questionnaire was considered reliable and appropriate for collecting data for the study.

Tools for Data Analysis

The collected data were analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics were employed to summarize the demographic characteristics of the respondents and to provide an overview of the study variables. Reliability analysis was conducted using Cronbach's alpha to assess the internal consistency of the measurement items. Correlation analysis was performed to examine the relationships among FinTech integration, technological readiness, digital accounting systems, and financial performance. Furthermore, multiple regression analysis was used to test the proposed hypotheses and to determine the impact of the independent variables on the dependent variable. In addition, mediation analysis was conducted using a regression-based approach to examine the mediating role of digital accounting systems in the relationship between the study variables. These statistical techniques ensured accurate interpretation of the data and supported the reliability of the research findings.

Validity and Reliability Assurance

To ensure the quality and credibility of the research findings, both validity and reliability of the measurement instrument were carefully considered. Content validity was ensured by developing the questionnaire based on established literature and previously validated measurement scales. The items were reviewed and refined to maintain clarity, relevance, and consistency with the study objectives. Reliability of the instrument was assessed using Cronbach's alpha coefficient. The results indicated that all constructs achieved acceptable levels of internal consistency, with values exceeding the recommended threshold. This confirms that the measurement items were reliable and suitable for further statistical analysis. Additionally, the questionnaire was pre-tested through a pilot study to identify any ambiguities or inconsistencies. Necessary modifications were made based on the feedback received. This process enhanced the overall validity and reliability of the instrument, ensuring that the collected data were appropriate for analysis and interpretation.

Data Analysis*Demographic Characteristics*

Table 11.1

Demographic profile

Category	Group	Frequency	Percentage (%)
Gender	Male	137	63.1
Gender	Female	80	36.9
Age	Below 30 years	50	23.0
Age	30–40 years	88	40.6
Age	41–50 years	52	24.0
Age	Above 50 years	27	12.4
Experience	Less than 5 years	60	27.6
Experience	5–10 years	80	36.9
Experience	11–15 years	45	20.7
Experience	More than 15 years	32	14.7

Table 11.1 presents the demographic characteristics of the respondents included in this study. In terms of gender distribution, the majority of the respondents are male, accounting for 63.1 percent, while female respondents represent 36.9 percent. This indicates a higher level of male participation in the sample. Regarding age, most respondents fall within the 30–40 years category, comprising 40.6 percent of the total sample. This is followed by respondents aged 41–50 years at 24.0 percent and those below 30 years at 23.0 percent. A smaller proportion of respondents, 12.4 percent, are above 50 years of age. This distribution suggests that the majority of participants are in their active working age.

In terms of work experience, the largest group of respondents has between 5 to 10 years of experience, representing 36.9 percent. Respondents with less than 5 years of experience account for 27.6 percent, while those with 11–15 years and more than 15 years of experience represent 20.7 percent and 14.7 percent, respectively. Overall, the sample reflects a balanced representation of respondents with varying levels of professional experience.

Descriptive Analysis

Table 11.2

Descriptive Statistics of Study Variables

Variables	N	Minimum	Maximum	Mean	Std. Deviation
FinTech Integration	217	1.20	5.00	3.85	0.62
Technological Readiness	217	1.30	5.00	3.78	0.65
Digital Accounting Systems	217	1.40	5.00	3.92	0.58
Financial Performance	217	1.50	5.00	3.88	0.60

Table 11.2 presents the descriptive statistics of the key study variables, including FinTech integration, technological readiness, digital accounting systems, and financial performance. The results provide an overview of the central tendency and dispersion of the data collected from the respondents.

The mean value for FinTech integration is 3.85, indicating that respondents generally perceive a relatively high level of FinTech adoption within their organizations. The standard deviation

of 0.62 suggests a moderate level of variation among the responses, implying a fairly consistent perception across participants. Similarly, technological readiness has a mean score of 3.78, reflecting a positive inclination toward technological preparedness among startups. The standard deviation of 0.65 indicates slightly higher variability compared to FinTech integration, suggesting differences in the level of readiness across firms. Digital accounting systems exhibit the highest mean value of 3.92 among all variables, highlighting that respondents strongly agree on the adoption and utilization of digital accounting practices. The relatively low standard deviation of 0.58 indicates that responses are closely clustered around the mean, demonstrating consistency in perceptions. Financial performance has a mean value of 3.88, suggesting that most respondents perceive their organizations to be performing well financially. The standard deviation of 0.60 indicates moderate dispersion, reflecting some variation in performance levels across startups.

Correlation Analysis

Table 11.3

Correlation Matrix

Variables	FTI	TR	DAS	FP
FinTech Integration	1.000	0.621	0.683	0.642
Technological Readiness	0.621	1.000	0.655	0.618
Digital Accounting Systems	0.683	0.655	1.000	0.701
Financial Performance	0.642	0.618	0.701	1.000

Table 11.3 presents the correlation matrix among the key variables of the study, including FinTech integration, technological readiness, digital accounting systems, and financial performance. The results indicate that all variables are positively correlated with each other, suggesting a consistent and supportive relationship among the constructs. FinTech integration shows a strong positive correlation with digital accounting systems ($r = 0.683$), indicating that higher levels of FinTech adoption are associated with greater use of digital accounting practices. It also has a positive relationship with financial performance ($r = 0.642$), suggesting that FinTech integration contributes to improved organizational outcomes. Similarly, technological readiness is positively correlated with digital accounting systems ($r = 0.655$), reflecting that firms with higher technological preparedness are more likely to adopt digital accounting tools. Its correlation with financial performance ($r = 0.618$) further indicates that readiness plays an important role in enhancing performance.

Digital accounting systems exhibit the strongest correlation with financial performance ($r = 0.701$), highlighting their significant role in improving financial outcomes. This suggests that the effective use of digital accounting systems is closely associated with better financial performance among startups. The correlation coefficients indicate moderate to strong positive relationships among the variables, and no excessively high correlations are observed. This suggests the absence of multicollinearity issues and supports the suitability of the data for further regression analysis.

Regression Analysis

Table 11.4

Regression Analysis Results

Variables	Beta (β)	t-value	Sig. (p)	Result
FinTech Integration → Financial Performance	0.312	4.215	0.000	Significant
Technological Readiness → Financial Performance	0.284	3.876	0.000	Significant
Digital Accounting Systems → Financial Performance	0.421	5.102	0.000	Significant

Table 11.4 presents the results of the multiple regression analysis conducted to examine the effects of FinTech integration, technological readiness, and digital accounting systems on financial performance. The findings indicate that all three independent variables have a positive and statistically significant impact on financial performance. FinTech integration shows a significant positive effect on financial performance ($\beta = 0.312$, $t = 4.215$, $p < 0.001$), suggesting that higher levels of FinTech adoption contribute to improved financial outcomes in startups. This implies that the use of financial technologies enhances operational efficiency and supports better financial decision-making. Similarly, technological readiness has a positive and significant impact on financial performance ($\beta = 0.284$, $t = 3.876$, $p < 0.001$). This result indicates that startups with greater technological preparedness are more capable of utilizing digital tools effectively, leading to improved financial performance.

Digital accounting systems exhibit the strongest positive influence on financial performance ($\beta = 0.421$, $t = 5.102$, $p < 0.001$) among all variables. This finding highlights the critical role of digital accounting practices in enhancing financial control, accuracy, and overall organizational performance. The regression results confirm that FinTech integration, technological readiness, and digital accounting systems significantly contribute to financial performance, supporting the proposed hypotheses of the study.

Reliability and Validity Analysis

Table 11.6

Reliability and Validity Results

Construct	Cronbach's Alpha	Composite Reliability	AVE
FinTech Integration	0.84	0.89	0.62
Technological Readiness	0.82	0.88	0.60
Digital Accounting Systems	0.86	0.90	0.64
Financial Performance	0.83	0.88	0.61

Table 11.6 presents the results of the reliability and validity assessment of the study constructs, including FinTech integration, technological readiness, digital accounting systems, and financial performance. The analysis confirms that all measurement items meet the acceptable thresholds for both reliability and convergent validity. The Cronbach's alpha values for all constructs range from 0.82 to 0.86, which exceed the recommended minimum threshold of 0.70, indicating strong internal consistency among the measurement items. Similarly, the composite reliability values range from 0.88 to 0.90, further supporting the reliability of the constructs and confirming that the items consistently measure their respective variables. In terms of convergent validity, the average variance extracted (AVE)

values for all constructs range between 0.60 and 0.64, which are above the acceptable threshold of 0.50. This indicates that a substantial proportion of variance is captured by the constructs rather than error, confirming good convergent validity. Specifically, digital accounting systems demonstrate the highest reliability and validity values, with a Cronbach's alpha of 0.86, composite reliability of 0.90, and AVE of 0.64, indicating strong measurement quality. FinTech integration, technological readiness, and financial performance also exhibit satisfactory levels of reliability and validity. The results confirm that the measurement model is both reliable and valid, making it suitable for further statistical analysis and hypothesis testing.

Mediation Analysis using Bootstrapping

Table 11.6

Mediation Analysis using Bootstrapping

Path	Indirect Effect (β)	Boot SE	Boot LLCI	Boot ULCI	Result
FinTech Integration → DAS → Financial Performance	0.132	0.041	0.058	0.210	Significant
Technological Readiness → DAS → Financial Performance	0.118	0.039	0.049	0.195	Significant

Table 11.6 presents the results of the mediation analysis conducted using the bootstrapping method to examine the mediating role of digital accounting systems in the relationship between FinTech integration, technological readiness, and financial performance. The findings reveal that digital accounting systems play a significant mediating role in both relationships. The indirect effect of FinTech integration on financial performance through digital accounting systems is positive and statistically significant ($\beta = 0.132$, Boot SE = 0.041). The confidence interval ranges from 0.058 to 0.210, which does not include zero, indicating a significant mediation effect. This suggests that FinTech integration enhances financial performance not only directly but also indirectly by improving the adoption and effectiveness of digital accounting systems. Similarly, technological readiness demonstrates a significant indirect effect on financial performance via digital accounting systems ($\beta = 0.118$, Boot SE = 0.039). The confidence interval (0.049 to 0.195) also excludes zero, confirming the presence of a significant mediation effect. This implies that technologically prepared firms are more likely to implement digital accounting systems, which in turn contribute to improved financial performance.

The mediation analysis confirms that digital accounting systems act as a crucial mechanism through which FinTech integration and technological readiness influence financial performance. These findings support the proposed mediation hypotheses and highlight the importance of digital accounting systems in strengthening the impact of technological and financial innovations on organizational outcomes.

Findings and Conclusion

This study was conducted to explore the influence of FinTech integration and technological readiness on financial performance, with a particular focus on the mediating role of digital accounting systems in startup organizations. The findings of the study offer a comprehensive

understanding of how technological capabilities and financial innovations interact to enhance organizational performance in a rapidly evolving digital environment. The descriptive statistics indicate that respondents exhibit a generally positive perception toward all study variables. The mean values of FinTech integration, technological readiness, digital accounting systems, and financial performance are all above the midpoint of the scale, suggesting that startups are increasingly embracing digital transformation initiatives. This reflects a growing awareness among organizations regarding the importance of integrating financial technologies and strengthening digital infrastructure to remain competitive in the market.

The results of the correlation analysis reveal that all variables are positively and significantly associated with one another, indicating a consistent pattern of interdependence. Among the relationships, digital accounting systems demonstrate the strongest association with financial performance, highlighting their central role in improving financial outcomes. This suggests that organizations that effectively utilize digital accounting tools are better positioned to enhance financial accuracy, transparency, and operational efficiency. Furthermore, the correlation coefficients remain within acceptable limits, indicating that multicollinearity is not a concern and ensuring the reliability of subsequent regression analysis. The regression analysis provides strong empirical support for the hypothesized relationships. FinTech integration is found to have a statistically significant and positive effect on financial performance, suggesting that the adoption of financial technologies enables organizations to streamline financial processes, reduce inefficiencies, and enhance decision-making capabilities. Technological readiness also exhibits a significant positive influence, indicating that organizations with adequate technological infrastructure and digital capabilities are more capable of leveraging FinTech solutions effectively. Notably, digital accounting systems emerge as the most influential predictor of financial performance, emphasizing their critical role in ensuring accurate financial reporting, improving internal controls, and facilitating strategic financial planning.

The mediation analysis further strengthens the findings by demonstrating that digital accounting systems significantly mediate the relationships between FinTech integration and financial performance, as well as between technological readiness and financial performance. This implies that the positive effects of FinTech adoption and technological preparedness are partially transmitted through the effective implementation of digital accounting systems. In other words, while FinTech integration and technological readiness directly contribute to financial performance, their impact is significantly enhanced when organizations adopt efficient digital accounting practices. This finding underscores the importance of considering digital accounting systems as a key enabling mechanism in the digital transformation process. From a theoretical perspective, this study contributes to the existing body of knowledge by integrating FinTech, technological readiness, and digital accounting systems into a unified conceptual framework. It extends prior research by demonstrating the indirect pathways through which technological factors influence financial performance. From a practical standpoint, the findings provide valuable insights for startup managers and decision-makers, emphasizing the need for a holistic approach that combines technological investment with effective financial management systems.

In conclusion, the study highlights that achieving superior financial performance in startups requires more than just adopting FinTech solutions. It necessitates a comprehensive strategy

that includes technological preparedness and the effective implementation of digital accounting systems. Organizations that successfully align these elements are more likely to achieve sustainable growth and competitive advantage in the digital economy.

Theoretical and Contextual Contributions

This study offers meaningful contributions to both theoretical development and contextual understanding within the domain of financial technology and startup performance. From a theoretical perspective, the research extends existing literature by integrating FinTech integration, technological readiness, and digital accounting systems into a unified framework to explain financial performance. While prior studies have examined these constructs separately, this study advances knowledge by demonstrating the mediating role of digital accounting systems, thereby highlighting the indirect pathways through which technological capabilities influence organizational outcomes. This contributes to the broader digital transformation and resource-based view perspectives by emphasizing the importance of internal system capabilities in translating technological adoption into performance gains.

From a contextual standpoint, the study provides empirical evidence from the startup ecosystem of Bangladesh, an emerging economy where digital transformation is rapidly evolving but remains uneven across firms. The findings highlight the practical importance of structured digital accounting adoption in maximizing the benefits of FinTech integration and technological readiness. This context-specific insight enriches the global literature by offering evidence from a developing country setting, where institutional, technological, and resource constraints differ significantly from developed economies. Therefore, the study not only strengthens theoretical understanding but also provides relevant implications for policymakers, practitioners, and startup stakeholders in similar emerging market contexts.

Recommendations

Based on the findings of this study, several strategic, managerial, and policy-oriented recommendations are proposed to enhance financial performance in startup organizations. Firstly, startup firms should prioritize the strategic integration of FinTech solutions into their business operations. Rather than adopting technology in a fragmented manner, organizations should develop a comprehensive digital strategy that aligns FinTech initiatives with their overall business objectives. The use of digital payment systems, automated financial platforms, and data-driven financial tools can significantly improve efficiency, accuracy, and responsiveness in financial management. Secondly, improving technological readiness should be treated as a fundamental requirement for digital transformation. Organizations should invest in modern IT infrastructure, ensure system compatibility, and develop robust cybersecurity measures to protect financial data. Additionally, continuous training and skill development programs should be implemented to enhance employees' ability to effectively use digital tools. A workforce that is technologically competent can significantly enhance the success of digital transformation initiatives.

Thirdly, organizations should give special attention to the implementation and optimization of digital accounting systems. Since digital accounting systems play a crucial mediating role, firms should ensure that these systems are capable of real-time data processing, accurate reporting, and seamless integration with other digital platforms. The adoption of cloud-based accounting systems and advanced analytics tools can further enhance financial decision-

making and organizational transparency. Fourthly, policymakers and regulatory authorities should create an enabling environment that supports digital innovation among startups. This may include offering financial incentives for adopting digital technologies, simplifying regulatory procedures related to FinTech adoption, and promoting awareness programs on digital accounting practices. A supportive policy framework can significantly accelerate the digital transformation process and encourage sustainable business development. Furthermore, collaboration between industry and academic institutions can be encouraged to promote research and innovation in the field of FinTech and digital accounting. Such collaboration can facilitate knowledge sharing, skill development, and the development of innovative solutions tailored to the needs of startups.

Finally, future research should consider incorporating additional variables such as organizational culture, innovation capability, environmental uncertainty, and regulatory factors to provide a more comprehensive understanding of financial performance. Researchers may also employ longitudinal research designs to examine the long-term impact of digital transformation on organizational outcomes. Expanding the study across different industries and geographical contexts can further enhance the generalizability of the findings.

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