

Impact of Cultural Dimensions on Accounting Practices in Sri Lanka: Study of Accounting Professionals' Perspective

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Abstract

The accounting harmonization process involved in improving the compatibility of the accounting practices while minimizing the degree of variance. This process of ordering different accounting practices is vulnerable to so many pressures namely; political, cultural and legal. Consequently, Sri Lanka as a Multifaceted and multicultural country experience this issue severely. However, there's a shortage of researches that investigate cultural trajectories that influence on accounting practices in the Sri Lankan context. Therefore, the study overviewed the impact of the cultural dimension on accounting practices, particularly in Sri Lanka. Thereby, the study established a quantitative approach via disseminating 150 questionnaires among accounting professional following a convenience sampling technique. The study articulated Hofstede's cultural dimensions including; power distance, individualism vs. collectivism, uncertainty avoidance, masculinity vs. femininity, long term vs. short term, indulgence vs restraints and Gray's accounting practices including professionalism vs. statutory control, uniformity vs. flexibility, conservatism vs. optimism, secrecy vs. transparency. Then, the study employed Exploratory Factor Analysis (EFA) to determine cultural dimensions' influence on accounting practices along with the Principal Component Analysis and Varimax extraction. The extracted factors accommodated into the multiple regression model to ascertain the relationship between cultural dimensions and accounting practices. The findings emphasized that power distance and individualism as the most dominant cultural dimensions in the Sri Lankan context and subsequently, that led to uniformity and secrecy in accounting practices. As a result, the study developed a model appropriate to the Sri Lankan context integrating Hofstede's and Gray's dimensions. In conclusion, the study reflected that accounting standards adopting process in Sri Lanka require to absorb cultural influence to smooth the regulatory application.

Keywords: Cultural dimensions, Accounting practices, Accounting professionals

INTRODUCTION

The accounting has been catering to human need and wants for many years since the development of human civilization. Thereby, Kolesnik (2013) defined accounting as an information system that relies on financial information to facilitate social, environmental, economic and importantly regulatory purposes. American Institute of Certified Public Accountants (1966) elucidated accounting as an art of recording, classifying and summarizing monetary transactions and events and interpreting results thereof. Similarly, Elliott and Elliott (2007) stressed accounting as an art of communicating business performance and position to a broad range of stakeholders. Since the accounting is presented as the business language it requires consistent reporting framework at the international level, given that all forms of capital (financial, manufactured, relationship, intellectual, human and natural capital) flow between countries with different economic, regulatory and market structures (de Lima, 2016). Hence, the existing of multiple reporting frameworks act as a communicative barrier across national boundaries (Skotarczyk, 2011).

House, Hanges, Javidan, Dorfman, and Gupta (2004) posited that culture significantly influences on the development of various accounting policies and practices. Furthermore, the studies have reflected that cultural elements affect the business environment irrespective of the country it's operating and therefore, culture shape up the accounting practices across the nations (Chanchani and Willett, 2004; Gray, 1988; Karabinar et.al, 2012). Notably, Hofstede (1984, p.82) defined culture as collective programming that distinguishes one societal group from another. Further, he extended his study to elaborate on how culture influence on the practices; herein he claimed that “culture crystallized in the society it developed and become a tangible product of that society”

Despite the fact that cultural difference has molded differences in accounting, increased communication cost and globalization created a demand for a set of internationally comparable reporting framework (Skotarczyk, 2011). Consequently, the International Accounting Standards play a vital role in the entire accounting process. As a result, it's important to examine how cultural elements and factors are decisive in adopting International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board.

Hofstede (1980) proposed four cultural dimensions that effect on the business environment, primarily the country it operates and used to position the countries based on the degree of compliance (greater extent to lesser extent). The four cultural dimensions are depicted as; power distance, uncertainty avoidance, individualism and masculinity. Profoundly, Gray (1988) integrated Hofstede's cultural dimensions into accounting values in order to reflect the accounting practices differences in each country. The Gray's dimensions can be articulated as professionalism, uniformity, conservatism and secrecy. Considering all these differences, still accounting stand to serve its primary objective to compile high-quality financial reports concerning the needs of economic decision-makers (IASB,2008).

Doupnik & Tsakumis (2004) pinpointed that shared cultural values entertained by particular country result in shared accounting values subsequently, influence on the nation's financial reporting system. For instance, Carvalho and Salotti (2012) study in Brazil revealed that accounting professional's conservatism and cultural trend to avoid risk (uncertainty avoidance) and bureaucratic culture (high power distance) result in no improvement in accounting process after adopting IFRSs since IFRSs are originally developed in the countries which conceive low aversion to uncertainty and distance from power. Also, Xu (2014) study in China, found that Chinese culture does not facilitate accounting professionals' judgments. Then Gray (1988) conjectured that cultural elements should align with the accounting practices. Therefore, these studies reflect the importance of understanding cultural differences in accounting harmonization process; which described as the process of enhancing the level of agreement in the application of accounting framework between countries (Buchanan, 2003). So, it creates the knowledge gap which requires to be filled in the context of Sri Lanka; which adopt the international reporting framework but still remain in the position of a developing country due to dearth of the studies in the context of Sri Lanka.

Accordingly, the following chapters are designed to provide extant literature on cultural differences and accounting harmonization process and then describe the research design and hypothesis. Eventually, the study will interpret the analytical results along with a model suits for Sri Lankan culture. Then, the study will address the following research questions; 1. Which cultural dimensions influence on Sri Lankan environment and financial reporting environment, 2. What extent they influence on Sri Lanka financial reporting environment? 3. What is the cultural model applicable to Sri Lanka?

THEORETICAL FRAMEWORK

Hofstede (1984) proposed a single-dimensional structure which can be introduced as individualism and collectivism where the cultures are grouped into individual or collective based on the degree of freedom. Herein, cultures which emphasized on individualistic behaviour and level of autonomy classified as individualism and the cultures which emphasized on group behaviour and degree of dependency pooled under collectivism. Triandis, Bontempo, Villareal, Asai and Lucca (1988) study which progressed with Hofstede cultural dimensions agreed with this uni-dimensional cultural model. But the recent development in (Triandis, 1995; Triandis & Gelfand, 1998) studies moved towards bi-dimensional cultural dimensions. Schwartz (1990, 1994), criticized the dichotomic assignment of values between individualism and collectivism and pinpointed values that sever for both cultural interests. He identified Conservatism, Intellectual Autonomy, Affective Autonomy, Mastery, Hierarchy, Egalitarian commitment and Harmony as seven types of cultures. Movingly, Gray (1988) explored the relationship between accounting values and Hofstede's cultural dimensions, and consequently, he correlates the cultural values with accounting values to provide a solid foundation to accounting-cultural research. Given that this study focuses on Hofstede's and Gray's model to conceptualize the model applicable to the Sri Lankan context.

LITERATURE REVIEW

Hofstede Cultural Dimensions

The pioneering study conducted by Hofstede (1984) defined culture as a collective programming of mindset that used to differentiate one group from another. The study performed by analyzing cultural dimension of 60 IBM Corporation's subsidiaries which operate over 40 countries. Thereby, the study summarized differences as specified below;

Large vs. small power distance: it explains degree to which society accepts that the institutional and organizational power has been distributed unequally. Large power distance societies highly rely on hierarchical order whereas small power distance societies strive after equal power distribution.

Strong vs. weak uncertainty avoidance: it describes extent to which individuals afraid of uncertain and unknown situations. Strong uncertain avoidance cultures adhere to more rigid rules and regulations. On the other hand, weak uncertain avoidance cultures practice more relax principles.

Individualism vs. collectivism: Individuals' preferences to take care of themselves is emphasized in this dimension. Collectivism describes social relationships where individuals rely on social ties and in opposite individualism describes loose of social bonds and higher level of autonomy.

Masculinity vs. femininity: Masculinity stresses masculine values such as; achievement, aggressiveness, assertiveness, and material improvement while feminist values stand for modesty, cooperation, caring and quality improvement.

Later, these four elements of culture extended to six dimensions incorporating fifth dimension: long term pragmatic orientation vs. short term normative orientation; where pragmatic approach educate to prepare for the future and sixth dimension: indulgence vs. restraints; that explains extent to which individuals try to control their impulses and desires where strong controls referred as restrained (Hofstede, 2011)

Accounting Practice According to Gray (1988)

Departing from Hofstede’s cultural elements, Gray (1988) developed four perspectives that predict the differences in accounting practices across the countries according to their cultural dimensions. de Lima (2016) explained that accounting systems and professional accounting practices are embedded in the culture. Therefore, accounting practices as a cultural subsystem influence on professionals accounting practices. For instance Gray (1988, p 9-11) claimed in the areana of high uncertainty avoidance; accounting rules and regulations tend to be rigid and detailed. Accordingly, professional accountants’ value system is derived from societal value system.

As specified; Gray (1988) defined accounting values as;

Professionalism versus Statutory Control – extent to which professionals can incorporate their professional judgment and maintain self-regulatory system opposite to regulatory controls.

Uniformity versus Flexibility – preference to enforce uniform set of accounting practices rather imposing set of flexible accounting practices.

Conservatism versus Optimism: Preference to execute cautious approach to cope with uncertainty opposed to more risk taking approach

Secrecy versus Transparency: preference to maintain confidentiality and preference to impose disclosure restrictions over transparent and publicly accountable reporting strategy.

Table 1 below depicts the relationship between Hofstede’s cultural dimensions and Gray’s accounting values;

Table 1: Relationship between Gray’s Accounting Values and Hofstede’s

Gray’s Accounting Practices	Hofstede’s Cultural Dimensions			
	Power Distance	Individualism	Masculinity	Uncertainty Avoidance
Professionalism	–	+	0	–

Uniformity	+	–	0	+
Conservatism	0	–	–	+
Secrecy	+	–	–	+

Source ; (Carvalho and Salotti, 2012)

Cultural influence on accounting practices

Zarzeski (1996) in-depth analysis of how accounting practices vary across the different cultures firstly introduced accounting standards as set of rules that implies set of rules embedded in a particular culture. Thereby the study advocated rules evolve continuously considering business relationships across the countries. The business relationships are developed articulating range of extrinsic factors namely; differing national laws, economic stance and political climate. If it consider this circular process of businesses it reflects that accounting practices are highly driven by the culture it associate with. Oluku & Ojeka (2011) introduced two accounting models considering accounting practices and cultural differences. They are; 1. Anglo American Model: highly emphasized on true and fair financial statements because business entities are funded by capital market transactions; 2. Continental European Model; highly rely on government funding and lesser concentrate on true and fair financial statements. The direction of international accounting standards placed on Anglo-American countries.

Chanchani and Willett (2004), attempted to operationalize Grays (1988) accounting values model incorporating survey data obtained from accountants in New Zealand and India and the results presented that professionalism and uniformity as the most common elements which were followed by the secrecy. Similarly, the study of accountants in Turkey reflected that respectively, professionalism, uniformity and secrecy as most outstanding Gray's accounting values.

A study in Brazil conducted by Carvalho and Salotti (2012) found significant impact of cultural dimensions on accounting practices. The conservative accounting practices of accounting operators followed by cultural dimensions namely; distance from power and aversion to uncertainty. The study was failed to infer that, adoption of international accounting standards direct towards advancement in accounting process because the countries where these accounting practices and standards originally conceived have a distance from power and aversion to uncertainty.

In contrast Kolennik (2013), argued that national cultural value does not appear to have a significant influence on financial disclosures. Tsakumis (2007) comparative study between UK and Greek presented no significant differences regarding accountants' secrecy and conservatism. Jagi et al.

(2000) study that sampled Canada, UK, USA, France, German and Japan presented that national cultural values made no difference in financial disclosures. Furthermore, Noravesh et al. (2007) study in Iran confirmed no positive relationship between uncertainty avoidance and secrecy, uncertainty avoidance and uniformity, individualism and professionalism. Hence, the findings were contrary to the Gray's hypothesis.

In essence there's no consensus between the national cultural dimensions that influence on the accountants values. Therefore, it require to be studied Sri Lankan context since Lanka Accounting Standards (LKAS) and interpretations are adapted from the International Financial Reporting Standards (IFRSs) and International Financial Reporting Interpretations Committee (IFRIC) interpretations. Simply, the joint agreement between Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and International Accounting Standard Body (IASB) to harmonize the accounting process has raised the necessity to study cultural dimensions and accounting values in Sri Lanka

RESEARCH METHODOLOGY

Research Design

A quantitative study was designed to examine the perceptions of accounting professionals reference to cultural influence on accounting practices and values. Accordingly, the study determined to obtain data from Chartered Accountants. Then, convenience- snowball sampling method is used to reach 150 chartered accountants who employed in different business sectors. The studies conducted by Darabi & Salmani, (2012); Joshi, Bremser, & Al-Ajmi, (2008); Ghio & Verona (2018) have followed convenience sampling technique to determine the practitioners' attitudes towards the accounting harmonization process. Self-administered questionnaire adopted from Chanchani and Willett (2004), and replicated by Almeida and Lisboa (2011), and Karabinar et al. (2012) is used to capture the information relating to accountants' values and Value Survey Model (VSM) 08, developed by Hofstede (2008) is used to determine national cultural dimensions.

Thereby, the obtained data was analyzed using SPSS statistical software applying Exploratory Factor Analysis (EFA) model. The factors were extracted through Principle Component Analysis and Varimax extraction. Thereafter regression analysis was performed with the extracted factors.

RESULTS AND DISCUSSION

Sample Profile

The analysis of 150 respondents presented large number of male respondents reporting a percentage of 60.67%. Thereby, the majority of chartered accountants were aged 31-40 which reported a

percentage of 61.4%. The analysis of working experiences presented majority of chartered accountants (75.3%) have working experiences less than ten years. Moreover, 24.7% of chartered accountants possessed with 11-20 years of working experience. Respondents representing more than 50% were graduates. Profoundly 25.3% of respondents were master holders and there were 22 post graduates in the sample representing percentage of 14.7%.

Reliability test

According to that Cronbach's alpha value was utilized. As most of the literature widely cited that coefficient alpha exceeds the 0.70 level, the reliability of the measurements was achieved as recommended by (Nunnally, 1978). Because of that, the reliability of the research constructs in the acceptable level as 0.770. Eight factors were used to test the Cronbach's alpha reliability of the study. Following Table 02 illustrated the results of Cronbach's alpha value.

Table 02 Cronbach's alpha reliability test

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.749	0.705	08

Source: Based on the analyzed data

Descriptive analysis of variables

Table 03 Descriptive statistics of the factors

	FACTORS							
Statistics	DIP	MASC	IND	UNA	CON	SEC	PROF	UNIF
Mean	3.47	3.68	3.71	2.25	3.74	2.75	2.27	2.76
Std. deviation	0.11	0.14	0.12	0.08	0.08	0.10	0.10	0.10
Variance	0.01	0.02	0.01	0.007	0.007	0.01	0.01	0.01
Minimum	3.75	3.75	4.00	4.00	2.50	4.00	-2.65	2.75
Maximum	3.25	3.00	3.25	2.00	3.25	2.50	1.75	2.50

Source: Based on analyzed data

According to the table 3, the mean values of DIP, MASC, IND and UNA factors were respectively 3.47, 3.68, 3.71, and 2.25. These values implied that DIP, MASC, IND are almost in agree category. Furthermore, CON, SEC, PROF, and UNIF factors means values were respectively 3.74, 2.75, 2.27,

and 2.76. When considering mean value of factor CON, it also falls to almost agree category, since its value is in between $3.5 \leq X < 5$. Other two factors called SEC and UNIF are in the category of $2.5 \leq X < 3.5$, can be considered as moderately agreed.

In addition to that standard deviation emphasizes how data set has scattered around the mean. According to the table 3 value of standard deviation for DIP, MASC, IND, UNA, CON, SEC, PROF, and UNIF were 0.11, 0.14, 0.12, 0.08, 0.08, 0.10, 0.10, 0.10, and 0.10 respectively. Therefore, it implied that data set is not highly deviated from the mean.

KMO and Bartlett's test

Table 04: KMO and Bartlett's test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.563
Bartlett's Test of Sphericity Approx. Chi-Square	831.019
Df	6
Sig.	.000

Source: Based on analyzed data

KMO & Bartlett's test measures the adequacy of the sample size. The KMO value which lies between 0 to 1 set the acceptance criteria as a score above 0.5. Thereby, the study sample size is determined to be adequate with a KMO measure of 0.563.

Also, the Bartlett's test Sphericity determines the significance of the study and then reflects the suitability of the collected responses to continue the study. Bartlett's Test of Sphericity must be less than 0.05. So in this study results shows that Bartlett's Test of Sphericity 0.000, it is prove that rule of validity of the study were satisfied.

Factor Extraction

Table 05 presents the factor loadings which reflect the significant cultural dimension that effect on accounting practices.

Table 05: Factor Extraction

Factors	Extraction
DIP	0.761
MASC	0.647
IND	0.909

UNA**0.046**

Source: Based on analyzed data

According to the above table the most significant factor is individualism (IND) since it shows the highest component value of 0.909.

Table 06: Extraction Sums of Squared Loadings

	Total	% of	Cumulative	Total	% of	Cumulative
		Variance	%		Variance	%
1	2.363	59.069	59.069	2.363	59.069	59.069

Source:
Based on
analyzed
data

Table 06

denotes how well, data set has been fixed to the factoring framework. The total percentage of variance accumulated by the factors is 59.069%.

The scree plot below exhibit four cultural dimensions and their respective Eigen values.

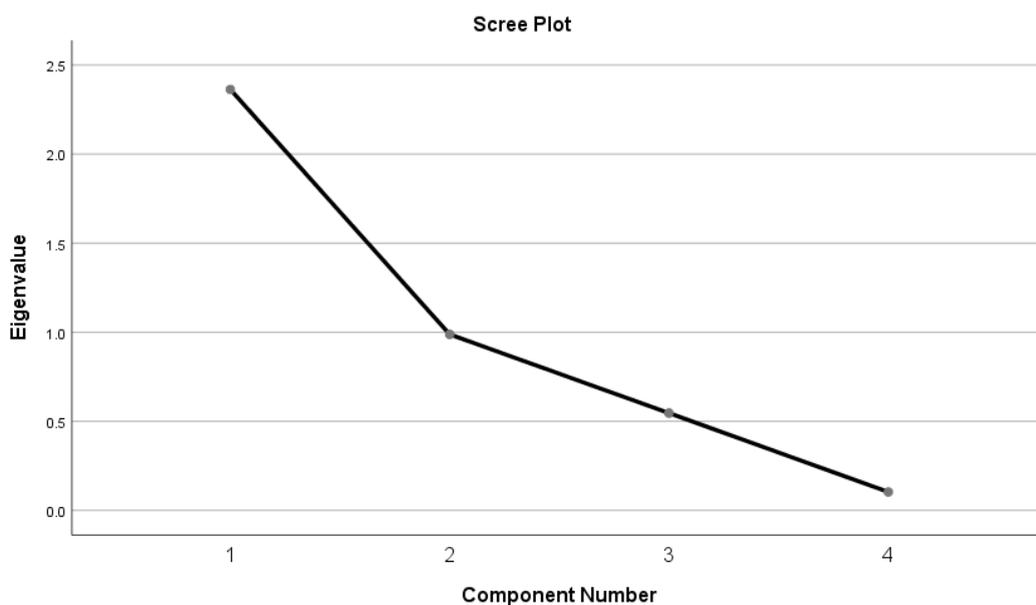


Figure 1 Scree Plot of Factor

Source: Based on analyzed data

The analysis of screeplot revealed that there's a factor lies above eigenvalue; DIP and its determined to be most variable factor.

Table 07: Factor Loading

variable	Factor 1
IND	0.953
DIP	0.872
MASC	0.804
UNIF	

Source: Based on analyzed data

The above table has extracted mainly three factors; IND, DIP and MASC. Hence, Sri Lankan Cultural dimensions are influenced by IND, DIP and MASC.

Multicollinearity

The high correlation between independent variables is explained as multicollinearity effect. In order to perform regression analysis the results require to be free from any multicollinearity issue. Hereby, Variance Inflation Factor (VIF) which measures the multicollinearity should stand between 0.1- 10.

Table 08: Multicollinearity of the independent variables

Model	VIF
MASC	2.038
IND	2.026
UNA	1.010
DIP	3.260
IND	3.154
UNA	1.070
DIP	1.297
MASC	1.262
UNA	1.037
DIP	3.397
MASC	2.257
IND	5.449

Source: Based on analyzed data

As stated in above table, the VIF values are less than 10 all the tolerance values are more than 0.1. As a result there is no multicollinearity problem in regression results.

Multiple Regression

Multiple regression model is designed to ascertain the relationship between Hofstede's cultural dimensions and Gray's accounting values based on the factors extracted from exploratory factor analysis.

The econometric model utilized in the study based on theory is presented below.

Conservatism = f (Individualism; Masculinity, Distance from Power)

Secrecy = f (Individualism; Masculinity, Distance from Power)

Professionalism = f (Individualism; Masculinity, Distance from Power)

Uniformity = f (Individualism; Masculinity, Distance from Power)

Accordingly, multiple regression analysis has been performed

Conservatism = f (Individualism; Masculinity, Distance from Power)

Table 09: Coefficient of the variable

Model	B	Std. Error	p-value
Constant	3.238	0.277	0.000
DIP	0.063	0.119	0.000
MASC	-0.064	0.072	0.378
IND	0.033	0.133	

Source: Based on Analyzed Data

According to the coefficient analysis, Distance from power shows high coefficient value and low P value, so it is represent the impact between cultural dimension (DIP) and accounting practices (CON). Hence DIP is positively impact for the CON.

Conservatism = f {Distance from power}

Secrecy = f (Individualism; Masculinity, Distance from Power)

Table 10: Coefficient of secrecy

Model	B	Std. Error	p-value
Constant	1.667	0.302	0.000
DIP	-0.350	0.130	0.008
MASC	-0.197	0.079	0.014
IND	0.521	0.145	0.000

Source: Based on Analyzed Data

This econometrics model also measures the coefficient values in order to determine the cultural dimensions impact on accounting practices considering the accounting values namely secrecy, and cultural dimensions namely CON, MASC, and PROF.

The coefficient value of CON and MASC dimensions were negatively impact for the secrecy and PROF positively impact for the secrecy.

Secrecy = f {Individualism, Masculinity, Distance from Power}

Professionalism = f (Individualism; Masculinity, Distance from Power)

Table 11: Coefficient of professionalism

Model	B	Std. Error	p-value
Constant	0.841	0.251	0.001
DIP	0.653	0.108	0.000
MASC	-0.083	0.066	0.212
IND	0.544	0.121	0.000

Source: Based on Analyzed Data

The coefficients derived to determine cultural dimensions influence on professionalism have been presented above. The results show that two dimensions such as DIP, and IND have high impact on the professionalism whereas MASC presents negative impact.

Professionalism = f {Distance from Power, Individualism}

Uniformity = f (Individualism; Masculinity, Distance from Power)

Table 12: Coefficient of Uniformity

Model	B	Std. Error	p-value
Constant	2.040	0.313	0.000
DIP	-0.316	0.135	0.020
MASC	-0.170	0.082	0.040
IND	0.329	0.150	0.030

Source: Based on Analyzed Data

According to the coefficient values of uniformity the all three values have been influenced. Furthermore, DIP and MASC have been negatively impacted and IND has been positively impacted on the uniformity.

Uniformity = f {Individualism, Masculinity, Distance from Power}

Therefore, the findings of the regression model can be organized as;

Conservatism = f {Distance from power}

Secrecy = f {(Individualism, Masculinity, Distance from Power)}

Professionalism = f {Distance from Power, Individualism}

Uniformity = f {Individualism, Masculinity, Distance from Power}

Thereafter, the result of hypothesis testing can be summarized as below;

Table 13: Summary of Hypothesis

Hypothesis	Accepted/Rejected
H1: There is a significant relationship between Hofstede cultural dimensions and conservatism.	Rejected
H2: There is a significant relationship between Hofstede cultural dimensions and secrecy.	Accepted
H3: There is a significant relationship between Hofstede cultural dimensions and professionalism.	Accepted
H4: There is a significant relationship between Hofstede cultural dimensions and uniformity.	Accepted

Source: Based on Analyzed Data

DISCUSSION AND ANALYSIS

Firstly, the exploratory factor analysis to extract the cultural dimensions significantly influence on Sri Lankan context determined three factors; individualism, distance from power and masculinity that heavily influence on accounting practices. According to Carvalho and Salotti (2012) in Brazil, cultural dimensions significantly impact on accounting practices. Accounting operators are conservative and the cultural dimensions that most impact the accounting practice are an aversion to uncertainty and distance from power.

Further, this study from the accounting professionals' perspective summarized that cultural dimensions in Sri Lanka influence on accounting practices and accounting values. Therefore, study findings are accordance with the Zarzeski (1996) who concluded that accounting practices are highly driven by the culture it associate with. Moreover, Oluku & Ojeka's (2011) two models that considered accounting practices and cultural differences can be used to classify the Sri Lanka context. Consequently, based on the findings Sri Lanka has Anglo- American characteristics because of the direction of the international accounting standards has been shaped by the cultural characteristics.

However Kolennik (2013) study is different to research findings because he found that national cultural value does not appear to have a significant influence on financial disclosures.

CONCLUSION

The study which adopted Valued Survey Model 08 (VSM 08) of Hofstede (2008) to capture the cultural dimensions and questionnaire developed by Chanchani and Willett (2004), and replicated by Almeida and Lisboa (2011), and Karabinar et al. (2012) to capture the accounting values and practices studied the perceptions of 150 chartered accountants relating to cultural dimension influence on accounting values and practices. The analysis interpreted significant relationship between Sri Lankan cultural dimensions and accounting values and practices. Accordingly, following model has been developed for the Sri Lankan context;

Table 14: Suggested model for Sri Lankan context

Accounting practices	Cultural Dimensions		
	Individualism	Masculinity	Distance from Power
Conservatism	-	-	Positive Impact ($\beta = 0.063, P = 0.000$)
Secrecy	Negative Impact ($\beta = 0.521, P = 0.000$)	Negative Impact ($\beta = -0.197, P = 0.014$)	Positive Impact ($\beta = -0.350, P = 0.008$)

Professionalism	Positive Impact ($\beta = 0.544$, $P = 0.000$)	-	Positive Impact ($\beta = 0.653$, $P = 0.000$)
Uniformity	Positive Impact ($\beta = 0.329$, $P = 0.030$)	Negative Impact ($\beta = -0.170$, $P = 0.040$)	Negative Impact ($\beta = -0.316$, $P = 0.020$)

Source: Based on Analyzed Data

This study extends the literature reference to cultural dimensions and accounting practices in the developing country since most extant studies have focused on established capital markets. Accordingly, as a developing country, the findings can be related to developing policies and strategies. Further, the study provides insight into the specialized accounting framework that concentrates on cultural differences in a globally accepted platform which goes in line with the principle-based accounting system.

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