

Abbas Saad Hamada Alkhuzai<sup>1</sup>  
Muzaffar Asad<sup>2</sup>  
Ala'a Zuhair Ahmad Mansour<sup>3</sup>  
Mohammed Ali Bait Ali Sulaiman<sup>4</sup>  
Umar Nawaz Kayani<sup>5</sup>  
Muhammad Uzair Asif<sup>6</sup>

### COMPLIANCE WITH ACCOUNTING STANDARDS BY JORDANIAN SMEs<sup>7</sup>

*SMEs are renowned all over the world for being informal, therefore, following accounting standards, is something unique for SMEs. Jordan being the heaven for SMEs is becoming more and more formal for SMEs, yet the government has not imposed any restrictions on SMEs to follow accounting standards. However, several SMEs in Jordan are following accounting standards because of the advantages that SMEs can avail by adopting accounting standards. Hence, it is vital to understand the factors which influence the adoption of accounting standards, as well as it is equally important to understand the advantages which SMEs can gain by adopting accounting standards. Thus, this study has two core aims, initially to identify the factors which influence the implementation of accounting standards and secondly the identification of the significant advantages which SMEs can achieve by the implementation of the same. For conducting the analysis the data has been collected from 100 SMEs operating in Jordan. Purposefully those SMEs were chosen with the help of a filter question that were adopting accounting standards. For evaluating the hypothesis, structural equation modelling has been applied. The results revealed that the adoption of accounting standards have benefits for the SMEs, whereas only demand for quality*

<sup>1</sup> Abbas Saad Hamada Alkhuzai, College of Management and Economics, Accounting Department, University of Qadisiyah 58002 Al Quadisiya, Iraq, abbas.alkhuzai@qu.edu.iq.

<sup>2</sup> Muzaffar Asad, Department of Marketing and Entrepreneurship, College of Commerce and Business Administration, Dhofar University, 211, Salalah, Dhofar, Oman, masad@du.edu.om (Corresponding author).

<sup>3</sup> Ala'a Zuhair Mansour, Accounting Department, Faculty of Business Studies, Arab Open University, Amman, Jordan, a\_almansour@aou.edu.jo.

<sup>4</sup> Mohammad Ali Bait Ali Sulaiman Department of Marketing and Entrepreneurship, College of Commerce and Business Administration, Dhofar University, 211, Salalah, Dhofar, Oman, msulaiman@du.edu.om.

<sup>5</sup> Umar Nawaz Kayani, College of Business, Al Ain University, Abu Dhabi, United Arab Emirates. umar.kayani@aau.ac.ae.

<sup>6</sup> Muhammad Uzair Asif, School of Business Management, Universiti Utara Malaysia 0601 UUM Sintok, Kedah Malaysia, uzairasif54@gmail.com.

<sup>7</sup> This paper should be cited as: Alkhuzai, A. S. H., Asad, M., Mansour, A. Z. A., Sulaiman, M. A. B. A., Kayani, U. N., Asif, M. U. (2024). Compliance with Accounting Standards by Jordanian SMEs. – *Economic Studies (Ikonicheski Izsledvania)*, 33(1), pp. 89-107.

*reporting and financial information external users have shown insignificant impact over usage of accounting standards, perhaps since it is not mandatory by the government. The study also opened horizons for future research, because there is yet a lot that need to be explored that why SMEs are reluctant in adopting accounting standards or what are the major hurdles in the adoption of financial accounting standards.*

*Keywords: Sustainability; Financial reporting; SMEs; Accounting standards; Taxation  
JEL: G10; G19*

## 1. Introduction

Small and Medium Enterprises (SMEs) are considered as vehicles of economic development and growth in developing countries (Khan, Asad, Khan, Asif, & Aftab, 2021). The share of SMEs in overall businesses varies from 60% to 90% depending upon the country and level of economic development of the country (Asad & Kashif, 2021). SMEs contribute significantly to the exports and GDP of the developing countries (Asad, Shabbir, Salman, Haider, & Ahmad, 2018) and Jordan has no exception to it (Al-Afeef, 2020). At the same time, the share of SMEs in the provision of employment cannot be ignored in Jordan (Al-Hyari, 2020). In several countries, and especially in Jordan SMEs constitute more than 90% of the businesses (Global Entrepreneurship Monitor, 2019).

Despite the critical role of SMEs in the growth and development of developing economies, the implementation of accounting practices (Barker, Lennard, Nobesc, Trombetta, & Walton, 2014; Abdul, 2018; Ahmad & Al-Shbiel, 2019) has ever remained a controversial concern (Alrabba & Ahmad, 2017) especially for the SMEs especially in the developing economies (Dang-Duc, 2011; Bongomin, Ntayi, Munene, & Malinga, 2017). The major issue behind the lack of implementation of accounting standards is the lack of regulatory compulsions over SMEs in developing countries (Suwaidan, Qaqish, Bataineh, & Hammad, 2018; Ahmad & Al-Shbiel, 2019; Chege & Wang, 2020). Similarly, SMEs also consider it as a burden, as it is not imposed by law to follow the accounting and reporting standards.

In developing countries where SMEs follow accounting and reporting practices are those where the governments have imposed the implementation of accounting and reporting standards (Dang-Duc, 2011; Hřebíček, Soukopová, Štencl, & Trenz, 2014; Kılıç & Uyar, 2017). SMEs operating in Jordan need to adopt IFRS, and the government has allowed them to follow the standards, unlike listed and unlisted companies that are registered with the Jordanian Securities Commission are bound to follow the accounting and reporting standards (Masoud & Ntim, 2017), yet it is not mandatory and due to several reasons SMEs are reluctant in adopting IFRS (Al-Htaybat, 2018). Because of very few countries where SMEs are bound to follow accounting and reporting practices (Hřebíček, Soukopová, Štencl, & Trenz, 2014; Ahmad & Al-Shbiel, 2019), researchers have hardly addressed the issues or benefits of implementing accounting and reporting standards, regarding SMEs in the developing countries.

Hence, the purpose of the current research is to identify the critical factors that influence the mindset of entrepreneurs in developing countries for implementing accounting and reporting standards. For the said purpose, researchers have chosen Jordan for several reasons. Initially

Jordanian economy was highly dependent on SMEs (Global Entrepreneurship Monitor, 2019; Al-Weshah, Kakeesh, & Alhammad, 2022), as the proportion of SMEs in overall business activities in the country is more than 90%, likewise, the share of SMEs in the employment and GDP is also significant (China Banking News, 2018; Al-Afeef, 2020). Moreover, SMEs in Jordan hardly follow accounting and reporting standards (Smirat, 2013). Therefore, the study has two folds, initially the researchers have tried to identify the critical factors that influence the implementation of accounting and reporting standards and later on, identifying the advantages of implementing accounting standards for SMEs in Jordan.

The rest of the paper is organized as follows. The next section proceeds with a literature review and development of the framework. The next section deals with data collection and analysis. Afterwards, results have been discussed with respect to prior literature. The final section deals with conclusions, limitations and recommendations of the study.

## **2. Review of Literature and Framework**

Text Adoption of accounting standards by any business is based on the restrictions imposed by the regulator of the country. Likewise, another important reason is the usefulness of the adoption of accounting and reporting standards for decision-making (Ahmad & Al-Shbiel, 2019; Hellmann & Patel, 2021). It must be noted that accounting is a procedure of providing relevant and accurate information, thus, accounting and auditing help the decision makers in taking the right decisions (Khan S. N., Asad, Fatima, Anjum, & Akhtar, 2020; Damer, Al-Znaimat, Asad, & Almansour, 2021). The theory has become important for information disclosure because of significant theoretical and practical advantages in financial accounting history.

Despite the significant proportion of SMEs in economic development, very little has been known about compliance with accounting and reporting standards with respect to SMEs (Alrabba & Haija, 2018; Beliaeva, Tatiana, Wales, & Gafforova, 2020). The motives that necessitate SMEs to adopt accounting and reporting standards are different from those of the registered companies (Al-Htaybat, 2018; Ahmad & Al-Shbiel, 2019; Barker, Lennard, Nobesc, Trombetta, & Walton, 2014). The decision-usefulness theory has become less important for SMEs. The only users of the financial statement of SMEs are banks or the tax authorities, thus limiting the users of financial reporting. The main users of financial statements are shareholders and investors (Almansour, Asad, & Shahzad, 2016; Alkhuzaie & Asad, 2018; Ritonga & Suyanto, 2022) who have nothing to do with SMEs.

Accountants were perceived to have a greater influence on the adoption of accounting and reporting standards (Dang-Duc, 2011; Al-Htaybat, 2018). Because of a lack of knowledge, accountants in SMEs, especially in developing countries, are hardly capable of applying accounting and reporting standards. Similarly, lack of regulatory requirements entrepreneurs are least interested in hiring professional accountants. Thus, entrepreneurs consider the implementation of accounting and reporting standards as cost only (Uyar & Güngörmüş, 2013; Guerreiro, Rodrigues, & Craig, 2015; Weerathunga, Chen, & Sameera, 2020). The entrepreneurs believe that the benefits of adopting accounting practices are far lesser as compared to the cost of hiring professional accountants and following other governance

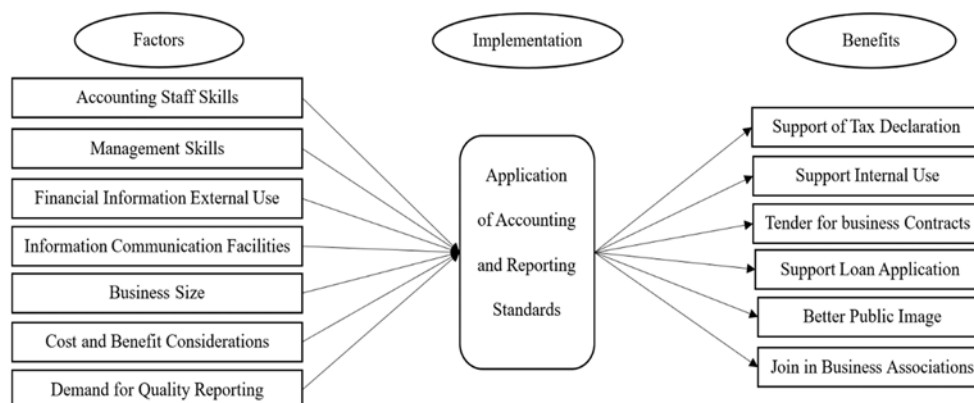
principles (Litjens, Bissessur, Langendijk, & Vergoossen, 2012; Quinn, Hiebl, Moores, & Craig, 2018; Sklaveniti & Steyaert, 2020).

Researchers have focused mainly on the implementation of accounting and reporting standards for large companies (Alkhuzaie & Asad, 2018; Zeng, 2019; Chychyla, Leone, & Minutti-Meza, 2019; Tiwari & Khan, 2020), hence the concern for adoption of accounting and reporting standards for SMEs has always remained controversial (Albu, Albu, & Fekete, 2010; Perera, Chand, & Mala, 2020) because of its cost and benefit comparison. Compared with developed countries, developing economies experience a high level of volatility in reporting regulations (Jermakowicz & Epstein, 2010; Banga, 2019; Santeramo & Lamonaca, 2022). For setting standards accounting infrastructure is critical and it needs to be less volatile. Thus, the changes are likely to overburden SMEs with complexity (Damer, Al-Znaimat, Asad, & Almansour, 2021) and hence, SMEs have disproportionate cost burdens imposed by the regulatory bodies. Likewise, SMEs are reluctant in following the accounting standards which are not meant for them but for the large companies (Dang-Duc, 2011; Sastararaji, Hoonsopon, Pitchayadol, & Chiwamit, 2022; Kuttner, Mayr, Mitter, & Duller., 2022).

Undoubtedly, the advantages of implementation of financial reporting and accounting standards cannot be denied (Kılıç & Uyar, 2017; Alrabba & Ahmad, 2017), as accounting standards are an integral part of the national accounting system. Thus, researchers should address the implementation of accounting standards regardless of the size of the business (Christie, Brozovsky, & Hicks, 2010; Waterhouse, Ward, & Hopkins., 2020; Huu Anh, Soa, & Hanh, 2020), to ensure the regulators and the owners of SMEs about the significant cost and benefits of implementation of accounting and reporting standards for SMEs. However, in case if the costs of implementation of accounting and reporting standards supersede their benefits, SMEs may not need to follow them, but without empirical evidence, it would be difficult to claim that the benefits of implementing accounting and reporting standards beat the costs. Yet researchers have not paid much attention to the important issue which needs empirical evidence, especially for developing countries (Appiah, Osei, Selassie, & Osabutey, 2019; Chege & Wang, 2020; Khayer, Hossain, & Hossain, 2020), regarding the factors that influence the implementation of accounting and reporting standards in SMEs and the benefits that SMEs can gain from this implementation (Barker, Lennard, Nobesc, Trombetta, & Walton, 2014; Alrabba & Ahmad, 2017). Therefore, based on the above discussion it is critical to identify and impact of those factors that significantly influence the implementation of accounting and reporting standards for the SMEs and also the benefits that SMEs can gain by implementing accounting and reporting standards (Chychyla, Leone, & Minutti-Meza, 2019). Based on the above discussion the following framework has been developed.

SMEs that have the skills within their human resource hardly consider financial reporting as cost, because their accountants are capable of following the standards, at the same time, the skilled management can best use the financial report for future forecasting and overall decision making (Barker, Lennard, Nobesc, Trombetta, & Walton, 2014).

**Figure 1. Research Framework**



Businesses that prepare financial accounts as per the IFRS easily access finance and at the same time their market repute is also enhanced for taking credit from the suppliers (Al-Htaybat, 2018; Agyei-Boapeah, Machokoto, Amankwah-Amoah, Tunyi, & Fosu, 2020). Thus, one of the factors that influence SMEs for adopting financial accounting and reporting standards is creditworthiness and tax benefits, especially for going for self-assessment for tax calculations (Barker, Lennard, Nobesc, Trombetta, & Walton, 2014; Thottoli, 2020). Another important factor is the size of the business.

Enterprises with large sales volume and high turnover usually prefer to follow accounting and reporting standards to avoid fraud and errors (Stubbs & Higgins, 2018; Tiwari & Khan, 2020). Entrepreneurs who are knowledgeable and capable of forecasting prefer standardized reporting as it is helpful for decision-making (Krasniqi, Berisha, & Pula, 2019; Camuffo, Cordova, Gambardella, & Spina., 2020). Likewise, it is the demand for the investors if the business is interested in seeking investment from angle investors.

Likewise, the implementation of accounting and reporting standards has several benefits not only for large firms but also for SMEs (Barker, Lennard, Nobesc, Trombetta, & Walton, 2014; Perera, Chand, & Mala, 2020). The topmost benefit is that SMEs face issues with tax departments, so they can easily handle those issues if they follow standardized financial reporting (Perera, Chand, & Mala, 2020). Management of the SMEs can make better decisions based on the financial report, which helps them in forecasting the revenues and expenses based on previous experiences, likewise, they can target those areas where they can save cost, thus, benefits outperform the costs.

Whenever the business wants to apply for tenders standardized accounting helps them in winning the tenders because of accurate forecasting and also for gaining benefits from the same (Laela, Rossieta, Wijanto, & Ismal, 2018; Asatiani, Apte, Penttinen, Rönkkö, & Saarinen, 2019). In case SMEs need loans from any financial accounts, implementation of financial reporting standards increases the creditworthiness of the SMEs. Creditworthiness is not only beneficial for taking loans from financial institutions, but also useful for attracting

angle investors, thus enhancing the image of the SME. Enterprises that follow accounting and reporting standards become a benchmark for several SMEs, this capability helps them become members of several business associations (Guerreiro, Rodrigues, & Craig, 2015; Alrabba & Ahmad, 2017).

Overall it would be right to claim that the implementation of accounting and reporting standards are beneficial (Baskerville & Grossi, 2019; La Torre, Sabelfeld, Blomkvist, & Dumay, 2020). However, the factors that influence the implementation of accounting and reporting standards need to be carefully addressed by entrepreneurs. Based on the above discussion regarding factors influencing the implementation of accounting and reporting standards and the benefits that SMEs can gain by implementing accounting and reporting standards following hypothesis are proposed for testing empirically.

### *2.1. Accounting Staff Skills and Application of Accounting and Reporting Standards*

Accounting encompasses a diverse range of abilities that revolve around maintaining records, directing focus, managing financial performance, and reporting. These skills are designed to facilitate informed decision-making, assess a company's performance, and communicate the status of a business enterprise (Uyar & Güngörmüş, 2013). Proficiency in financial accounting is crucial for achieving financial success. Small and medium-sized enterprises (SMEs) can greatly benefit from incorporating these essential skills, as they can lead to improved financial performance (Perera & Chand, 2015). Neglecting to acquire and apply these skills can result in financial difficulties, potentially leading to the failure of an SME. Hence considering the importance of accounting skills for the application of accounting and reporting standards following hypothesis is proposed;

H<sub>1</sub>: Accounting staff skills significantly influence the implementation of accounting and reporting standards.

### *2.2. Management Skills and Application of Accounting and Reporting Standards*

Effective management skills empower SMEs to make critical decisions regarding the development and distribution of products and services, as well as managing the production process. On the other hand, reporting plays a significant role in communicating the appropriate level of detail and quality of information (Thottoli, 2021). Employing effective techniques to accurately report business information to stakeholders can prove highly beneficial for SMEs (Sellami & Gafsi, 2018). Management skills and processes are essential components of any successful entrepreneurial endeavour and are instrumental in the successful implementation of financial reporting and accounting standards. Therefore the following hypothesis is proposed;

H<sub>2</sub>: Management skills significantly influence the implementation of accounting and reporting standards.

### *2.3. Financial Information External Use and Application of Accounting and Reporting Standards*

An SME is characterized as an entity that is not typically accountable to the general public, does not publicly disclose its financial statements, and has equity and debt instruments that are not traded publicly, either on over-the-counter markets or foreign stock exchanges. Nonetheless, implementing financial reporting standards can have a highly beneficial impact on obtaining credit and attracting high-quality clients within the industry when dealing with creditors (Perera, Chand, & Mala, 2019). Therefore, the importance of the application of accounting standards and reporting standards cannot be ignored. Thus, the following hypothesis is proposed;

H<sub>3</sub>: Financial information external users significantly influence the implementation of accounting and reporting standards.

### *2.4. Information Communication Facilities and Application of Accounting and Reporting Standards*

Information communication facilities enable managers within a firm to effectively communicate the organization's strategies both upwards and downwards within the company. This ensures that all individuals within the firm, regardless of their level, have a comprehensive understanding of the organization's long-term strategy (Perera & Chand, 2015). Effective communication facilities aid in the process of business planning by enabling firms to seamlessly integrate their business plans with their financial reporting. Therefore, the following hypothesis is proposed;

H<sub>4</sub>: Information communication facilities significantly influence the implementation of accounting and reporting standards.

### *2.5. Business Size and Application of Accounting and Reporting Standards*

Business size is commonly measured by the number of employees and has been shown to have a positive impact on returns on assets at a significant level. However, the influence of firm size on the application of accounting and reporting standards has been infrequently addressed in academic research (Perera, Chand, & Mala, 2022). Organizational size can contribute to improved financial performance. Large organizations may have a competitive advantage over smaller competitors due to their ability to develop and implement robust accounting standards (Sellami & Gafsi, 2018). Indeed, large organizations may have an advantage in terms of resources that can facilitate the implementation of accounting and reporting standards. This can result in greater accuracy and consistency in financial reporting, which can ultimately benefit the organization's financial performance. Thus considering the significance of business size the following hypothesis is proposed;

H<sub>5</sub>: Size of the business significantly influence implementation of accounting and reporting standards.

#### *2.6. Cost and Benefits Considerations and Application of Accounting and Reporting Standards*

Conducting a cost-benefit analysis is essential, particularly for SMEs, when considering the adoption of financial reporting standards. Nonetheless, implementing such standards may provide a competitive advantage to a firm (Scagnelli, Corazza, & Cisi, 2013). Implementing financial reporting and accounting standards can enhance a firm's capabilities, competencies, organizational processes, and information, thereby enabling the firm to implement strategies that enhance its effectiveness and efficiency (Perera, Chand, & Mala, 2022). Hence, the following statement is hypothesized;

H<sub>6</sub>: Cost and benefit considerations significantly influence the implementation of accounting and reporting standards.

#### *2.7. Demand for Quality Reporting and Application of Accounting and Reporting Standards*

Financial reports are essential tools for any business, as they primarily inform stakeholders, particularly external providers of capital, about the company's operations and performance (Yalkin, Demir, & Demir, 2008). High-quality financial reports are defined by the adoption and utilization of high standards of financial reporting, which enable proper financial performance within SMEs. Such organizations can effectively utilize financial reports to inform both internal and external stakeholders about their business position (Thabit & Alnasrawi, 2016). Because of the increasing demand for quality reporting the following hypothesis is proposed;

H<sub>7</sub>: Demand for quality reporting significantly influences the implementation of accounting and reporting standards.

#### *2.8. Application of Accounting and Reporting Standards and Support of Tax Declaration*

Financial statement preparation and auditing are legal requirements for many businesses in most jurisdictions (Sellami & Gafsi, 2018). Normally in Jordan, most SMEs comply with accounting and reporting standards by maintaining proper books of accounts, and they submit tax returns based on these financial statements to the tax authority. Considering the significance and importance of the application of accounting and financial reporting for the tax declaration the following hypothesis is proposed;

H<sub>8</sub>: Implementation of accounting and reporting standards benefit SMEs in Tax declaration.

#### *2.9. Application of Accounting and Reporting Standards Support Internal Use*

Financial reporting will not only be limited to external users but also to internal users like managers who have to make decisions (Perera, Chand, & Mala, 2022). The quality of information available for the information users is reliable and depicts the true picture thus, it supports the decision-making for the achievement of organizational objectives (Evans, et al.,



2005). Due to the importance of the application of accounting and financial reporting the following hypothesis is proposed;

H<sub>9</sub>: Implementation of accounting and reporting standards to support internal users in decision-making.

#### *2.10. Application of Accounting and Reporting Standards Tender for Business Contracts*

Recruiting skilled personnel can be a challenge for SMEs, as there is often a shortage of qualified accountants, and hiring them can be expensive. This can cause problems for SMEs when dealing with vendors who require the expertise of such personnel (Singh & Newberry, 2008). Entities with international operations, foreign partners, or export activities often find it advantageous to adopt international financial reporting standards (IFRS) in order to facilitate access to finance and ensure consistency in financial reporting across different countries. IFRS is a globally recognized set of accounting standards that are widely used by companies operating in multiple jurisdictions, as it provides a common financial reporting language that is easily understood by investors and other stakeholders around the world. Hence, the following hypothesis is proposed;

H<sub>10</sub>: Implementation of accounting and reporting standards benefits SMEs in tenders for business contracts.

#### *2.11. Application of Accounting and Reporting Standards Support Loan Application*

Regulators, standard setters, and accounting companies suggest that the adoption of International Financial Reporting Standards (IFRS) is effective in providing high-quality information that reduces information asymmetry between capital lenders and borrowers. IFRS mandates more detailed disclosures, improves the comparability of firms, facilitates better measurement and recognition of additional liabilities, and reduces the extent of earnings management (Balsmeier & Vanhaverbeke, 2018). The use of fair value accounting can lead to faster recognition of positive and negative news in a company's financial statements. Providing high-quality financial information can increase the likelihood of a company obtaining a loan and influence the terms and conditions of debt contracts in their favour. This is because lenders and investors rely on accurate and transparent financial information to make informed decisions about the creditworthiness of a company. Therefore, the following hypothesis is proposed;

H<sub>11</sub>: Implementation of accounting and reporting standards benefit their loan applications.

#### *2.12. Application of Accounting and Reporting Standards Better Public Image*

SMEs often feel external pressure to adopt certain practices due to the demands of governments, banks, or the expectations of the larger society. This is because SMEs are highly concerned about their public image and want to maintain a positive reputation. As a result, they may adopt practices such as corporate social responsibility initiatives or

environmental sustainability practices to meet these demands and expectations (Thien & Hung, 2021). The professionalization of small businesses is also demonstrated through these practices. However, there may be instances where a gap or disconnect exists between formal and informal practices, resulting in a discrepancy between the image presented and the actual reality of the business (Scagnelli, Corazza, & Cisi, 2013). Thus, for improving the public image of the enterprises through the application of accounting and financial reporting the following hypothesis is proposed;

H<sub>12</sub>: Implementation of accounting and reporting standards benefit public image.

### *2.13. Application of Accounting and Reporting Standards Join in Business Associations*

Large multinational companies often use benchmarking to compare their performance against their peers and identify areas for improvement. On the other hand, smaller companies typically benchmark against industry leaders. The adoption of certain practices by a country is also influenced by the demands and expectations of foreign commercial partners (Wijekoon, Samkin, & Sharma, 2022). Developing countries tend to mimic the practices of their trade partners or countries within their geographical region. This is because they often lack the resources and expertise to develop their own best practices, and they may face pressure to conform to the practices of their more developed counterparts. In addition, developing countries may see adopting similar practices as a way to attract foreign investment and improve their international competitiveness (Carneiro, Rodrigues, & Craig, 2017). It is reasonable to believe that SMEs may mimic the accounting practices of successful organizations in the same industry. This is because SMEs often face resource constraints and lack the expertise to develop their own accounting systems. By mimicking the practices of successful organizations, SMEs may be able to adopt best practices and improve their own financial reporting processes. Additionally, benchmarking against industry leaders is a common practice for SMEs, which can also influence their decision to mimic certain accounting practices. Considering the significance of the application of accounting and financial reporting for joining business associations the following hypothesis is proposed;

H<sub>13</sub>: Implementation of accounting and reporting standards benefit in joining business associations.

In the next step, the authors have discussed the methodology that they will follow to collect the data from the entrepreneurs who adopt accounting and reporting standards.

## **3. Data Collection and Analysis**

The instrument was developed with the help of reviewed literature, though there are few studies that have identified the factors that influence the implementation of accounting and reporting standards, yet, as identified in the framework sufficient variables were observed based on the literature. From the prior studies, a questionnaire was developed by the researchers which was sent to academic and professional experts for face validity (Quinlan, Zikmund, Babin, Carr, & Griffin, 2018). Based on the suggestions of the experts the

instrument was modified and upgraded and a few more questions were added to the instrument. While choosing the responses the authors had two options to choose a 5-point Likert scale of seven-point Likert scale. For measuring the responses, the researchers used a seven-point Likert scale which is highly sensitive but gives more precise results for the perceptual measures (Cooper & Schindler, 2006).

Furthermore, the instrument was sent to the accountants working in SMEs because they were the best-targeted respondents. Purposefully those SMEs were chosen that were adopting accounting standards. For identification of those SMEs a filter question was entered in the instrument. In this regard, a total of 800 questionnaires were sent and the researchers received 129 questionnaires that chose yes to the filter question. Thus, the participants were only the owners or the managers of those SMEs that were adopting accounting and financial reporting standards. After analysing and removing the incomplete questionnaires, the researchers found only 100 questionnaires that were usable. Hence, the response rate was only 12.5% which is not very good, but for structural equation modelling as it is a non-parametric technique and is considered as good for theory building (Hair, Hult, Ringle, & Sarstedt, 2017) a sample of 100 is supposed to be enough (Lei & Lomax, 2005).

#### **4. Results and Discussions**

As per the reviewed literature, seven variables were observed to be the most critical constructs that influence the implementation of accounting and reporting standards by SMEs in developing countries. The literature further revealed six variables that can be considered as potential benefits for implementing accounting and reporting standards by SMEs. Thus, in the current research, the researchers considered seven constructs as exogenous variables and one endogenous variable, however, extending the framework to six constructs that appears to be the potential benefits for implementing accounting and reporting standards by the SMEs. The respondents were asked about their perception of the items that were developed based on the reviewed literature. Thus, ensuring the reliability and validity of the instrument was a major concern. Thus, initially, item loadings have been measured. The items are valid and need to be kept in the model if their loading values exceed the threshold level of 0.7 (Hair, Ringle, & Sarstedt, 2013). The findings of the item loadings for the collected data are mentioned in Table 1.

After ensuring that all the items that have been kept in the model are having loadings value above the threshold and none of the items has been removed, the next step is to ensure that each construct holds sufficient reliability and validity and the items used in each construct are different from the items in the other construct. To ensure the reliability and validity of the data, Cronbach's alpha, composite reliability, and Average variance extracted are measured with a threshold value of 0.7 (Henseler, Ringle, & Sarstedt, 2015), 0.6 (Henseler & Fassott, 2009), and 0.5 (Hair, Ringle, & Sarstedt, 2013) respectively. The results of validity and reliability are mentioned in Table 2.

**Table 1. Item Loadings**

Variables	Items	Loadings
Information Communication Facilities	ICF1	0.890
	ICF2	0.871
	ICF3	0.885
	IARS1	0.757
Implementation of Accounting and Reporting Standards	IARS2	0.824
	IARS3	0.907
	IARS4	0.879
	IARS5	0.823
	IARS6	0.726
	IARS7	0.724
	Better Public Image	BPI1
BPI2		0.958
BPI3		0.943
Join in Business Associations	JBA1	0.889
	JBA2	0.919
	JBA3	0.951
Management Skills	MS1	0.941
	MS2	0.908
	MS3	0.967
Business Size	BS1	0.832
	BS2	0.85
	BS3	0.835
	BS4	0.805
Cost and Benefit Considerations	CBC1	0.936
	CBC2	0.871
Financial Information External Use	FIEU1	0.915
	FIEU2	0.844
	FIEU3	0.78
	FIEU4	0.906
	FIEU5	0.906
	FIEU6	0.913
Demand for Quality Reporting	DQR1	0.81
	DQR2	0.909
Accounting Staff Skills	AS1	0.94
	AS2	0.726
	AS3	0.936
	AS4	0.946
Support of Tax Declaration	STD1	0.878
	STD2	0.865
	STD3	0.902
Support Internal Use	SIU1	0.905
	SIU2	0.935
	SIU3	0.832
Tender for Business Contracts	TBC1	0.956
	TBC2	0.935
	TBC3	0.923
Support Loan Application	SLA1	0.928
	SLA2	0.947
	SLA3	0.934

**Table 2. Construct Reliability and Validity**

Variables	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Accounting Staff Skills	0.845	0.906	0.766
Better Public Image	0.922	0.95	0.865
Business Size	0.851	0.899	0.69
Cost and Benefit Considerations	0.893	0.933	0.824
Demand for Quality Reporting	0.865	0.918	0.789
Financial Information Excel Use	0.92	0.94	0.759
Implementation of Accounting and Reporting Standards	0.898	0.923	0.667
Information Communication Facilities	0.874	0.914	0.727
Join in Business Associations	0.91	0.943	0.846
Management Skills	0.933	0.957	0.882
Support Internal Use	0.87	0.921	0.795
Support Loan Application	0.93	0.955	0.877
Support of Tax Declaration	0.857	0.913	0.777
Tender for Business Contracts	0.932	0.957	0.88

After ensuring that the instrument used for collecting the data is reliable and valid in all respects structural equation modelling has been conducted. For ensuring the significance of the variables bootstrapping has been conducted using 5000 as a bootstrapping sample and an original number of cases i.e. 100 (Henseler & Fassott, 2009; Hair, Ringle, & Sarstedt, 2013; Hair, Hult, Ringle, & Sarstedt, 2017). The results of the path coefficients and the significance level are mentioned in Table 3.

The results of the path coefficients revealed that Accounting Staff Skills, Business Size, Cost and Benefit Considerations, Information Communication Facilities, and Management Skills have a significant impact on the Implementation of Accounting and Reporting Standards. However, the Demand for Quality Reporting and Financial Information External Use has shown an insignificant impact on the Implementation of Accounting and Reporting Standards. The major reason why these two exogenous variables have shown an insignificant impact is that in the case of SMEs, there is no mandatory requirement for financial reporting, and likewise as there are no shareholders, thus, external use of financial information is minimal, so these have least impact over Implementation of Accounting and Reporting Standards. On the other hand, when it comes to the benefits of implementing the Implementation of Accounting and Reporting Standards, all the variables have shown a significant influence because of the Implementation of Accounting and Reporting Standards. SMEs that implement the Implementation of Accounting and Reporting Standards becomes benchmark and their public image is improved, thus, it becomes easy for them to Join in Business Associations. Management of the SMEs can get benefits because of the standardized information provided by standardized reporting. Similarly, when SMEs apply for loans Implementation of Accounting and Reporting Standards Support Loan Application and likewise, Support of Tax Declaration. Because of the trust in the reporting of the SMEs, it's easy for the SMEs to compete in the tenders as they give tenders based on proper forecasting and hence the chances of success are maximum.

**Table 3. Path Coefficients**

Paths	Original Sample	Sample Mean	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Accounting Staff Skills -> Implementation of Accounting and Reporting Standards	0.441	0.262	0.189	2.341	0.003
Business Size-> Implementation of Accounting and Reporting Standards	0.417	0.092	0.161	2.583	0.002
Cost and Benefit Considerations-> Implementation of Accounting and Reporting Standards	0.427	0.063	0.134	3.188	0.001
Demand for Quality Reporting -> Implementation of Accounting and Reporting Standards	-0.18	-0.166	0.205	0.876	0.381
Financial Information External Use-> Implementation of Accounting and Reporting Standards	0.16	0.109	0.329	0.485	0.628
Information Communication Facilities -> Implementation of Accounting and Reporting Standards	0.448	0.42	0.148	3.036	0.003
Management Skills -> Implementation of Accounting and Reporting Standards	0.305	0.28	0.136	2.237	0.026
Implementation of Accounting and Reporting Standards -> Better Public Image	0.535	0.536	0.152	3.528	0.000
Implementation of Accounting and Reporting Standards -> Join in Business Associations	0.514	0.519	0.134	3.844	0.000
Implementation of Accounting and Reporting Standards -> Support Internal Use	0.621	0.624	0.111	5.617	0.000
Implementation of Accounting and Reporting Standards -> Support Loan Application	0.568	0.556	0.139	4.091	0.000
Implementation of Accounting and Reporting Standards -> Support of Tax Declaration	0.466	0.473	0.144	3.240	0.001
Implementation of Accounting and Reporting Standards -> Tender for Business Contracts	0.586	0.575	0.142	4.122	0.000

The above-mentioned table revealed the significant factors that influence the implementation of accounting and reporting standards by the SMEs. Furthermore, it is also important to confirm the significance and predictive relevance of the framework. Therefore, cross-validated redundancy has been applied using blindfolding technique. If the calculated value of Q2 falls below zero it shows that the model lacks predictive relevance, if the value is above zero the model holds significant predictive relevance (Henseler & Fassott, 2009). The findings are mentioned in Table 4.

**Table 3. Construct Cross validated Redundancy**

Construct Cross validated Redundancy	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
Implementation of Accounting and Reporting Standards	594	373.749	0.371

The results of Q2 revealed that the model holds significant predictive relevance as the calculated value is 0.371. hence the findings of the study confirm that the model is significant and if the same factors are catered in any other developing country, the chances of implementation of accounting and reporting standards are high.

## 5. Conclusion, Limitations, and Recommendations

This study attempts to identify the impact of significant factors that influence the implementation of accounting and reporting standards by SMEs along with understanding the positive outcomes for implementing accounting and reporting standards. In order to meet the purpose of the research, the authors developed thirteen relationships based on the reviewed literature. To test the framework the data was collected with the help of surveys and only those SMEs were included in the study, that were implementing accounting and reporting standards. Thus out of 800 distributed questionnaires, only 100 questionnaires were found to be usable. The respondents were the accountants working in those SMEs who were implementing accounting and reporting standards. The results of the empirical study indicated that eleven relationships out of thirteen were accepted, thus, the study adds significantly to the literature by providing the significant factors that the entrepreneurs and the policymakers should implement for gaining the benefits of Implementation of Accounting and Reporting Standards.

The results of the study are very significant for the entrepreneurs who are running their ventures in developing countries. Because most entrepreneurs in developing countries consider the implementation of accounting and reporting standards as a burden. While underestimating the benefits that they can gain through the implementation of accounting and reporting standards, as identified in the study.

Likewise, the findings are very significant for the regulators, this is so because regulators need to create awareness and should make it mandatory for the SMEs to maintain their accounts as per the prescribed regulations, however, forcing SMEs to follow IFRS which are meant for a large corporation would be injustice, however, a proper mechanism should be developed considering the small and medium nature of operations of SMEs. Thus, there is a need to develop a proper framework for SMEs to maintain the accounts and reporting standards should be established considering their size. The study focused on a developing country where law enforcement does not make it mandatory for SMEs to follow the accounting and reporting standards, hence generalizing the findings would not be appropriate, however, there is a need to replicate the similar study in similar cultural and economic contexts.

Despite the theoretical and especially practical significance of the study, the researchers observed certain limitations, which need to be mentioned. First, the study is the first of its

kind in the context of the MENA region, secondly, the study has been conducted during the COVID-19 period hence there might be certain issues related to those factors which have not been catered, like during the pandemic period many SMEs fired several employees like accountants as they were a major burden on the SMEs because of high salaries, thus, several SMEs that might be following accounting and reporting standards might have been excluded from the survey. Likewise, the results are based on only a sample of 100 SMEs, hence a detailed study covering different cultural and economic scenarios needs to be included in future studies on the topic. Finally, the researchers used a questionnaire which might have the issue of self-serving bias, hence in the future secondary data is recommended to the researchers.

Since the study focuses on accounting practitioners in a transitional economy, the generalizability of the research findings is restricted. These limitations provide a basis for further research to be conducted in other contexts or with another sample, such as the directors of smaller firms, to verify the findings of this study.

## References

- Abdul, O. E. (2018). Entrepreneurial skills and growth of Small and Medium Enterprise (SMEs): A comparative analysis of Nigerian entrepreneurs and minority entrepreneurs in the UK. – *International Journal of Academic Research in Business and Social Sciences*, 8(5), pp. 27-46. doi:<http://dx.doi.org/10.6007/IJARBS/v8-i5/4083>.
- Abukumail, A. (2019, June 27). Digitalizing a pathway to growth in Jordan. Retrieved from World Bank Blogs: <https://blogs.worldbank.org/arabvoices/digitalizing-pathway-growth-jordan>.
- Agyei-Boapeah, H., Machokoto, M., Amankwah-Amoah, J., Tunyi, A., Fosu, S. (2020). IFRS adoption and firm value: African evidence. In *Accounting Forum* (pp. 238-261). Routledge.
- Ahmad, M. A., Al-Shbiel, S. O. (2019). The effect of accounting information system on organizational performance in Jordanian industrial SMEs: The mediating role of knowledge management. – *International Journal of Business and Social Science*, 10(3), pp. 99-104. doi:10.30845/ijbss.v10n3p9.
- Al-Afeef, M. A. (2020). The impact of small and medium enterprises on gross domestic product and unemployment: Evidence from Jordan 2009-2018. – *International Journal of Economics and Financial Issues*, 10(2), pp. 181-186. doi:<https://doi.org/10.32479/ijefi.9153>.
- Albu, C. N., Albu, N., Fekete, S. (2010). The context of the possible IFRS for SMEs implementation in Romania: An exploratory study. – *Accounting and Management Information Systems*, 9(1), pp. 45-71.
- Al-Htaybat, K. (2018). IFRS adoption in emerging markets: The case of Jordan. – *Australian Accounting Review*, 28(1), pp. 28-47. doi:<https://doi.org/10.1111/auar.12186>.
- Al-Hyari, K. (2020). Lean bundles within Jordanian manufacturing SMEs and their effect on business performance. – *Problems and Perspectives in Management*, 18(2), pp. 302-315. doi: <https://orcid.org/0000-0002-9261-3538>.
- Alkhuzaie, A. S., Asad, M. (2018). Operating cashflow, corporate governance, and sustainable dividend payout. – *International Journal of Entrepreneurship*, 22(4), pp. 1-9.
- Almansour, A. Z., Asad, M., Shahzad, I. (2016). Analysis of corporate governance compliance and its impact over return on assets of listed companies in Malaysia. – *Science International*, 28(3), pp. 2935-2938.
- Alrabba, H. M., & Ahmad, M. A. (2017). The role of enterprise resource planning (ERP) system in advancing the country of Jordan towards international standard accounting practices and accounting mechanisms. – *Risk Governance & Control: Financial Markets & Institutions*, 7(2), pp. 76-94. doi:10.22495/rgcv7i2art8.
- Alrabba, H. M., Haija, A. A. (2018). Preparedness of the Jordanian companies for the IFRS for SMEs. – *International Journal of Economic Perspectives*, 12(3), pp. 148-156.
- Al-Weshah, G., Kakeesh, D., Alhammad, F. (2022). Entrepreneurial marketing in Jordanian SMEs: Initiatives and challenges. *Entrepreneurial rise in the Middle East and North Africa: The influence of quadruple helix on technological innovation*, pp. 67-91. doi: <https://doi.org/10.1108/978-1-80071-517-220221005>.



- Appiah, K., Osei, C., Selassie, H., Osabutey, E. (2019). The role of government and the international competitiveness of SMEs: Evidence from Ghanaian non-traditional exports. – *Critical Perspectives on International Business*, 15(4), pp. 296-322. doi:<https://doi.org/10.1108/cpoib-06-2018-0049>.
- Asad, M., Kashif, M. (2021). Unveiling success factors for small and medium enterprises during COVID-19 pandemic. – *Arab Journal of Basic and Applied Sciences*, 28(1), pp. 187-194. doi:<https://doi.org/10.1080/25765299.2020.1830514>.
- Asad, M., Asif, M. U., Khan, A. A., Allam, Z., Satar, M. S. (2022). Synergetic effect of entrepreneurial orientation and big data analytics for competitive advantage and SMEs performance. 2022 International Conference on Decision Aid Sciences and Applications (DASA) (pp. 1192-1196). Chiangrai, Thailand: IEEE. doi:10.1109/DASA54658.2022.9765158.
- Asad, M., Haider, S. H., Fatima, M. (2018). Corporate social responsibility, business ethics, and labor laws: A qualitative analysis on SMEs in Sialkot. – *Journal of Legal, Ethical and Regulatory Issues*, 21(3), pp. 1-7.
- Asad, M., Kashif, M., Sheikh, U. A., Asif, M. U., George, S., Khan, G. u. (2022). Synergetic effect of safety culture and safety climate on safety performance in SMEs: Does transformation leadership have a moderating role. – *International Journal of Occupational Safety and Ergonomics*, 28(3), pp. 1858-1864. doi:<https://doi.org/10.1080/10803548.2021.1942657>.
- Asad, M., Shabbir, M. S., Salman, R., Haider, S. H., Ahmad, I. (2018). "Do entrepreneurial orientation and size of enterprise influence the performance of micro and small enterprises? A study on mediating role of innovation. – *Management Science Letters*, 8 (10), pp. 1015-1026. doi:10.5267/j.msl.2018.7.008.
- Asatiani, A., Apte, U., Penttinen, E., Rönkkö, M., Saarinen, T. (2019). Impact of accounting process characteristics on accounting outsourcing-Comparison of users and non-users of cloud-based accounting information systems. – *International Journal of Accounting Information Systems*, 34. doi:<https://doi.org/10.1016/j.accinf.2019.06.002>.
- Asif, M. U., Asad, M., Kashif, M., Haq, A. u. (2021). Knowledge exploitation and knowledge exploration for sustainable performance of SMEs. 2021 Third International Sustainability and Resilience Conference: Climate Change (pp. 29-34). Sakheer: IEEE. doi:10.1109/IEEECONF53624.2021.9668135.
- Banga, J. (2019). The green bond market: a potential source of climate finance for developing countries. – *Journal of Sustainable Finance & Investment*, 9(1), pp.17-32. doi:<https://doi.org/10.1080/20430795.2018.1498617>.
- Barker, R., Lennard, A., Nobesc, C., Trombetta, M., Walton, P. (2014). Response of the EAA financial reporting standards committee to the IASB discussion paper a review of the conceptual framework for financial reporting. – *Accounting in Europe*, 11(2), pp. 149-184. doi:10.1080/17449480.2014.940356.
- Baskerville, R., Grossi, G. (2019). Globalization of accounting standards: Observations on neo-institutionalism of IPSAS. – *Public Money & Management*, 39(2), pp. 95-103. doi:<https://doi.org/10.1080/09540962.2019.1580894>.
- Beliaeva, Tatiana, Wales, G. S., Gafforova, E. (2020). Benefiting from economic crisis? Strategic orientation effects, trade-offs, and configurations with resource availability on SME performance. – *International Entrepreneurship and Management Journal*, 16(1), pp. 165-194.
- Bongomin, G. O., Ntayi, J. M., Munene, J. C., Malinga, C. A. (2017). The relationship between access to finance and growth of SMEs in developing economies: Financial literacy as a moderator. – *Review of International Business and Strategy*, 27(4), pp. 520-538. doi:<https://doi.org/10.1108/RIBS-04-2017-0037>.
- Camuffo, A., Cordova, A., Gambardella, A., Spina, C. (2020). A scientific approach to entrepreneurial decision making: Evidence from a randomized control trial. – *Management Science*, 66(2), pp. 564-586.
- Chege, S. M., Wang, D. (2020). Information technology innovation and its impact on job creation by SMEs in developing countries: An analysis of the literature review. – *Technology Analysis & Strategic Management*, 32(3), pp. 256-271.
- Chege, S. M., Wang, D. (2020). Information technology innovation and its impact on job creation by SMEs in developing countries: An analysis of the literature review. – *Technology Analysis & Strategic Management*, 32(3), pp. 256-271. doi: <https://doi.org/10.1080/09537325.2019.1651263>.
- China Banking News. (2018, June 22). SME's Account for over 60% of China's GDP, Beijing Mulls Inclusion of Loans as MLF Collateral. Retrieved from China Banking News: <https://www.chinabankingnews.com/2018/06/22/smes-account-60-chinas-gdp-beijing-mulls-inclusion-loans-mlf-collateral/>.
- Christie, N., Brozovsky, J., Hicks, S. (2010). Accounting for small businesses: The role of IFRS. – *The CPA Journal*, 80(7), pp. 40-43.
- Chychyla, R., Leone, A. J., Minutti-Meza, M. (2019). Complexity of financial reporting standards and accounting expertise. – *Journal of Accounting and Economics*, 67(1), pp. 226-253. doi:<https://doi.org/10.1016/j.jacceco.2018.09.005>.

- Cooper, D. R., Schindler, P. S. (2006). *Business Research Methods*. Chicago: McGraw-Hill Irwin.
- Damer, N., Al-Znaimat, A. H., Asad, M., Almansour, A. Z. (2021). Analysis of motivational factors that influence usage of Computer Assisted Audit Techniques (CAATs) auditors in Jordan. – *Academy of Strategic Management Journal*, 20(Special Issue 2), pp. 1-13.
- Dang-Duc, S. (2011). Compliance with accounting standards by SMEs in transitional economies: Evidence from Vietnam. – *Journal of Applied Accounting Research*, 12(2), pp. 96-107. doi:10.1108/09675421111160673.
- Dillman, D. A. (2007). *Mail and internet surveys: The tailored design method*. New York: John Wiley & Sons, Inc.
- Global Entrepreneurship Monitor. (2019). *Entrepreneurial Behaviour and Attitudes*. (Global Entrepreneurship Monitor) Retrieved October 01, 2020, from <https://www.gemconsortium.org/economy-profiles/jordan>.
- Guerreiro, M. S., Rodrigues, L. L., Craig, R. (2015). Institutional change of accounting systems: The adoption of a regime of adapted international financial reporting standards. – *European Accounting Review*, 24(2), pp. 379-409. doi: <https://doi.org/10.1080/09638180.2014.887477>.
- Hair, J. F., Ringle, C. M., Sarstedt, M. (2013). Editorial – Partial least squares structural equation modeling: Rigorous applications, better results and higher acceptance. – *Long Range Planning*, 46(1-2), pp. 1-12.
- Hair, J. J., Hult, G. T., Ringle, C. M., Sarstedt, M. (2017). *A primer on partial least squares structural equation modeling (PLS-SEM)* (Second ed.). London: Sage.
- Hellmann, A., Patel, C. (2021). translation of international financial reporting standards and implications for judgments and decision-making. – *Journal of Behavioral and Experimental Finance*, 30. doi:<https://doi.org/10.1016/j.jbef.2021.100479>.
- Henseler, J., Fassott, G. (2009). Testing moderating effects in PLS path models: An illustration of available procedures. *Handbook of Partial Least Squares*, pp. 713-735. doi:10.1007/978-3-540-32827-8\_31.
- Henseler, J., Ringle, C. M., Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. – *Journal of the Academy of Marketing Science*, 43(1), pp. 115-135. doi:10.1007/s11747-014-0403-8.
- Hřebiček, J., Soukopová, J., Štencl, M., Trenz, O. (2014). Integration of economic, environmental, social and corporate governance performance and reporting in enterprises. – *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 59, pp. 157-166.
- Huu Anh, N., Soa, N. L., Hanh, H. H. (2020). Environmental accounting practices and cost of capital of enterprises in Vietnam. – *Cogent Economics & Finance*, 8(1). doi: <https://doi.org/10.1080/23322039.2020.1790964>.
- Jermakowicz, E. K., Epstein, B. J. (2010). IFRS for SMEs-an option for US private entities?. – *Review of Business*, 30(2), pp. 72-79.
- Jordan Enterprise Development Corporation. (n.d.). *SME Development in Jordan*. Amman: Jordan Enterprise Development Corporation.
- Khalil, R., Asad, M., Khan, S. N. (2018). Management motives behind the revaluation of fixed assets for sustainability of entrepreneurial companies. – *International Journal of Entrepreneurship*, 22(Special), pp. 1-9.
- Khan, A. A., Asad, M., Khan, G. u., Asif, M. U., Aftab, U. (2021). Sequential mediation of innovativeness and competitive advantage between resources for business model innovation and SMEs performance. 2021 International Conference on Decision Aid Sciences and Application (DASA) (pp. 724-728). Sakheer: IEEE. doi:10.1109/DASA53625.2021.9682269.
- Khan, S. N., Asad, M., Fatima, A., Anjum, K., Akhtar, K. (2020). Outsourcing internal audit services; A review. – *International Journal of Management*, 11(8), pp. 503-517. doi: *International Journal of Management*.
- Khayer, A. N., Hossain, M. N., Hossain, M. Y. (2020). The adoption of cloud computing in small and medium enterprises: A developing country perspective. – *VINE Journal of Information and Knowledge Management Systems*, 51(1), pp. 64-91. doi:<https://doi.org/10.1108/VJIKMS-05-2019-0064>.
- Kılıç, M., Uyar, A. (2017). Adoption process of IFRS for SMEs in Turkey: Insights from academics and accountants. – *Accounting and Management Information Systems*, 16(2), pp. 313-339. doi: <http://dx.doi.org/10.24818/jamis.2017.02005>.
- Krasniqi, B. A., Berisha, G., Pula, J. S. (2019). Does decision-making style predict managers' entrepreneurial intentions?. – *Journal of Global Entrepreneurship Research*, 9(1), pp. 1-15.
- Kuttner, M., Mayr, S., Mitter, C., Duller, C. (2022). Impact of accounting on reorganization success: Empirical evidence from bankrupt SMEs. – *Journal of Accounting & Organizational Change*. doi:<https://doi.org/10.1108/JAOC-06-2021-0080>.
- La Torre, M., Sabelfeld, S., Blomkvist, M., Dumay, J. (2020). Rebuilding trust: Sustainability and non-financial reporting and the European Union regulation. – *Meditari Accountancy Research*, 28(5), pp. 701-725.

- Laela, S. F., Rossietta, H., Wijanto, S. H., Ismal, R. (2018). Management accounting-strategy coalignment in Islamic banking. – *International Journal of Islamic and Middle Eastern Finance and Management*, 11(4), pp. 667-694. doi:<https://doi.org/10.1108/IMEFM-04-2017-0088>.
- Lei, M., Lomax, R. G. (2005). The effect of varying degrees of nonnormality in structural equation modeling. - *Structural Equation Modeling: A Multidisciplinary Journal*, 12(1), pp. 1-27. doi:10.1207/s15328007sem1201\_1.
- Litjens, R., Bissessur, S., Langendijk, H., Vergoossen, R. (2012). How do preparers perceive costs and benefits of IFRS for SMEs? Empirical evidence from the Netherlands. – *Accounting in Europe*, 9(2), pp. 227-250. doi:<https://doi.org/10.1080/17449480.2012.720875>.
- Masoud, N., Ntim, C. G. (2017). The effects of mandatory IFRS adoption on financial analysts' forecast: Evidence from Jordan. – *Cogent Business & Management*, 4(1), pp. 1-18. doi:<https://doi.org/10.1080/23311975.2017.1290331>.
- Perera, D., Chand, P., Mala, R. (2020). Confirmation bias in accounting judgments: The case for international financial reporting standards for small and medium-sized enterprises. – *Accounting & Finance*, 60(4), pp. 4093-4119. doi:<https://doi.org/10.1111/acfi.12523>.
- Quinlan, C., Zikmund, W. G., Babin, B. J., Carr, J. C., Griffin, M. (2018). *Business Research Methods* (2<sup>nd</sup> ed.). London: Cengage Learning.
- Quinn, M., Hiebl, M. R., Moores, K., Craig, J. B. (2018). Future research on management accounting and control in family firms: Suggestions linked to architecture, governance, entrepreneurship and stewardship. – *Journal of Management Control*, 28(4), pp. 529-546.
- Ritonga, I. T., Suyanto, S. (2022). Impacts of the Covid-19 pandemic on the audit of local government financial statements: Experience from Indonesia. – *Public Money & Management*, 42(6), pp. 452-459. doi:<https://doi.org/10.1080/09540962.2021.1964770>.
- Santeramo, F. G., Lamonaca, E. (2022). On the trade effects of bilateral SPS measures in developed and developing countries. – *The World Economy*, 45(10), pp. 3109-3145. doi:<https://doi.org/10.1111/twec.13256>.
- Sastararaji, D., Hoonsopon, D., Pitchayadol, P., Chiwamit, P. (2022). Cloud accounting adoption in Thai SMEs amid the COVID-19 pandemic: An explanatory case study. – *Journal of Innovation and Entrepreneurship*, 11(1), pp. 1-25.
- Sklaveniti, C., Steyaert, C. (2020). Reflecting with Pierre Bourdieu: Towards a reflexive outlook for practice-based studies of entrepreneurship. – *Entrepreneurship & Regional Development*, 32(3-4), pp. 313-333.
- Smirat, B. Y. (2013). The use of accounting information by small and medium enterprises in south district of Jordan.( An empirical study). – *Research Journal of Finance and Accounting*, 4(6), pp. 169-175.
- Stubbs, W., Higgins, C. (2018). Stakeholders' perspectives on the role of regulatory reform in integrated reporting. – *Journal of Business Ethics*, 147(3), pp. 489-508.
- Suwaidan, M., Qaqish, M., Bataineh, H., Hammad, L. (2018). The relevance of applying IFRS for SMEs in Jordan: An explanatory study from the Jordanian auditors' viewpoint. – *Jordan Journal of Business Administration*, 14(2).
- Thottoli, M. M. (2020). Knowledge and use of accounting software: Evidence from Oman. – *Journal of Industry-University Collaboration*, 3(1), pp. 2-14. doi:<https://doi.org/10.1108/JIUC-04-2020-0005>.
- Tiwari, K., Khan, M. S. (2020). Sustainability accounting and reporting in the industry 4.0. *Journal of Cleaner Production*, 258. doi: <https://doi.org/10.1016/j.jclepro.2020.120783>.
- Uyar, A., Güngörmüş, A. H. (2013). Perceptions and knowledge of accounting professionals on IFRS for SMEs: Evidence from Turkey. – *Research in Accounting Regulation*, 25(1), pp. 77-87. doi:<https://doi.org/10.1016/j.racreg.2012.11.001>.
- Waterhouse, J. H., Ward, D. G., Hopkins, A. W. (2020). *A descriptive analysis of selected aspects of the Canadian accounting standard-setting process*. Routledge.
- Weerathunga, P. R., Chen, X., Sameera, T. K. (2020). Heterogeneity in earning management of listed companies following international financial reporting standards convergence: A developing country experiences. – *International Journal of Economics and Financial Issues*, 10(1). doi:<https://doi.org/10.32479/ijefi.8872>.
- Zeng, T. (2019). Country-level governance, accounting standards, and tax avoidance: A cross-country study. – *Asian Review of Accounting*, 27(3), pp. 401-424. doi:<https://doi.org/10.1108/ARA-09-2018-0179>.