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## **The impact of employing international accounting standards on improving monitoring & performance levels at Saudi enterprises**

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### **Abstract:**

The International Accounting Standards (IAS) is based on the needs of the users of the accounting system outputs. According to the objectives of the financial statements that the IASB seeks to achieve, investors are particularly important in providing all their information needs for the institutions operating in the markets and in increasing their benefit in rationalizing their decisions. The current study aims to find out the impact of employing international accounting standards on improving monitoring & performance levels at Saudi enterprises. This study utilized the quantitative method through distributing questionnaires over the sample study, the research questionnaire was designed based on previous empirical literature and pretested and judged for its reliability and consistency by a committee of specialists for approval. The study sample composed of (120) randomly selected of the Saudi enterprises employees. The study found that management performance indicators deteriorated after adoption of the International Financial Reporting Standards (IFRS). The results also confirmed the absence of positive results related to profit. The study recommended paying attention to the application of international accounting standards to improve the quality of accounting information in the financial, and to consider the International accounting standards as the primary guide in measuring economic processes and communicating the resulting information to its beneficiaries.

**Key words:** International Accounting Standards, accounting system, performance, institutions.



## **1. Introduction**

The outcome of the changes in the global economy has reflected by the growing phenomenon of globalization and the revolution of modern communications on the performance of the economic institution. International transactions have become a new concept that has simplified the transfer of economic resources from one country to another, in an efficient and fast manner. Maloku et al. (2014) stressed that international transactions has had a great impact on the expansion of the activities of some economic institutions and their transgressions within the borders of the same country. In light of this new reality, the demand for information reflecting the outcome of these activities has increased at the local and international levels.

As accounting is considered one of the most important sources for providing the required information and the most effective means of proving to third parties, accounting has to evolve to overcome the obstacles facing international accounting practice. Mir (2005) clarified that each country has its own accounting system which has been formed under the influence of certain circumstances that differ from those prevailing in Other State (Ezz El Din, 2015). Houqe and Zijl (2010) pointed out that the issues which have been presented by international accounting have created an urgent need to be resolved through accounting standards that enable the establishment of an international accounting consensus. This was reflected in the establishment of the International Accounting Standards Committee in 1973. Mir (2005) stated that the activities of this committee have been very successful, and the use of international accounting standards has spread either fully or as a guideline.

The International Accounting Standards (IAS) are based on the needs of the users of the accounting system outputs. According to the objectives of the financial statements that the IASB seeks to achieve, investors are particularly important in providing all their information needs for the institutions operating in the markets and in increasing their benefit in rationalizing their decisions (Quain, 2018). On this basis, the institutions that have found in these markets have the best financing sources to adapt their communication policy to the aspirations of investors in order to enter these markets and obtain financing. The objective of the organization is to follow the accounting standards that accurately determine the fundamentals of the financial statements and the presentation of their contents, as long as the investors' demands are all about increasing the benefit of accounting



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and financial information and raising the levels of disclosure and transparency in the financial statements (Hegarty et al., 2004).

The continuous development of the business sector has led to the emergence of new topics that require follow-up of accounting thought. Bhargava and Shikha (2013) argued that in order to respond to the recent global economic changes; the accounting systems and rules should be developed in order to be used by users inside or outside the organization. International accounting standards are one of the important factors for the advancement of institutions to the achievement of what they aspire to, especially in view of the fierce competition in the industry sector in general and the ability of Saudi companies to strengthen their place in this competition, especially in light of the expansion of the movement of goods and services between different countries. From here the current study aims to find out the impact of employing international accounting standards on improving monitoring & performance levels at Saudi enterprises.

## **2. Research problem**

In view of the importance of the role of international accounting standards in avoiding the negative effects of multiple accounting systems at the international level, several attempts have been made by countries with different accounting systems to reduce or eliminate accounting differences between accounting practices prevailing in these countries (Cordazzo, 2005). In this context, Saudi Arabia is one of the countries that have worked to develop its accounting system in order to keep abreast of the economic changes taking place in the international arena. From here the current study aims to find out the impact of employing international accounting standards on improving monitoring & performance levels at Saudi enterprises. Based on that, the problem of the current research can be summarized in the following two questions:

1. What is impact of employing international accounting standards on monitoring at Saudi enterprises?
2. What is impact of employing international accounting standards on the performance levels at Saudi enterprises?

## **3. Research importance**

The continuous development of the business sector has led to the emergence of new topics that require follow-up of accounting thought. Dumontier and Raffouriner (1998) argued that in order to respond to the recent global economic changes; the accounting systems and rules should be developed in order to be used by users inside or outside the organization.

The research derives its importance from the increasing international trend towards the application of international accounting standards in order to reduce



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the problems posed by accounting applications at the international level. The desire of countries to integrate into the international economy has led many countries to adopt them as national standards officially. Other countries have adapted their accounting systems in accordance with these standards, with the aim of generalizing the use of the financial statements through comprehension and standard reading. This research is especially important because Saudi Arabia is currently seeking to implement a new accounting system that is compatible with international accounting standards in the context of the transformations defined by the Saudi economy, It is therefore important to know the implications of the application of international accounting standards at the internal and external levels of Saudi companies in general, and on both the monitoring & performance levels at Saudi enterprise in particular.

#### **4. Literature review**

##### **4.1 Accounting standards**

Accounting standards considered as an essential tool for accounting organization, which is very important to accountants and auditors in all countries of the world. They are often careful to observe the provisions of these standards in the preparation and presentation of financial statements (Chiapello, 2005). The accounting standard is defined as a set of specific benchmarks and guidelines on which the accountant is based on the measurement, presentation and disclosure of information about the economic events of the project (Suad, 2010).

According to the International Accounting Standards Committee, accounting standards are guidelines for professionals to support their judgment and inspire their wisdom, but they do not eliminate wisdom or judgment; they are a highly professional description of generally accepted professional practices and aim to reduce the degree of difference in Expression or practice in similar circumstances (Suad, 2010). It is adopted as a general framework for quality and efficiency enhancement, as it is not designed to restrict application to the limits of the technical work and to determine the nature and depth of strict professional responsibility but to be used as guidance for measurement, fair presentation and adequate disclosure (Abu Zaid, 2005). Abu Zaid (2005) added that the accounting standard is the primary guide in measuring the economic processes and communicating the information resulting from this measurement to its beneficiaries. It is the result of a conscious effort of professionals and academics in the form of a written statement to improve the efficiency of accounting work and evaluate it in a particular environment (Suad, 2010).

Thus, the definition of the accounting standard in particular can be summarized as follows:



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1. Accounting standards are controls that enhance the objectivity of accounting outputs
2. Accounting standards are not characterized by absolute stability and are influenced by prevailing environmental factors'
3. In order for the criteria to be met by public acceptance, they must be based on an integrated theoretical framework'
4. The development of accounting standards is more difficult than standardization or quality measurement because of the lack of respect for the environment in which accounting is practiced.

The objective of accounting standards is to achieve the objectives of the financial report by resorting to tools with reasonable cost of use, embodied in the application of the cost/benefit principle. Generally, accounting standards seek to achieve general and other economic objectives as followed (Jermakowicz, 2004):

1. General objectives: The accounting standards aim to achieve equality in meeting the needs of the various parties interested in the outputs of the accounting system. If the objective of economic activity is to maximize profit, the criteria are to guide accounting not to favor the interests of certain groups of society at the expense of other categories.
2. Economic objectives: the main objective of accounting is to rationalize the economic decisions taken. Therefore, the adoption of standards in the work of accounting should have economic implications, but the accurate assessment and measurement of the economic results of the use of accounting standards is not possible.

#### **4.2 International accounting standards**

The idea of international accounting standards came into force after the establishment of the International Accounting Standards Committee in 1973. The Commission began its activity with a limited entity in terms of composition or goal, or in terms of authority to enforce the standards issued by it. Thanks to the relationships it established with various international bodies and organizations, it was able to establish its presence in the world arena as a first source of standards, especially after restructuring (Tawfiq, 1987).

Khoury (2007) clarified that the application of international standards is often optional, as these standards are non-internationally binding guiding standards, and the decision to apply them is back to the State. The Commission itself has singled out institutions registered and operating in financial markets to protect their investors from certain accounting practices that may be taken by institutions. Suad (2010) mentioned that all international standards are geared towards providing all information to assist the groups in assessing returns and risks Linked to their



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decisions, through the provision of financial statements honestly reflect the fact of economic transactions carried out by institutions.

Abu Zaid (2005) indicated that international standards are considered from the perspective of a comprehensive set of internationally accepted guidelines, issued on the basis of a theoretical background prepared for this purpose through involving a large number of accounting experts from around the world. Chanoff (2007) added that international standards take the views of many accounting organizations and consultants who are experienced in reaching high quality and efficient accounting standards, and thus represent a model that describes what practical application should be in order to increase performance efficiency. On this basis, the development of an international accounting reference is an emphasis on two main points:

1. To obtain a high quality accounting reference, devoid of any national considerations (legislative and penal) that guarantee the applicability of the resulting information in countries and for different purposes;
2. To contribute to making the world economy more open, stable and stable through the liberalization of accounting practices from a single country.

#### **4.2 The impact of employing international accounting standards in enterprises**

Accounting standards play a critical role in providing guidance in the measurement and presentation of processes and events. Therefore, most countries of the world are quick to regulate accounting by issuing standards. However, the issue of standards is not a procedural process, but depends on several factors of theoretical dimensions. In general, the criteria in a country are determined on the basis of the approach adopted in their publication (Abu Zaid, 2005).

At the international level, there are two main accounting models, one of which is Anglo-Saxon and the other European. The effects of the differences in accounting standards among countries have been evident particularly after the recent major changes in the global economy and the consequent increase in the role of the information contained in the financial statements at the international level in order to emerge from the treatment of accounting problems at the local level and to address them on an international scale (Tawfiq, 1987). This imposes on accounting the need to respond to these new requirements in order to emerge from addressing accounting problems at the local level to be addressed on an international scale. This has led to the emergence of international accounting, which is reflected in achieving a degree of compatibility between the accounting practices of different countries through the





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development of a set of accounting standards to be applicable in different countries of the world.

In recognition of the vital role played by standards in the organization of accounting practices, most countries in the world have organized accounting by issuing their standards. This process has been influenced by environmental factors in which the standards are used and those responsible for their issuance and development (Jermakowicz, 2004). Therefore, the organization of accounting differs from one country to another depending on these factors, which determine in total the objectives that accounting seeks to achieve. Abu Zaid (2005) clarified that there is a clear difference between accounting, which aims at fair presentation of the financial position and results of business, and accounting that aims to comply with tax and legal requirements.

The application of international accounting standards is an attempt from organizations to collect the benefits that the standards may have on users of information and guide their decisions to achieve the organization's objectives of publishing financial statements, where the objectives of the financial statements are more attainable by providing high quality information Of the relevance and reliability of the financial institution's position and the results of its activity (Al Sayed, 2009). In addition, the increase in the benefit of accounting information is related to the direction of the institution to provide disclosure and transparency requirements, which the financial markets have long advocated in order to expand the volume of published information (Suad, 2010). Therefore, the institution's application of standards to accurately define the information content of its general purpose is not an end in itself. The ultimate outcome of increasing the benefit of information and expanding disclosure is to assist investors in determining the returns and risks associated with the investment decision in order to attract more financial resources, and to encourage investors to make positive decisions for them (Hung & Subramanyam, 2004).

Therefore, the application of accounting standards to business organizations will inevitably lead to changes at several levels, which is the intended purpose of the application of the institution to specific standards for the content of the financial information, in a manner that leads to providing investors with the needed information.

Although many studies have stressed the importance of applying international accounting standards and their positive impact on the performance of business organizations, other studies have pointed to different outcomes. Beke (2011) found that management performance indicators deteriorated after adoption of the International Financial Reporting Standards (IFRS). The results also confirmed the absence of positive results related to profit. In addition, Newman et al. (2016) found



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that there was no conclusive evidence of how international accounting standards affected the quality of financial results. Therefore, the difference in the results of studies confirms the need for theoretical literature to a recent study that supports the results of previous studies and confirms them, and this is what the current study seeks. From here the current study aims to find out the impact of employing international accounting standards on improving monitoring & performance levels at Saudi enterprises.

### **METHOD**

This section describes the methodology of the study, the members of the study community and its sample, as well as the study tool used and the methods used to prepare it. It also describes the procedures that were used to standardize and implement the study tools. Finally, the statistical treatments relied on in the analysis of the study.

This study is part of descriptive analytical research; Current research aims to explore the impact of employing international accounting standards on improving monitoring & performance levels at Saudi enterprises. Thus, this research will be conducted based on the use of quantitative methods.

This study utilized the quantitative method through distributing questionnaires over the sample study, the research questionnaire was designed based on previous empirical literature and pretested and judged for its reliability and consistency by a committee of specialists for approval.

This survey was distributed on a random sample of employs at Saudi enterprises. The Statistical Package for the Social Sciences (SPSS) program utilized to analyze the collected data.

### **The study sample and sampling**

The study sample consisted of employs at Saudi enterprises, which number about 120. A questionnaire was designed to measure the impact of employing international accounting standards on improving monitoring & performance levels at Saudi enterprises investigated in this study (see Appendix A) to gather primary data. The questionnaires were then distributed to (120) employees of Saudi enterprises.

The following is a description of the members of the study sample according (Age, position, experience, and qualification), as in following Tables:



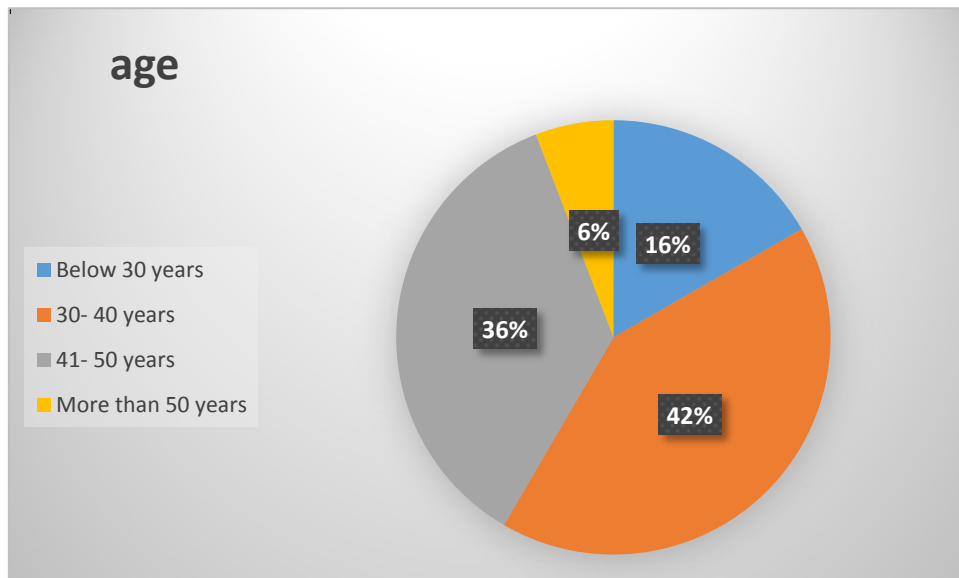


- Age

**Table 1: distribution of the sample according to age**

Variable	Categories	Frequency	Percent
Age	Below 30 years	20	16.7
	30- 40 years	50	41.7
	41- 50 years	43	35.8
	More than 50 years	7	5.8
	<b>Total</b>	<b>120</b>	<b>100.0</b>

The table above shows that presents the profile of the respondents in terms of their age; there are 50 respondents, 41.7%, who are in the age between 30 to 40 years. Another 7 respondents, 5.8% whose age more than 50 years.



**Figure 1: Age of respondents at Saudi enterprises.**

- Position:

**Table 2: distribution of the sample according to Position**

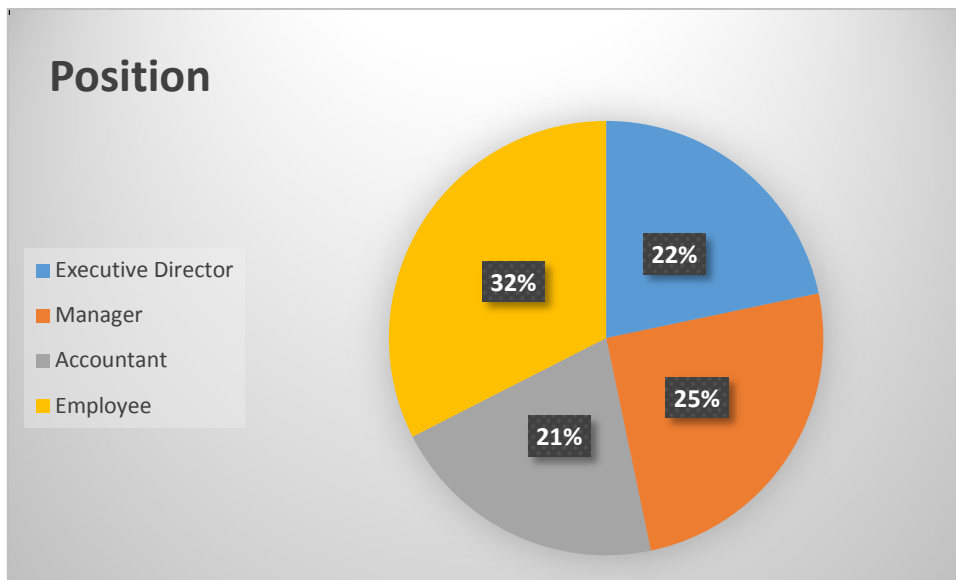
Variable	Categories	Frequency	Percent
Position	Executive Director	26	21.7
	Manager	30	25.0



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	Accountant	25	20.8
	Employee	39	32.5
	<b>Total</b>	<b>120</b>	<b>100.0</b>

Table (2) shows that the Position in the Saudi enterprises variable, the highest category (Employee) by frequency (39) percentage (32.5%), but the lowest categories (Accountant) by frequency (25) percentage (20.8%).



**Figure 2: Position of respondents at Saudi enterprises.**

- **Experience**

**Table 3: distribution of the sample according to experience**

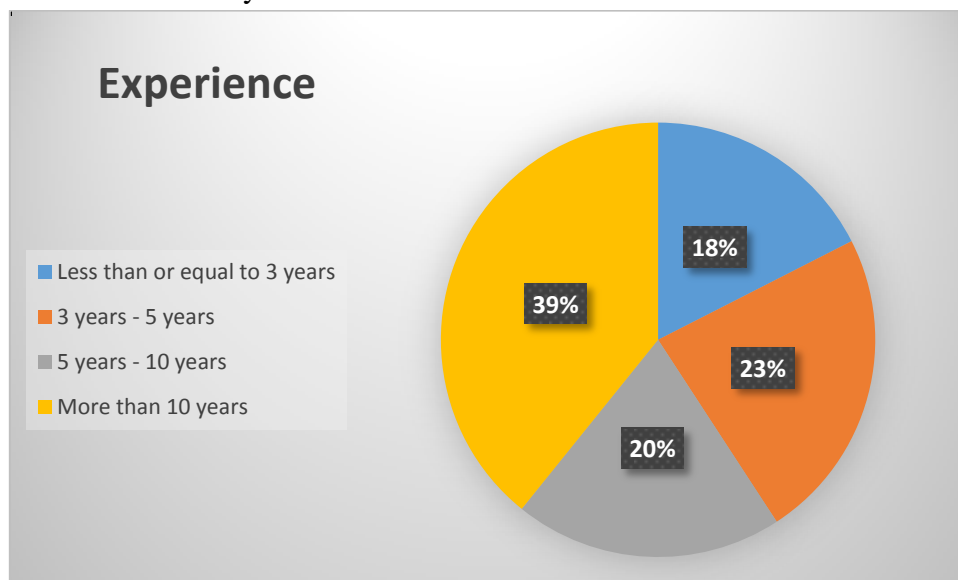
Variable	Categories	Frequency	Percent
<b>Experience</b>	Less than or equal to 3 years	21	17.5
	3 years - 5 years	28	23.3
	5 years - 10 years	24	20.0
	More than 10 years	47	39.2
	<b>Total</b>	<b>120</b>	<b>100.0</b>

Table (3), Presents the profile of the respondents in terms of experience in your position, here are 47 respondents, 39.2%, they have more than 10 years



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experience in your position. Another 28 respondents, 23.3% whose experience in your position between 3 to 5 years.



**Figure 3: Experience responses at Saudi enterprises**

- **Qualification**

**Table 4: distribution of the sample according to Qualification**

Variable	Categories	Frequency	Percent
<b>Qualification</b>	Technical/Vocational Certificate	28	23.3
	Diploma	37	30.8
	Bachelor's degree	46	38.3
	Post Graduate/ Master's degree	7	5.8
	PhD	2	1.7
	<b>Total</b>		<b>120</b>

Table (4) shows that the Qualification variable, the highest category (Bachelor's degree) by frequency (46) percentage (38.3%), but the lowest categories (PhD) by frequency (2) percentage (1.7%). The data indicate that the sample members of the study are educated, the majority of whom are graduates of the university.



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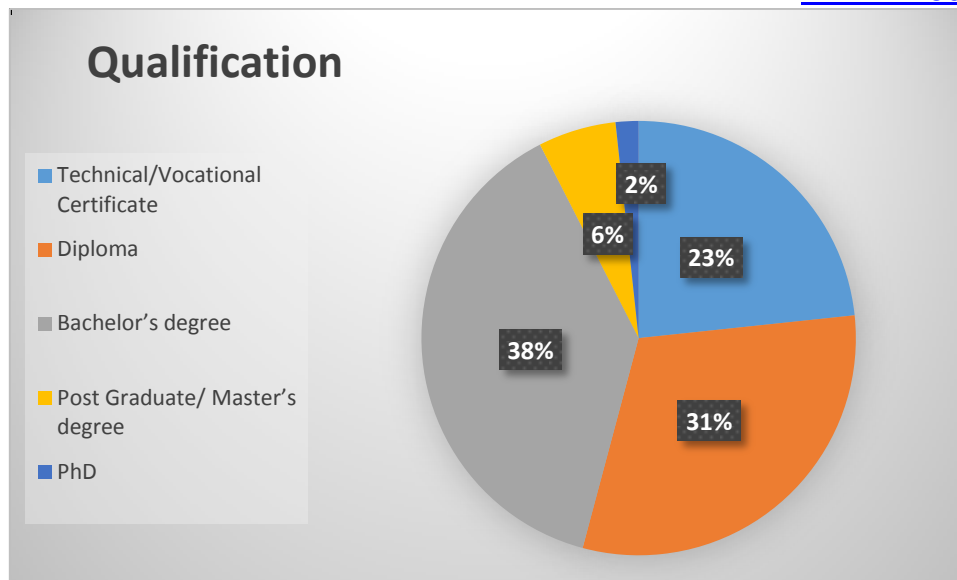


Figure 4: the Qualification responses at at Saudi enterprises

### 3.5 Questionnaire Design

In line with the aim of this study, the main purpose of this questionnaire was to investigate the impact of employing international accounting standards on improving monitoring & performance levels at Saudi enterprises, and the questionnaire consisted of (22) items distributed to tow section, namely " Impact of international accounting standards on monitoring at Saudi enterprises, and the impact of employing international accounting standards on the performance levels at Saudi enterprises". The researcher has used the fifth Likert scale to measure the opinions of the participants, (strongly agree) has been given (5), and (agree) given (4) while (To some extent (but not certain)) was given (3), and (disagree) is given (2), and finally (strongly disagree) was given (1). The following classification has been approved to judge averages:

Table 5: Mean values and their interpretation

Mean values	Response Standard (degree)
From 1 - 1.80	Strongly Disagree
From 1.81 - 2.60	Disagree
From 2.61 - 3.40	To some extent (but not certain)
From 3.41 - 4.20	Agree
From 4.21- 5	Strongly Agree

The appendix (A) illustrates the final script of the questioner.



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**3.5.2 Questionnaire Validity:** the researcher was distributed the questionnaire on some expert to confirm the validity of domains items and suitability to measure the aims of study and answer the study questions.

**3.5.3 Questionnaire Reliability:** the researcher distributed the questionnaire of a pilot study of (20 responses) to compute the extents of questionnaire reliability by calculation of internal consistency using Cronbach' alpha values, table (6) show that:

**Table 6: the result of reliability (Cronbach' alpha)**

No		Alpha	Item No
1	Impact of international accounting standards on monitoring	0.849	14
2	The impact of employing international accounting standards on the performance levels	0.930	8
<b>the impact of employing international accounting standards on improving monitoring &amp; performance levels</b>		<b>0.922</b>	<b>22</b>

Table (6) shows that the highest Cronbach' alpha value reached (0.93) for "The impact of employing international accounting standards on the performance levels", and the alpha value was (0.849) for "Impact of international accounting standards on monitoring". But the total alpha values of " **the impact of employing international accounting standards on improving monitoring & performance levels**" reached (0.922) this indicates to accept reliability, this indicates to accept reliability.

### 3.9 Study's procedures

Aiming to achieve the objectives of the study, the researcher has followed the following procedures:

- Reviewing the literature and the previous studies correspondent to the study.
- Conducting study's tool (the questioner).
- Making sure of the reliability of the study's tool (the questioner).
- Identifying the population and the sample of the study.
- Distributing the questioner to participants and processing data.
- The researcher has submitted the questionnaire in its final script to the sample that consists of (120) employees at Saudi enterprises.
- The data were processed and analyzed by computer using (SPSS) to find out the results.
- In the light of the results of the study, many recommendations have been suggested



**3.10 Statistical treatment**

The following statistical treatments through statistical software packages (SPSS) were used:

- The reliability (Cronbach Alpha).
- Frequencies and percent of the characteristics of the study sample.
- Means and standard deviation for study domains.
- One Sample T. Test to answer questions.

**Finding**

This part presents the findings of the study which aims to the impact of employing international accounting standards on improving monitoring & performance levels at Saudi enterprises e. Also, this chapter includes answering study questions.

**4.1. Results for the answer to the first question:**

**Question one:** What is impact of employing international accounting standards on monitoring at Saudi enterprises?

To answer this question means, and standard deviation for the impact of employing international accounting standards on monitoring at Saudi enterprises items, and to explore overall average to measure the effect (one Sample T. Test), the table below shows that

**Table 7: Means and standard deviation for " impact of employing international accounting standards on monitoring" items and total means of them (n= 120)**

N	Item	Percentage (%)					Mean	SD	Rank
		Strongly Disagree	Disagree	To some extent	Agree	Strongly Agree			
1	International accounting standards play a critical role in providing guidance in measuring and presenting processes and events	-	5.8	6.7	75.8	11.7	3.93	0.645	6
2	International accounting standards seek to upgrade and guide practices to serve the established objectives	-	-	5.8	35.8	58.3	4.53	0.608	1
3	International accounting standards	-	-	-	72.5	27.5	4.28	0.448	2



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	play a key role in regulating accounting practices by issuing its standards								
4	International accounting standards raise the quality and efficiency of the technical work	-	3.3	9.2	55.8	31.7	4.16	0.722	3
5	International accounting standards achieve many advantages and benefits of the accounting system	-	9.2	8.3	46.7	35.8	4.09	0.898	4
6	International Accounting Standards (IAS) are a key support for improving the output of the accounting system	-	5.0	16.7	42.5	35.8	4.09	0.850	4
7	International Accounting Standards (IAS) provide all investors with information about their clients	0.8	29.2	9.2	18.3	42.5	3.73	1.303	7
8	The application of international accounting standards contributes to the provision of high quality information and responds to investor expectations	0.8	26.7	19.2	23.3	30.0	3.55	1.201	9
9	International accounting standards contribute to the upgrading of practices	1.7	29.2	26.7	20.0	22.5	3.33	1.168	13
10	International accounting standards rationalize economic decisions	1.7	29.2	11.7	28.3	29.2	3.54	1.236	10
11	International accounting standards lead to increased quality of information provided to external users	0.8	25.8	16.7	28.3	28.3	3.58	1.179	8
12	International accounting standards encourage international financial investments	2.5	34.2	23.3	20.0	20.0	3.21	1.187	14
13	The application of international accounting standards contributes to increasing the market value of organizations	1.7	26.7	18.3	25.8	27.5	3.51	1.202	11





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14	The application of international accounting standards contributes to improving the quality of accounting information in the financial statements	0.8	30.0	24.2	20.8	24.2	3.38	1.174	12
<b>Total Means</b>							<b>3.78</b>	<b>0.642</b>	

Table (7) shows that the highest means reached (4.53) out of (5) for the item (2) " International accounting standards seek to upgrade and guide practices to serve the established objectives " by Strongly Agree, then for the item (3) " International accounting standards play a key role in regulating accounting practices by issuing its standards", by Agree (means 4.28). And the lowest means was (3.21) for the item (12) " International accounting standards encourage international financial investments" by disagree.

All respondents were in agreement with the main strength and weakness of the impact of employing international accounting standards on monitoring at Saudi enterprises, and the total means for risks reached (3.78) and standard deviation (0.642).

**Table 8: One- Sample T.Test results of the overall average to the impact of employing international accounting standards on monitoring**

	No	Mean	SD	Std. Error Mean	DF	T-Value	Sig.
impact of employing international accounting standards	120	3.7774	.64224	.05863	119	64.430	0.000

Table (8) shows that there is a statistically significant effect for the employing international accounting standards on monitoring at a significant level ( $\alpha \leq 0.05$ ), where "t" value reached (64.430) by statistically significant (0.00), which indicates the presence of the impact for employing international accounting standards on monitoring at Saudi enterprises.

This is in line with the study conducted by Abu Zaid (2005) clarified that there is a clear difference between accounting, which aims at fair presentation of the financial position and results of business, and accounting that aims to comply with tax and legal requirements.



#### 4.2. Results for the answer to the second question:

**Question tow:** What is impact of employing international accounting standards on the performance levels at Saudi enterprises?

To answer this question means, and standard deviation for the impact of employing international accounting standards on the performance levels at Saudi enterprises items, and to explore overall average to measure the effect (one Sample T. Test), the table below shows that:

**Table 9: Means and standard deviation for " impact of employing international accounting standards on the performance levels" items and total means of them (n= 120)**

N	Item	Percentage (%)					Mean	SD	Rank
		Strongly Disagree	Disagree	To some extent	Agree	Strongly Agree			
1	International accounting standards serve as a key guide in the evaluation process	0.8	0.8	6.7	36.7	55.0	4.44	0.731	1
2	International accounting standards play a key role in disclosing information about the economic events of the project	0.8	2.5	15.0	46.7	35.0	4.13	0.815	2
3	International accounting standards aim to determine the nature of professional responsibility	1.7	2.5	18.3	37.5	40.0	4.12	0.909	3
4	International accounting standards represent the primary guide in measuring economic processes and communicating the resulting information to its beneficiaries	0.8	6.7	23.3	34.2	35.0	3.96	0.965	6
5	International accounting standards seeks to activate the regulatory systems	1.7	7.5	15.0	41.7	34.2	3.99	0.974	5
6	International accounting standards	4.2	4.2	20.0	37.5	34.2	3.93	1.043	8



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	seek to improve internal control procedures								
7	The adoption of international accounting standards helps to control the basis of preparation of financial statements and presentation of their content accurately	3.3	1.7	19.2	41.7	34.2	4.02	0.953	4
8	International accounting standards raise the level of transparency in the financial statements	2.5	4.2	20.8	40.0	32.5	3.96	0.965	6
<b>Total Means</b>							<b>4.07</b>	<b>0.652</b>	

Shown in the table (9) that the arithmetic means of paragraphs " impact of employing international accounting standards on the performance levels" ranging from (3.93-4.44), and most notably the highest means reached (4.44) out of (5) for item (1) " International accounting standards serve as a key guide in the evaluation process" by Strongly agree, then for item (2) " International accounting standards play a key role in disclosing information about the economic events of the project" by agree (means 4.13). And the lowest means was (3.93) for item (6) " International accounting standards seek to improve internal control procedures" by agreeing. The total mean for the impact of employing international accounting standards on the performance levels at Saudi enterprises reached mean (4.07) and standard deviation (0.652).

**Table 10: One- Sample T.Test results of the overall average to the impact of employing international accounting standards on the performance levels**

	No	Mean	SD	Std. Error Mean	DF	T-Value	Sig.
impact of employing international accounting standards	120	4.0677	.65242	.05956	119	68.299	0.000

Table (10) shows that there is a statistically significant effect for the employing international accounting standards on the performance levels at a significant level ( $\alpha \leq 0.05$ ), where "t" value reached (68.299) by statistically significant



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(0.000), which indicates the presence of the impact of employing international accounting standards on the performance levels at Saudi enterprises .

This is in line with the study conducted by Beke (2011) found that management performance indicators deteriorated after adoption of the International Financial Reporting Standards (IFRS). The results also confirmed the absence of positive results related to profit.

On the other hand, the outcomes by Newman et al. (2016) found that there was no conclusive evidence of how international accounting standards affected the quality of financial results.

### **Recommendations**

In the light of through previous results of the present study, the following recommendations are suggested:

- The necessity of international accounting standards encourages international financial investments to employ these standards in their businesses.
- To pay attention to the application of international accounting standards to improve the quality of accounting information in the financial
- It is essential to consider the International accounting standards as the primary guide in measuring economic processes and communicating the resulting information to its beneficiaries
- To pay attention to International accounting standards to improve internal control procedures



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## Appendix A

*A survey about:*

### ***The impact of employing international accounting standards on improving monitoring & performance levels at Saudi enterprises***

International accounting standards are one of the important factors for the advancement of institutions to the achievement of what they aspire to, especially in view of the fierce competition in the industry sector in general and the ability of Saudi companies to strengthen their place in this competition, especially in light of the expansion of the movement of goods and services between different countries. From here the current study aims to find out the impact of employing international accounting standards on improving monitoring & performance levels at Saudi enterprises.

All information provided in this survey will be treated confidentially, and the collected data will only be used purely for academic research purposes. This questionnaire will require you no longer than 10 -15 minutes. Your participation in this study is totally voluntary and you have the right to withdraw for any reason and at any time, and your responses will be directly damaged.

***Thank you for your cooperation***

### **Section (A): Background Information**

Please put this sign (√) in the box that represents the most appropriate option from the following questions:

- **State your age:**

- Below 30 years
- 30- 40 years
- 41- 50 years
- More than 50 years





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- **State your position:**
  - Executive Director
  - Manager
  - Accountant
  - Employee
  
- **State your experience in your position :**
  - Less than or equal to 3 years
  - 3 years - 5 years
  - 5 years - 10 years
  - More than 10 years
  
- **State your qualification:**
  - Technical/Vocational Certificate
  - Diploma
  - Bachelor's degree
  - Post Graduate/ Master's degree
  - PhD
  - Post-Doctoral

**Section (B): Impact of international accounting standards on monitoring at Saudi enterprises**

Statement	disagree				Strongly agree	
	disagree		extent ( but not certain)		Strongly agree	
International accounting standards play a critical role in providing guidance in measuring and presenting processes and events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International accounting						



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standards seek to upgrade and guide practices to serve the established objectives	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International accounting standards play a key role in regulating accounting practices by issuing its standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International accounting standards raise the quality and efficiency of the technical work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International accounting standards achieve many advantages and benefits of the accounting system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International Accounting Standards (IAS) are a key support for improving the output of the accounting system	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International Accounting Standards (IAS) provide all investors with information about their clients	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The application of international accounting standards contributes to the provision of high quality information and responds to investor expectations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International accounting standards contribute to the upgrading of practices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International accounting standards rationalize economic decisions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



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International accounting standards lead to increased quality of information provided to external users	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International accounting standards encourage international financial investments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The application of international accounting standards contributes to increasing the market value of organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
The application of international accounting standards contributes to improving the quality of accounting information in the financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

**Section (C): The impact of employing international accounting standards on the performance levels at Saudi enterprises**

State	disagree		extent ( but not certain)		Strongly agree
International accounting standards serve as a key guide in the evaluation process	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International accounting standards play a key role in disclosing information about the economic events of the project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
International accounting					



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<b>standards aim to determine the nature of professional responsibility</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>International accounting standards represent the primary guide in measuring economic processes and communicating the resulting information to its beneficiaries</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>International accounting standards seeks to activate the regulatory systems</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>International accounting standards seek to improve internal control procedures</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>The adoption of international accounting standards helps to control the basis of preparation of financial statements and presentation of their content accurately</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>International accounting standards raise the level of transparency in the financial statements</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>