



# THE IMPACT OF CULTURAL DIMENSIONS IN QUALITATIVE CHARACTERISTICS OF ACCOUNTING INFORMATION: AN APPLIED STUDY OF A SAMPLE OF IRAQI AND INTERNATIONAL BANKS

Ahmed Jasim Hameed  
[ahjaa@tu.edu.iq](mailto:ahjaa@tu.edu.iq)  
Saeb Salim Mohammed  
[saebalmighan@tu.edu.iq](mailto:saebalmighan@tu.edu.iq)

Article history:	Abstract:
<p><b>Received:</b> 24<sup>th</sup> November 2022 <b>Accepted:</b> 26<sup>th</sup> December 2022 <b>Published:</b> 30<sup>th</sup> January 2023</p>	<p>The research aims to show the impact of cultural dimensions in qualitative characteristics of accounting information for Iraqi and international banks. The research community includes 15 countries (Iraq, Kuwait, Qatar, Saudi Arabia, United Arab Emirates, Jordan, Egypt, Australia, Belgium, Portugal, Bulgaria, Italy, Poland, Croatia, France) each country selected 3 banks. Independent variable was measured through 6 dimensions that identified by Hofstede. While the variable of the qualitative characteristics of accounting information was measured by proxy of the fundamental qualitative characteristics which are relevance and faithful representation. The research concluded that there is a significant effect of some dimensions (Power Distance-PD, Uncertainty Avoidance-UA) on faithful representation as one of the qualitative characteristics of the accounting information. In addition, power distance was the highest in Iraq, it reached 97 percent which indicates that the level of inequality in society. Also, individualism dimension was highest thing in Australia and Poland, where it reached 90 percent, that show the sovereignty of the laws in these countries.</p>

**Keywords:** cultural dimensions, qualitative characteristics of accounting information

## INTRODUCTION

Accounting is considered a social science and has the characteristics of social sciences, as it affects and is affected by the surrounding environment. Therefore, the cultural characteristics that society carries will affect accounting, especially the qualitative characteristics of accounting information, which is one of the basic components of the theoretical framework of accounting.

As Belkaoui pointed out that culture in its essence determines the judgment process in decision-making in accounting, as culture imposes the organizational structure, the behavior of economic units and the cognitive performance of individuals, and thus affects the judgment process or decisions when facing an accounting phenomenon (Belkaoui, 1995). The scientist Hofstede divided the cultural dimensions into four dimensions, and then added two dimensions at a later time, so that the total dimensions become six dimensions. It will be presented theoretically and practically through the statistical aspect, how these dimensions affect the qualitative characteristics of accounting information. Culture is one of the pillars that determine the features of accounting policies for economic units. Accounting is a product of the

environment and its culture, and thus the behaviors and performance of individuals are affected by the culture of society. The Dutch scientist Hofstede identified six cultural dimensions that deal with different aspects of culture that all societies share, but vary from one society to another.

The research aims to identify the cultural dimensions developed by Hofstede and their relationship to the qualitative characteristics of accounting information, which is considered the second level of the conceptual framework of accounting, which is considered the bridge that connects the objectives of financial reporting and the third level of the conceptual framework.

**RESEARCH HYPOTHESIS:** The researchers seek to find logical solutions through the following hypothesis:

The research is based on the following hypotheses:

- 1- "There is a statistically significant relationship between cultural dimensions and the qualitative characteristics of accounting information in the banks of the research sample"



- 2- "There is a statistically significant effect between cultural dimensions and the qualitative characteristics of accounting information in the banks of the research sample"

## LITERATURE REVIEW

### Concept of cultural dimensions

Kluckhohn was the first one who talk about classification of world cultures in 1952 and set a general framework to study the problems of societies according to their cultures and finding effective solutions for them. Many researchers began to study the nature of the main problems of societies that may present distinctive dimensions of culture. He found that the most common dimension of the organization of societies is the degree of economic development or modernity (Hofstede, 2011).

Levi-Strauss defined of culture is the basic structure of the subconscious collective mind (Levi-Strauss, 1963). Hofstede defined the culture as "the collective programming of the mind that distinguishes members of a certain group of people from another group " (Hofstede, 1994). accounting as a social science, it is affected and affected by the environment surrounding, as Belkaoui indicated that culture in its essence determines the process of decision –making. As culture imposes the organizational structure, the behavior of economic units and the cognitive performance of individuals, and thus affects the process of governance or decisions when facing an accounting phenomenon (Belkaoui, 1995). Hofstede divided cultural dimensions into four dimensions and then later added two dimensions to become the total of six dimensions as a follows:

**First: Power Distance –PD:** It is the extent to which the less powerful members accept in organizations and institutions, and they expect the authority to be distributed unequally. Power distance indicates that the level of inequality in society is supported by followers, as it is supported by leaders. Power and inequality are major facts of inequality in any society (Katta & Al –Masoudi, 2021). The power differences are widespread in social and economic environments. power distance has always been recognized by a major element in the organizational relations that allow the decision-maker to implement his decision, despite the resistance that he will face from other members or the affected authorities (Tarakci, et al, 2016).

**Second: Uncertainty Avoidance –(UA):** This dimension indicates a society's feeling of satisfaction or discomfort from unknown and surprising situations

or different from the usual dealing, which can be reduced by strict laws and rules, rejecting deviant opinions, and believing in the absolute truth (Hofstede, 2011). Administrative or regulatory decision is often questioned within the institution; As a result of the inherent uncertainty in the same individual or society, which can affect the consequences of the decision , because there is no standard option or the tendency to prefer moderate options as a result of the lack of clarity that stimulates the rational behavior of its choice (Arad, 2014).

**Third: Individualism VS Collectivism- IVC:** It is the degree of integration within society. If there are cultures, the individual ties will be the tyrant on relations between their members. On the contrary, there are cultures in which people merge from birth into strong and coherent groups, and their loyalty is indisputable (Hofstede, 2011). Individualism vs collectivism is one of the most important means of studying and comparing societies, as a result of the difference between the cultures that make up each society, and its reflection on the organizational life through which a kind of collective communication can be formed between individuals; To take the best available options, and work to achieve harmony within the institution and its reflection on the cognitive level of the decision –making (Raimo, 2019). Al-Jubouri indicated that the rich countries tend to be more directed to individualism, while the poor countries tend to be more directed to collectivism due to the difference in the social section of the countries (Al-Jubouri, 2019).

**Fourth: Masculinity VS Femininity- MVF:** IBM studies revealed that women's values are less than men in societies, while the values of men differ in terms of persistence and competitiveness versus the humility and care for women's values from society to society (Hofstede, 2011). Katta indicated that male societies are concerned with operational performance because of its social status, unlike the female community, which is concerned with cooperation, humility and tendency to consensus. As a result, this dimension reflects the traditional roles played by both sexes and explains the male features in a society that prefers achievement and material rewards over organization and giving women aspect of control and supreme leadership of self –realization (Katta ,2022).

**Fifth: Long-Term vs. Short-Term Orientation- LTO:** This dimension was determined for the first time in 1991 after a survey of 23 students, in a study of Bond, it was found that this dimension is severely linked to economic growth. It included both values of perseverance, savings, and relationships according to



social status, versus the mutual social obligations, respect for traditions, protection of reputation, personal stability and stability (Hofstede, 2011). Wang indicated the management that direct their decisions a long -term are able to fulfill their obligations, and to achieve economic returns due to the concentration of short-term decisions on efficiency, while long-term strategic decisions focus on effectiveness. Although they do not contradict, they often reflect different strategic priorities and require various regulatory processes, by building a vision to allocate resources and achieve a future competitive advantage (Wang, 2012).

**Sixth: Indulgence VS Restraint:** This dimension was added in 2010 to a study based on a study started by the Bulgarian scientist Minkov, in more than 93 countries that included South and northern America, Europe, parts of Africa, Asia and the countries of the Islamic world, it was called " Indulgence VS Restraint. It focuses on aspects that are not covered by the other five dimensions. Indulgence represents the free gratification of the main and natural human desires related to enjoying life and pleasure, while restraint represents a society that controls the satisfaction and regulates them through social standards (Hofstede, 2011). Duong mentioned that success is to be achieved in a complex and troubled environment; The administration needs to learn how to manage cultural differences; By adopting the appropriate practices in the cultural environment in which they work with a high degree of tolerance towards restraint in mysterious situations (Duong et al,2016).

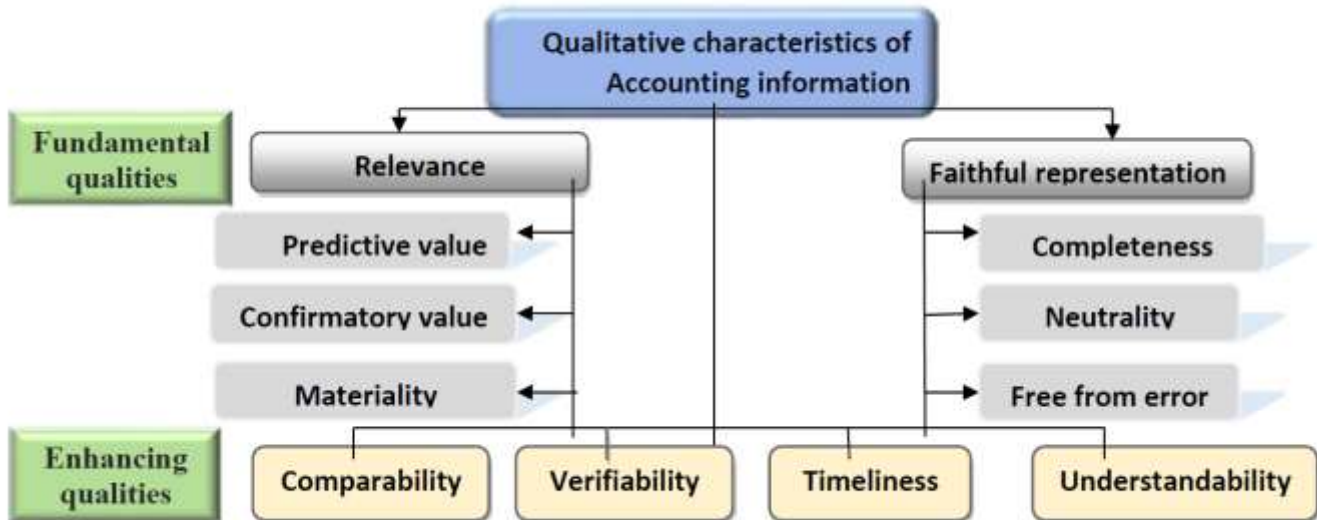
#### **The qualitative characteristics of accounting information**

The qualitative characteristics of accounting information are one of the basic components of the theoretical framework for accounting, and the second level of the theoretical framework of accounting, which is the bridge that links the goals of financial reporting on the one hand, and concepts of recognition and

measurement on the other hand. Al-Zubaidi indicated because financial reports provide accounting information that helps investors in assessing future trends of companies in forecasting the profitability and investment risks and comparison between various investment opportunities as the window that look through the internal and external parties to company's activity, so they get to know its financial position and the result of its activity and other things that serve them in rationalizing their decisions. Based on the importance of financial reports as outcomes of the accounting system in the company, these reports must be prepared on a basis consistent with the requirements for disclosing information with the important relative effect in the decision -making process, as any distortion in information included in these reports will lose their importance and then influence the investment's decision , which is one of the important and dangerous decisions, requires the availability of information on a high degree of accuracy and objectivity (Al-Zubaidi, 2010).

This information must have a set of qualitative characteristics, which can through it to judge the quality and utility of this information and the extent and suitability. These characteristics give accounting information their value and importance (Al-Askaf & Shahid, 2017). The qualitative characteristics can be defined as: (Features that make the information presented in financial reports are useful for accounting information users, and make accounting information has high quality (Mahmoud & Dabash, 2016).

The qualitative characteristics of accounting information have been made on several changes since the first conceptual framework in 1976 by FASB, to the last conceptual framework of IASB in 2018. As some characteristics were deleted and some characteristics were added. The shape below can see the last version of qualitative characteristics of accounting information in IASB framework



**Shape (1) Qualitative characteristics of Accounting Information Based on IASB**

Prepared by Researchers depend on Conceptual Framework for Financial Reporting, (2018)

**Relationship between cultural dimensions and Qualitative characteristics of Accounting information**

Experimental evidence indicates that the quality of accounting information is affected by the various organizational features of the country (Nobes & Parker, 2008). Although accounting is related to institutions of country, national culture affects the institutional environment and the position of individuals who practice power represented in decisions that involve the capital market and accounting standards. It is difficult to make human patterns clear in organizations without knowing the culture of individuals (Hofstede, 1994). Accounting and market information depends on the characteristics, including culture, for a country (Shi & Wang, 2011). In addition, Dal Maso, Liberatore and Mazzi (2017) provides evidence of the influence of national culture on the importance of accounting information.

Hofstede pointed out that the countries with a large power distance are often used to justify the decisions of the highest power; while the owners of power are seen as a tool that has the power to provide the required image and the numbers will manipulate for this purpose (Hofsted et al, 2011). Researchers believe that countries have a big power distance will manipulate the numbers, which will be negatively reflected on the reliability and quality of accounting information. As these countries with a big influence establish and interfere in the production of information that corresponds to their aspirations.

Hofstede mentioned that countries record an increase in the event of uncertainty may prefer to reduce transparency and increase the secret of information to avoid conflict and competition and keep economic unity in security situation. As for the countries with large confirmation, they tend to future information and of higher quality (Hofstede et al, 2010). Al-Jubouri indicated that the earning management strategy is more prevalent in high -level societies than avoiding uncertainty, if they resort to the strategy of increasing profits as a result of the desire to avoid the negative impact that causes the violation of the dedication of the debt or the profits of analysts (Al-Jubouri, 2019). The researchers conclude that countries with high uncertainty will be reflected on the qualitative properties of information because the information is less appropriate and reliable. The higher uncertainty in the countries, the more reflected on the transparency of accounting information, and thus the accounting information will be of less quality.

Husted indicated that there is a link between societies that tend to collective and corruption (bribery and extortion), if the group of people familiar with the family and friends can overcome the written laws, especially as these laws contradict the most powerful group (Husted, 1999). Hofstede also pointed out that collective societies don't consider legal criteria as comprehensive and have a vision that laws and rights must differ from one group to another. While individual societies bear the view that focuses on laws and rights, they must be equal to all individuals within a country (Hofstede et al, 2010). The researchers



believe Individualism countries are stronger economies, as they provide legal protection for investors, which is reflected in the affirmative of the quality of accounting information. Accounting information in individual societies will be relevance and a faithful representation compared with the societies of a collectivism.

Hofstede pointed out that masculinity is the preference of society for achievement, persistence and material success and that the accounting systems in male societies emphasize achieving purely financial goals (Hofsted et al, 2010). On the other hand, Al-Jubouri pointed out that there is a positive relationship between male and earning management, as it is the earning management strategy in countries with a higher level of masculinity (Jassim, 2019). Researchers are concluded from the above that the countries with high masculinity are seek to maximize the level of profits and may seek through the available flexible policies process, which is reflected negatively on the properties of accounting information.

Hofsted mentioned that companies in short-term orientation cultures focus on current profits. On another hand, Hofstede pointed out that Indulgence dimension indicates satisfaction and entertainment and not to give the importance of savings. In a society that tends to be Indulgence, the administration will focus

on increasing profits in the current year and not saving or creating reserves to face future problems, which affects the appropriateness and ability of accounting information for comparison with the coming years because the company's short-term strategy. (Hofstede et al, 2010).

### Sample and Data Collection

Researchers dealt in this axis with the research sample and the method of measuring variables, and test the hypotheses as follows:

#### First: The Research Sample

The banking sector represents the field of research, because the importance of this sector in various countries worldwide. Also highlights in this research as a result of the expansion of the research to include a number of countries, whether developing or advanced countries, as well as the local environment (Iraq), and the research community was limited to the listed banks in the markets and stock exchanges of 15 selected countries. The research sample was represented by (3) highest banks in terms of capital from each country, listed in their stocks, for the year 2021. Also depend on years 2020-2022 for the purpose of measuring search variables. Table (1) shows the banks represented by the selected research sample.

Table (1) Banks representing the research sample

N	Bank	Country	N	Bank	Country	N	Bank	Country
1	Commercial Bank	Iraq	16	Bank of Jordan	Jordan	31	UniCredit Bulbank	Bulgaria
2	Mosul Bank		17	Jordan Kuwait Bank (JKB)		32	DSK Bank	
3	Mansour bank		18	Jordan Ahli Bank		33	First Investment Bank	
4	Ahli United Bank	Kuwait	19	HSBC Bank	Egpt	34	Unicredit SpA	Italy
5	Kuwait Finance House		20	Alexandria Bank		35	Intesa Sanpaolo	
N	Bank	Country	N	Bank	Country	N	Bank	Country
6	Boubyan	Kuwait	21	Commercial International Bank Egypt	Egpt	36	Cassa Depositi restiti	Italy
7	QNB	Qatar	22	Commonwealth Bank	Australia	37	PKO BP	Poland



8	Doha Bank		23	Australia and New Zealand Banking		38	Bank Pekao	
9	Rayan Bank		24	National Australian Bank		39	Santand e Bank Polska	
10	National Commercial Bank	Saudi Arabia	25	Argenta Bank	Belgium	40	Privredn a Banka	Croatia
11	Riyad bank		26	BNP Paribus Fortis		41	Raiffeise bank Austria Zagreb	
12	Alrajhi Bank		27	KBC Bank		42	Erste & Steiermä rkische	
13	Abu Dhabi Commercial Bank	United Arab Emirates	28	Caixa Geral de Depósitos	Portugal	43	BNP Paribas	France
14	Emirates Investment Bank		29	Millennium BCP		44	Credit Agricole	
15	United Arab Bank		30	Novo Banco		45	Credit Mutuel	

Source: Table prepared by the researchers

Table (1) shows 15 countries, which are represented by (Iraq, Kuwait, Qatar, Saudi Arabia, United Arab Emirates, Jordan, Egypt, Australia, Belgium, Portugal, Bulgaria, Italy, Poland, Croatia, France) and the selected banks of each country.

### Second: Measuring the variables

The research included two types of variables, the independent variable and the dependent variable, as the cultural dimensions " Hofstede " represent the independent variable, and it was measured through 6 dimensions (Power Distance, Uncertainty Avoidance, Individualism VS Collectivism, Masculinity VS Femininity, Long-Term vs Short-Term Orientation and Indulgence VS Restraint). As shown in Table (2) developed by the sociologist (Hofstede) and developed

by many researchers after him. Most of the previous studies have relied on the Hofstede model, and the researchers will depend on it because the measurements of the Hofstede have relied on 60,000 views, which gave credibility to the results, as the results of the Hofsted study published on the official website of the Hofstede Center for Culture Studies will be relied upon. This scale includes a set of cultural dimensions, and the index of each of these dimensions is limited between (0 - 100)

Table (3): The cultural dimensions and level of information characteristics

N	Country	cultural dimensions						information characteristics	
		PD	UA	IVD	MAS	LTO	IVR	RE	FR
1	Iraq	97	53	31	96	12	23	-	-
2	Kuwait	90	40	25	80	0	0	.266667	.08337
3	Qatar	93	55	25	80	0	0	.520333	.04468
4	Saudi Arabia	72	43	48	64	27	14	.660667	.02384
5	United Arab Emirates	74	52	36	66	22	22	.382000	.04022



6	Jordan	70	45	30	65	16	43	-	-
7	Egypt	80	55	37	55	42	0	.498667	.13789
8	Australia	38	61	90	51	21	71	.556000	.02474
9	Bulgaria	38	61	90	51	21	71	.455000	.07447
10	Portugal	65	54	75	94	82	57	.427333	.05191
11	Bulgaria	63	31	27	99	28	33	.483667	.06704
12	Italy	70	40	30	85	69	16	.763000	.03725
13	Poland	50	70	76	75	61	30	.397667	.13841
14	Croatia	68	64	60	93	38	29	.181667	.03531
15	France	73	40	33	80	58	33	.536000	.00502

Source: Table prepared by researchers based on: <https://www.hofstede-insights.com/country>

It is noted from Table (2) that the power distance was the highest in Iraq, as it reached 97 percent. uncertainty dimension was the highest thing in Poland, as it reached 70 percent. Individualism dimension was highest thing in Australia and Poland, where it reached 90 percent, that show the sovereignty of the laws in these countries. Masculinity dimension is the highest thing in Bulgaria, reaching 99 percent. The long-term orientation dimension was the highest in Portugal is reach to 82 percent. Indulgence dimension was the highest thing in Australia and Bulgaria, as it reached 71percent.

While the variable of the qualitative characteristics of accounting information was measured by proxy of the fundamental qualitative which are Relevance and Faithful Representation, as follows:

#### **First. Measurement of Relevance:**

The characteristic of relevance was measured by a proxy represented in the ability of the current profits to predict the operational cash flows. According to the model of (Baru, 2006), in agreement with the study (Al-Assaf and Shahid, 2018) as in the following equation

$$OCFi,t+1= \alpha_0 + \alpha_1 \text{Earnings}_{i,t} + \epsilon_{i,t}$$

OCFi,t+1= Operating cash flow of firm i for next year

Earnings<sub>i,t</sub>= Net profit of firm i for current year

$\epsilon_{i,t}$ = The rest that did not appear in the equation

The judging on the existence of the relevance of accounting information whenever the rest is approaching the slope equation from zero

#### **Second: Measurement of Faithful representation:**

The characteristic of faithful representation is measured by a proxy is the discretionary accruals, and by the adoption of the Johns model modified by (Dechow et al, 1995) in agreement with the study (Al-Askaf and Shahid, 2018) as in the following steps:

**The first step:** Determining the total Accruals

total Accruals = net profit - cash flow

Hence the assessment of the total Accruals through the **model:**

$$TA_{i,t} / A_{i,t-1} = B_1 (1 / A_{i,t-1}) + B_2 (\Delta REV_{i,t} - \Delta REC_{i,t}) / A_{i,t-1} + B_3 (PPE_{i,t} / A_{i,t-1}) + \epsilon_{i,t}$$

TA<sub>i,t</sub>= Total Accruals

A<sub>i,t</sub>= Total Assets

$\Delta REV_{i,t}$ = change in Revenue

$\Delta REC_{i,t}$ = change in receivables

PPE<sub>i,t</sub>= Total fixed Asses

**Step Two:** Estimating beta ( $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ ), for total Accruals transactions

**The third step:** After identifying the parameters ( $\beta_1$ ,  $\beta_2$ ,  $\beta_3$ ), the not-discretionary accruals is calculated by compensating the values of the parameters as shown:

$$NDA_{i,t} / A_{i,t-1} = B_1 (1 / A_{i,t-1}) + B_2 (\Delta REV_{i,t} - \Delta R_{i,t} / A_{i,t-1}) + B_3 (PPE_{i,t} / A_{i,t-1}) + \epsilon_{i,t}$$

NDA<sub>i,t</sub>= nondiscretionary accruals

**Step Four:** After that, optional benefits are determined as:

Total Accruals= nondiscretionary accruals+ discretionary accruals

$$TA_{i,t} = NDA_{i,t} + DAC_{i,t}$$



DAC= discretionary accruals  
 discretionary accruals= Total Accruals-  
 nondiscretionary accruals

The following equation shows the main test model for study according to the two characteristics:

**Model 1:** Measuring the effect of cultural dimensions on the Relevance

$$QCAI1 = \beta_0 + \beta_1 PD_{i,t} + \beta_2 IDV_{i,t} + \beta_3 UA_{i,t} + \beta_4 MAS_{i,t} + \beta_5 LTO_{i,t} + \beta_6 IVR_{i,t} + \epsilon_{i,t}$$

**Model 2:** Measuring the effect of cultural dimensions on the faithful representation

$$QCAI2 = \beta_0 + \beta_1 PD_{i,t} + \beta_2 IDV_{i,t} + \beta_3 UA_{i,t} + \beta_4 MAS_{i,t} + \beta_5 LTO_{i,t} + \beta_6 IVR_{i,t} + \epsilon_{i,t}$$

QCAI1= The qualitative characteristics of accounting information are measured through the characteristic of relevance

QCAI2= The qualitative characteristics of accounting information are measured through the characteristic of faithful representation

Table (2) shows the descriptive statistics for search variables.

Table (2) descriptive statistics for search variables

Type of variable	Search Variables	Mean	Standard Deviation	Min value	max value	V.C
independent	<b>PD</b>	71.400	14.917	38.000	97.000	20.9%
	<b>IVD</b>	46.270	21.581	25.000	90.000	46.6%
	<b>UA</b>	49.730	10.376	31.000	70.000	20.9%
	<b>MAS</b>	77.930	14.648	51.000	99.000	18.8%
	<b>LTO</b>	35.930	25.068	0.000	82.000	69.8%
	<b>IVR</b>	27.930	20.432	0.000	71.000	73.2%
dependent	<b>QCAI1</b>	-0.481	0.297	-0.991	-0.037	-61.8%
	<b>QCAI2</b>	-0.064	0.076	-0.316	-0.003	-118.7%

Source: Table is prepared by researchers depend on (SPSS).

Table (3) it is noted that there is consistency and lack of contrast to the dimensions of culture except (Indulgence VS Restraint), in the connotation of the factor of the V.C. While both scales of accounting information (relevance, faithful representation) were clear and variance and dispersion within the sample. This may be due to the variation of the levels of accounting measurement of the countries included in the research. It is also noted that there is a great

availability of the characteristics of faithful representation compared to the relevance.

**Third: Test of the hypotheses**

The research consists of two hypotheses:

**H1:** There is a variation between the level of cultural dimensions and the qualitative characteristics of accounting information in the research sample

To test the hypothesis, the (T) method was used for one sample

Table (4) Test of the variation of cultural dimensions and qualitative characteristics of accounting information

Search Variables	(T) Value	Sig	d.f
<b>PD</b>	32.109	.000	44
<b>IVD</b>	14.381	.000	44
<b>UA</b>	32.154	.000	44
<b>MAS</b>	35.690	.000	44
<b>LTO</b>	9.616	.000	44
<b>IVR</b>	9.171	.000	44
<b>QCAI1</b>	-10.855	.000	44
<b>QCAI2</b>	-5.650	.000	44

Source: Table is prepared by researchers depend on (SPSS).

From Table (4) it is noted that the significant (T) of all variables was lower than (5%), which indicates that



there are significant differences for the six cultural dimensions and the qualitative characteristics of accounting information in the research sample.

**H2** There is a significant effect of cultural dimensions on the qualitative characteristics of accounting information in the research sample.

It includes two hypotheses: they are

**H2a:** There is a significant effect of cultural dimensions on relevance as one of the qualitative

characteristics of the accounting information of the research sample

A multiple linear equation has been formulated to estimate the level of relevance one of the qualitative characteristics of accounting information in terms of cultural dimensions in the selected banks of the research sample.

Table (5): The effect of cultural dimensions on the relevance

Cultural Dimensions	(0β)	(β)	(T) (Sig)	(F) (Sig)	(R <sup>2</sup> )	Adjusted (R <sup>2</sup> )
<b>PD</b>	-.882	.004	.747 (.459)	.604 (0.725)	.295 <sup>a</sup>	.087
<b>IVD</b>		-.001-	-.135- (.894)			
<b>UA</b>		-.002-	-.333- (.741)			
<b>MAS</b>		.002	.580 (.565)			
<b>LTO</b>		.000	.117 (.907)			
<b>IVR</b>		.001	.352 (.727)			

Source: Table is prepared by researchers depend on (SPSS).

From Table (5) notes the following:

- 1- The regression equation model is not proven because value of (F) was insignificant, F value was (0.604) which more than (0.05%), which means that there is no possibility to estimate the levels of relevance in terms of cultural dimensions.
- 2- Insignificant of (T) value, it was more than (0.05%), which means there is an insignificant effect of any of cultural dimensions on relevance as one of the qualitative characteristics of the accounting information.

**H2b:** There is a significant effect of cultural dimensions on faithful representation as one of the qualitative characteristics of the accounting information of the research sample

A multiple linear equation has been formulated to estimate the level of faithful representation one of the qualitative characteristics of accounting information in terms of cultural dimensions in the selected banks of the research sample.

Table (6): The effect of cultural dimensions on the faithful representation

Cultural Dimensions	(0β)	(β)	(T) (Sig)	(F) (Sig)	(R <sup>2</sup> )	Adjusted (R <sup>2</sup> )
<b>PD</b>	.509	-.004-	-2.321- (.026)	4.308 (0.002)	.405	.311
<b>IVD</b>		.001	.687 (.496)			
<b>UA</b>		-.004-	-2.413- (.021)			
<b>MAS</b>		-.002-	-1.617- (.114)			
<b>LTO</b>		-.950	-.013- (.990)			



<b>IVR</b>		-0.001-	-1.052- (.299)			
------------	--	---------	-------------------	--	--	--

Source: Table is prepared by researchers depend on (SPSS)

1. The regression equation model is proven in terms of the value of (F) of (4.308), which was significant at the level of significance (5%), which means that it is possible to estimate the level of faithful representation one of the qualitative characteristics of accounting information in terms of cultural dimensions
2. significant value of (T) at the level of significance (5%), which means there is a significant effect of some dimensions (Power Distance-PD, Uncertainty Avoidance-UA) on faithful representation as one of the qualitative characteristics of the accounting information.
3. The negatives of ( $\beta$ ) for each of the (power distance), and (avoiding uncertainty) indicate to the negative impact, which indicates that the increase in the level of (power distance), and (avoiding uncertainty) reflects on reduction in the level of the characteristic of faithful representation.
4. The value of the coefficient of determination ( $R^2$ ) of (0.311), indicates that the cultural dimensions explains (31%) of the changes that occur in the levels of qualitative characteristics of accounting information, it is an acceptable percentage.

Therefore, the H2b is accepted, and based on the variation of the results of the H2b, it can be said that the second main hypothesis is accepted.

## CONCLUSION

- 1- There are significant differences for the six cultural dimensions and the qualitative characteristics of accounting information in the research sample. Significant of value of (T) of all variables was lower than (5%).
- 2- There is not significant effect of any of cultural dimensions on relevance as one of the qualitative characteristics of the accounting information, because value of (F) was insignificant, F value was (0.604) which more than (0.05%)
- 3- There is a significant effect of some dimensions (Power Distance-PD, Uncertainty Avoidance-UA) on faithful representation as one of the qualitative

characteristics of the accounting information, because significant of value of (T) and (F) of was lower than (5%).

- 4- The cultural dimensions of the countries are reflected in accounting in general as one of the social sciences, as accounting is affected and influenced by the surrounding environment, including cultural dimensions.
- 5- Power distance was the highest in Iraq, it reached 97 percent which indicates that the level of inequality in society.
- 6- Individualism dimension was highest thing in Australia and Poland, where it reached 90 percent, that show the sovereignty of the laws in these countries.

## RECOMMENDATION

1. It is necessary to take cultural dimensions in consideration when taking any accounting decision because accounting affects and influences the surrounding environment.
2. The necessity of holding training courses for investors and other stakeholders by the Iraq Stock Exchange to make them aware of the cultural dimensions and influence in accounting in general and on qualitative characteristics of accounting Information in particular

## REFERENCES

1. Al-Askaf, Mulham G; Shahid, Warzan H, (2018), Measuring the qualitative characteristics of accounting information in financial reports -applied study on the Damascus Securities Exchange, **Journal of Al-Quds Open University for Research and Studies**, Vol. 44, No. 2 , pp 248-264.
2. Al-Jubouri, Muthana R, (2019), Effect of cultural dimensions in the governance and its reflection on the Earning Management of Iraqi economic units, A **Dissertation** in Accounting, College of Administration and Economics, University of Baghdad, Iraq, 1-180.
3. Al-Zubaidi, Firas K, (2010) The impact of accounting information on investment decisions in shares of companies listed in the Iraq Stock Exchange, **AL-Qadisiyah Journal**



- for **Administrative and Economic**, Vol 12 No, 3, 105-119.
4. Barua .A,, (2006), Using the FASB's Qualitative Characteristics in Earning Quality Measures, **Dissertation**, University of Louisiana State, USA pp 1-69.
  5. Belkaoui, A Riahi, (1995) "The cultural shaping of accounting", **Quorum Books**, Westport, pp 1-176.
  6. Conceptual Framework for Financial Reporting, (2018), IFRS Conceptual Framework Project Summary
  7. Dechow .P, Sloan.R, Sweeny.A, (1995), Detecting Earnings Management, **The Accounting Review**, Vol 70 .No2, pp 193-225.
  8. Duong, H., Kang, H., Salter, S. (2016) National Culture and Corporate Governance, **Journal of International Accounting Research**, Vol. 15 No.3
  9. Hofstede, G., (1994),The Business of International Business is Culture, "**International Business Review**", Vol. 3, No. 1, pp. 1-14.
  10. Hofstede, G., Hofstede, G. and Minkov, M. (2010), **Cultures and Organizations, Software of the Mind**", 3rd Ed., McGraw-Hill, New York
  11. Katta, Ali Khalaf & Al -Masoudi, Haider Ali Jarad, (2021)The Impact of Cultural Dimensions on the Quality of Integrated Reporting, **ASJP**, Vol 3, No. 2, 47-67.
  12. Katta, Ali Khalaf, (2022), The Impact of Cultural Dimensions on the Quality of Integrated Reports and their Reflection on the Value of economic Entity, A **Dissertation** in Accounting, College of Administration and Economics, University of Karbala, Iraq, PP 1-181.
  13. Levi-Strauss, C.(1963) structural Anthropology, Chicago university of Chicago press, translated from the French by Claire Jacobson and Brooke Grundfest Schoepf, Publishers, New York, 1-409.
  14. Mahmoud, Jammam, Dabash, Amyra (2016) The impact of accounting information on investment decisions studying a sample of economic institutions in the state of Constantine- Algeria, **Journal of Baghdad College of Economic Sciences University**, Vol , No 47, pp 81-104.
  15. Marcus, A, & Gould, E,W, (2000), Cultural dimensions and global web user-interface design: What? So what? Now what, In Proceedings of the **6th Conference on Human Factors and the Web**, Vol.19, pp 34-46.
  16. Nobes C., Parker R.(2008), **Comparative international accounting**, 10th, Prentice Hall.
  17. Raimo, Nicola; Zito, Marianna; Caragnano, Alessandra (2019), "Does national culture affect integrated reporting quality? A focus on GLOBE dimensions", Mihajlović, Dragan Đorđević, Bojan (Ed,): **9th International Symposium on Natural Resources Management**, pp, 383-392.
  18. Shi, X., & Wang, J. (2011). Interpreting Hofstede model and GLOBE model: which way to go for cross-cultural research?. **International journal of business and management**, 6(5), 93
  19. Tarakci, M., Greer, L. L., & Groenen, P. J. (2016). When does power disparity help or hurt group performance?. **Journal of Applied Psychology**, Vol. 101, No. 3, 415– 429
  20. Wang, T., & Bansal, P. (2012). Social responsibility in new ventures: profiting from a long-term orientation. **Strategic Management Journal**, Vol. 33, No.10, pp 1135-1153.
  21. Hofstede, G, (2011), Dimensionalizing Cultures: The Hofstede Model in Context, Online Readings in Psychology and Culture, pp 1-26, Retrieved from <http://scholarworks.gvsu.edu/orpc/vol2/iss1/8>.
  22. <https://www.hofstede-insights.com/country>