FACTORS INFLUENCING THE READINESS OF FINANCIAL EMPLOYEES IN SHIFTING TO ACCRUAL ACCOUNTING: EVIDENCE FROM JORDAN'S PUBLIC SECTOR

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Research Highlights

The principal aim of this paper is to reveal the influences of social relationships in the workplace and job satisfaction on the readiness of financial employees in shifting to accrual accounting in Jordan's public sector. In achieving this purpose, the researcher selected a total of 375 respondents from the Jordanian Ministry of Finance as a sample for this study. The quantitative method was employed using a questionnaire survey, and 331 questionnaires were collected and used for subsequent analysis, giving a response rate of 88%. The findings of this study show that social relationships in the workplace and job satisfaction positively influence the readiness of financial employees in shifting to accrual accounting in Jordan's public sector. Given the complexity of the shift to accrual accounting, this paper adds to the existing literature on how social relationships in the workplace and job satisfaction raise the level of financial employees' readiness in shifting to accrual accounting.

Graphical Abstract

Fig. 1. reflects the model developed based on the findings of this study.

Fig. 1: Model of the Study

Research Objectives

According to Champoux (2006), the shift to accrual accounting needs proper attention due to the difficulty of the process which is often ignored by governments. He found that one of the biggest obstacles faced by the New Zealand public sector in the shifting process was the lack of the readiness of financial employees. Bareil et al. (2007), Bernerth (2004), and Armenakis et al. (1993, 1999) mentioned that the readiness of individuals who work in the organization is considered a crucial factor in ensuring the success of the shifting process. Thus, it is imperative to address the factors associated with the readiness of financial employees before the real shifting process to accrual accounting takes place (Atan & Yahya, 2015). In the light of these facts, this study discovered two potential factors from the existing literature (i.e., Gupta & Singla, 2016; Shah, 2009; Maslow's Needs Theory, 1954) play an essential role in individuals' readiness during the shifting process. Therefore, the specific objectives of this study are:

1. To test the influence of social relationships in the workplace on the readiness of financial employees in shifting to accrual accounting in Jordan's public sector.

2. To test the influence of job satisfaction on the readiness of financial employees in shifting to accrual accounting in Jordan's public sector.

Methodology

The population of this study consists of all financial employees working in the Jordanian Ministry of Finance. Due to the time and culture of the respondents, a face-to-face technique was used to collect the required data during a period of almost eight weeks. Cronbach's alpha results showed an acceptable rating of reliability for all constructs regarding the suggestion by Hair et al. (2007).

Using SPSS version 24, subsequent statistical analyses were conducted starting with the frequency test for the demographical grouping of the respondents. Following that, descriptive analysis for the constructs along with normality test using skewness and kurtosis were conducted following the criteria by Ho (2006) and Olsson et al. (2000). Lastly, multiple regression analysis was conducted to test the influences of the independent variables on the dependent variable.

Results

In this study, the respondents who participated consist of 205 males and 126 females. Regarding working experience, the frequency test shows that 95 respondents have 11–15 years of working experience, followed by 63 respondents who have 21–25 years, 58 respondents with 6–10 years, 52 respondents with 16–20 years, while the remaining respondents have less than five years, 26–30 years, and above 31 years of working experience. Concerning respondents' education, 205 hold a bachelor's degree, 50 a diploma, 49 a master's degree, 18 high school's degree, and nine a doctorate. For the education background, 230 respondents majored in Accounting and Finance while 44 in Economics, 33 in Business, 18 in Public Administration, and six in Law and Political Science. Lastly, the frequency test demonstrates that 252 respondents earn an income of JD501–1000, followed by 48 with JD1001–1500, 24 below JD500, five with JD1501–2000 JD, and two above JD2000.

Referring to the continuous five-point Likert scale, the descriptive analysis demonstrates that the mean of the scores is 3.8 for social relationships in the workplace, 3.7 for job satisfaction, and also 3.7 for the readiness of financial employees. Furthermore, the data normality test for this study shows a normal distribution.

Findings

The multiple regression analysis shows that social relationships in the workplace and job satisfaction positively influence the readiness of financial employees in shifting to accrual accounting in Jordan's public sector. These results are consistent with the studies by Shah (2009) and Gupta and Singla (2016), which found the positive influence of social relationships in the workplace and job satisfaction on the readiness of individuals during the shifting process in organizations. Also, the results are supported by Maslow's Needs Theory (1954).

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