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THE APPLICATION OF IFRS BETWEEN THE ACCOUNTING PROFESSIONALS IN THE REPUBLIC OF BENIN AND NIGERIA USING THE CONCEPT OF UNCERTAINTY AVOIDANCE

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ABSTRACT

The incomparability of financial statements around the world is an obstacle to the effective and efficient running of the integrated global financial markets. This study examined cultural difference in the application of the IFRS between the accounting professionals in the Republic of Benin and Nigeria using the concept of uncertainty avoidance. The study surveyed accounting professionals in the Republic of Benin and Nigeria to obtain their perception of application of IFRS using the concept of uncertainty avoidance. The population covers accounting professionals that have skills and expertise needed to prepare and present financial statements. The sample size of two hundred (200) respondents, 100 each was randomly selected from accounting professionals in both Republic of Benin and Nigeria. The data collected by structured questionnaires were analyzed using descriptive statistics, while two sample t-Test were employed as statistical tools to test the hypothesis. At 0.05 significant level and 198 degree of freedom, the estimated t-value was 10.97. Thus, there was a significant difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria using the concept of power distance. The research findings implied that the accounting professionals with similar cultural values apply IFRS similarly, while those differ in cultural values apply IFRS differently. The research findings also indicated that the chosen countries' former colonial masters' cultural values influenced the accounting professionals' decision making process. Implications of the study were discussed. Recommendations for future research were provided.

KEYWORDS: Accounting, Professionals, International Financial Reporting Standards, African Countries

INTRODUCTION

The pervasiveness of national culture in all activities of individual countries, including accounting and financial reporting systems, has intensified the calls and the need for more cross-cultural study in accounting (Chanchani&MacGregor, 1999; Doupnik&Tsakumis, 2004).It is a fact that the globalization of economy and integration of global financial markets are evolving, and these changes are here to stay (Boerner, 2007). The wave of changes in the global stage is removing a lot of obstacles among countries (Boerner, 2007; Gray & Roberts, 1991). Despite these changes, the differences in the various countries' cultural values (power distance, uncertainty avoidance, individualism and masculinity) continue to prevent consistencies in the application of the accounting rules even among more than 100 countries that have adopted IFRS (Nobes&Zeff, 2008). Uncertainty avoidance is an indicator of how much members of a society are comfortable in uncomfortable or unknown situations.

The adoption of IFRS is expected to provide a solution to the inconsistencies in the application of accounting rules, yet there remained discrepancies in the quality of information in financial statements or financial information around the world.

Researchers have identified accounting and financial reporting system of a country as culture specific. The accounting and financial reporting system of a country would very much reflect the cultural values held in such a country (Askary, 2006; Doupnik& Richter, 2004; Gray, 1988; Marremo& Brinker, 2007; Nobes&Zeff, 2008; Robinson &Venieris, 1996; Zarzeski, 1996). Researchers have also found that application of the accounting rules—IFRS—by the professional accountants in various countries is not free from the societal values held by those accounting professionals (Doupnik& Richter, 2004; Gray, 1988). In other words, the societal values held by the professional accountants in various countries influence their application of the accounting rules. This has led to inconsistencies in the treatment of the same accounting issues and has made it impossible to have comparable financial statements around the world.

Researchers have also shown that the national culture and uncertainty avoidance have a great influence on the interpretations and the applications of the provisions of the IFRS. This has resulted in different interpretations and applications for the same provision of the IFRS in various countries (Doupnik& Richter, 2004; Tsakumis, 2007; Tsakumis, Campbell, &Doupnik, 2009). Uncertainty avoidance is an indicator of how much members of a society are comfortable in uncomfortable or unknown situations. For scoring purposes, a country with a high score in uncertainty avoidance indicates a strong uncertainty avoidance society. On the other hand, a country with a low score in uncertainty avoidance is a weak uncertainty society (Hofstede, 1983). A strong uncertainty avoidance society does not feel comfortable with unknown circumstances. This society believes that future unforeseen or unknown circumstances should be guarded against.

These have been a major obstacle for the IASB to achieve its mission of providing quality uniform international accounting standards that can produce comparable financial statements around the world (Choi & Meek, 2008; Fritz &Lammle, 2003). That is, the same accounting issues would be treated differently in those countries even when IFRS is employed in preparing financial statements, due to the influence of national culture.

The issue of incomparability of financial statements around the world due to the influence of national culture has been recognized for many decades. But this issue is still very much alive in today's global business environment. How long this issue has been recognized as a problem to global business community depends on the person you ask. Newman (2009) argues that the issue of different accounting standards that leads to inconsistencies in financial information around the world has been known since 1960s. He indicates that for the first time in 1967, the U.S. Securities and Exchange Commission (SEC) paid special attention to and treated the issue of inconsistencies in financial statements being prepared under foreign accounting standards. He argues that the SEC recognized and believed at that time that something needed to be done about the inconsistencies in the financial statements around the world.

The adoption of IFRS has not delivered its anticipated results. The inconsistencies in the application of IFRS in the countries that have adopted it, due to the influence of national culture, may prevent the realization of the comparability of financial statements around the world. The task before the IASB is a difficult one. The IASB is the accounting standards-setter for the global constituents, but it has no power to force any country to use its accounting pronouncements or rules. Even in the countries that use IFRS, it has no power to check for compliance. It has to work with the accounting professionals in various countries to carry out its mission of minimizing, if not eliminating, the diversity in the accounting and financial reporting systems around the world. Despite the fact that more than 100 countries have adopted IFRS and more are deliberating about its adoption, including the U.S. The issue of cultural influence on the accounting and financial systems around the world is still relevant.

The adoption of IFRS in more than 100 countries does not guaranty its consistent application by professional accountants in those countries (Tsakumis et al., 2009). That is, the same accounting issues would be treated differently in those countries even when IFRS is employed in preparing financial statements, due to the influence of national culture. The countries using IFRS standards have had their culture established before the introduction of the IFRS, and they will still have their culture if the internationalization of the accounting and financial reporting system does not work. Then the issue of the influence of the national culture on the interpretation and application of the provisions of IFRS will remain relevant in the present cross-cultural study in accounting. Accordingly, this present research examined the cultural difference in the interpretation and application of the IFRS by accounting professionals in two nations. The accounting professionals in the Republic of Benin and Nigeria were the participants in this study.

STATEMENT OF THE PROBLEM

The quality of the information in financial statements would determine the quality of the decisions made by the users of such financial statements (Mueller & Walker, 1976; Zarb, 2006).The confidence that the users of financial statements have in those financial statements would then later reflect in the effectiveness and efficiency of the global financial markets and globalization of economic transaction. Thus researchers have shown that running efficient and effective global financial markets greatly depends on the quality of financial statements (Boerner, 2007; Radig&Loudermilk, 1998). Given the fact that national culture has been identified as an influential environmental factor on accounting and financial reporting systems of a country, then the application of accounting rules—IFRS—is expected to vary among various countries (Tsakumiset al., 2009; Zarzeski, 1996).

The inconsistencies in the application of the IFRS worldwide would result in different treatments for the same accounting issue in various countries. This would prevent the comparability of financial statements worldwide (Tsakumis et al., 2009). The incomparability of financial statements worldwide is a problem to the participants—creditors, investors, stock exchanges, and others—in the global financial markets and globalization of economy. This is a problem because the incomparability of financial statements worldwide would prevent cross-border investors and other participants in the global financial markets from employing accurate information from such financial statements in making business and other decisions (Tsakumis et al., 2009).

Despite the good intention of the IFRS and its adoption in more than 100 countries, the goal of comparable and consistent financial statements is not close to reality. The different interpretations and applications of the provisions of the IFRS due to the influence of the national culture are obstacles to the achievement of consistent and comparable financial statements that can be accepted globally (Choi & Meek, 2008; Fritz &Lammle, 2003; Tsakumis et al., 2009). The influence of national culture on the interpretation and application of the provisions of the IFRS makes it difficult, if not impossible, the preparation and presentation of the financial statements that are consistent, comparable, and reliable around the worldFor example, this problem is making it impossible to compare financial statements prepared in the U.K. under IFRS as prescribed by IASB to the ones prepared in France in accordance with the IFRS as prescribed by the IASB. Despite the fact that these two countries used the same provisions of the IFRS as prescribed by the IASB, the comparability of financial statements in these two countries would not produce useful information due to the influence of the national culture on the interpretation and application of the provisions of the IFRS by the accounting professionals in these countries. In this type of situation, when one is comparing the financial statements from these two countries, it would be like comparing apples to oranges rather than comparing apples to apples.

In addition, the researchers have not provided evidence to support those within the IFRS who indicated that its adoption would be a solution to the incomparability of financial statements around the world. Instead, researchers have provided evidence that differences exist even among the countries that adopted IFRS, due to the influence of culture on its application (Doupnik&Tsakumis, 2004; Nabar&Boonlert-U-Thai, 2007; Tsakumis et al., 2009).This study presents the understanding of cultural difference in the interpretations and applications of the provisions of the IFRS by the accounting professionals in these countries.

Therefore, understanding and acknowledgment of differences in various countries' cultural values and how these cultural values affect the application of the provisions of the IFRS by accounting professionals worldwide is the most realistic way to enhance the quality of financial statements. Knowing the cultural differences in the application of IFRS between the accounting professionals' interpretation and application of IFRS from various countries enhances the understanding of the financial statements as well as helping their users in making informed business and other decisions worldwide.

OBJECTIVE OF THE STUDY

The objective of the study was to examine the cultural difference in application of IFRS between accounting professionals in the Republic of Benin and Nigeria using the concept of uncertainty avoidance.

RESEARCH QUESTION

Research question for this study is: What is the cultural difference the interpretation and application of the International Financial Reporting Standards (IFRS) using the concept of uncertainty avoidance?

HYPOTHESIS

H_0: There is no significant cultural difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria using the concept of uncertainty avoidance.

2.0 LITERATURE REVIEW

The financial statements play a significant role in the effective and efficient running of global financial markets (Boerner, 2007; Moustafa, Slaubaugh, & Wang, 2008; Tsakumis et al., 2009). Financial statements serve as communication links between the organization and its stakeholders. Organizational stakeholders such as investors, creditors, employees, suppliers, governmental agencies, and others get their information from financial statements. The advancement in technologies (especially communication and internet technologies), the expansion of international trade, and the globalization of economic ventures have made it possible for the integration of global financial markets. Given the differences in the accounting systems in various countries, which result in different financial statements, comparability of financial statements would be difficult, if not impossible. Researchers have proven that a country's cultural values influence its accounting and financial reporting systems, accounting values, accounting professions, and accounting professionals (Gray, 1988; Tsakumis, 2007; Tsakumis et al., 2009). Since each individual country's culture is unique, then various countries' accounting and financial reporting systems differ.

To minimize differences in various countries' accounting and financial reporting systems, internationalization of accounting and financial reporting systems was proposed.

The proponents of the internationalization of accounting argue that it would produce quality accounting standards that would produce quality financial statements that are consistent, reliable, useful, and comparable around the world. They argue that it would facilitate the process of globalization of economy and financial markets, though others disagree. One thing is for sure, globalization of economy and financial market is evolving. The obstacle imposed on the globalization of economy and financial markets by various countries' national borders has been replaced by those countries' cultural values (Moustafa, Slaubaugh, & Wang, 2008; Nabar&Boonlert-U-Thai, 2007).

Uncertainty avoidance is an indicator of how much members of a society are comfortable in uncertain or unknown situations. The future is full of uncertain circumstances, and human beings have established ways to manage these uncertainties. How a society manages its unknown future depends on its level on this cultural dimension and uncertainty avoidance. This society believes that future unforeseen or unknown circumstances should be guarded against and also this society does not like surprises, as a result, it has established rules and regulations that members of the society must follow (Soetan, 2011). This society believes in sincerely and honestly following the established rules and regulations in its organizations and institutions. Deviation from the established rules and regulations is not encouraged or accepted. This society worries about unknown circumstances, as they regard this as a threat to their security. It does not encourage its members to take risks. This society does not like failure. Its members take failures personally as they believe they should have done more to prevent such circumstances (Hofstede, 1983; Richardson, 2007).

A low uncertainty avoidance society worries less about unknown circumstances. This society believes that unknown circumstances are parts of life. The managers and subordinates believe that unknown circumstances are normal parts of business activities. Therefore, they should be dealt with as they occur. This society encourages its members to take risks in finding solutions to job-related problems. Its members can deviate from the established rules and regulations in order to find solutions to job-related problems. That is, the rules and regulations in this society are flexible, not rigid. The managers and subordinates in this society take risks. This society allows the managers to design compensation packages to reflect level of risks undertaken by the individual employees (Hodgetts&Luthans, 1993; Hofstede, 1980).

2.1 UNCERTAINTY AVOIDANCE IN NIGERIA AND WEST AFRICAN COUNTRIES

The uncertainty avoidance dimension points for West African countries are 54. These points grouped West African countries into a strong uncertainty avoidance society. Based on these points, West Africa society is not expected to feel comfortable with unknown or unforeseen circumstances. This society is expected to have the belief that future unforeseen or unknown circumstances should be guarded against. West African society does not expect to like surprises. As a result, in West African society, managers and subordinates are expected to have established rules and regulations they must follow. This society is expected to believe in sincerely and honestly following the established rules and regulations in its organizations and institutions. Deviation from the established rules and regulations is not expected to be encouraged or accepted.

2.2 GRAY'S FRAMEWORK OF ACCOUNTING SUBCULTURE

Gray (1988) theorizes that national culture influences the individual countries' accounting systems and values, and he is the first known researcher to do so. He employs Hofstede's (1980) cultural variables to develop a framework indicating that cultural values influence national accounting values and, accounting values influence financial reporting. The framework linked Hofstede's (1980) cultural dimensions—power distance, uncertainty avoidance, individualism, and masculinity—with Gray's (1988) accounting values—professionalism, uniformity, conservatism, and secrecy. Gray's (1988) accounting values include (a) professionalism, indicating a preference for individual judgment as well as self-regulation; (b) uniformity, indicating a preference for uniform accounting practices; (c) conservatism, indicating accounting professionals' willingness to take cautious approach in recognizing items that would increase assets and incomes; and (d) secrecy, indicating the accounting professionals' preference for confidentiality and willingness to disclose the information to a third party or an outsider only on a need-to-know basis. He argues that information sharing is low in large power distance societies. He argues that the values of a society would affect its accounting directly and indirectly through its institutional characteristics such as the type of capital markets, legal systems, and corporate ownership structure. Gray (1988) indicates that because societal values influence accounting values, then, "the value systems or attitudes of accountants may be expected to be related to and derived from societal values with special reference to work-related values" (Gray, 1988, p. 5).

2.3 EMPIRICAL EVIDENCES

Hofstede (1980) carried out a cross-cultural study and produced supporting evidence to group 40 countries into four cultural dimensions or variables —power distance, uncertainty avoidance, individualism, and masculinity. Gray (1988) indicates that uniformity can be connected to uncertainty avoidance and individualism dimensions. He indicates that a strong uncertainty avoidance society preference for established rules and regulations is in line with conformity. This would allow accounting standards to be applied universally. He also identified connection between conservatism and uncertainty avoidance. Conservative measurements of profit and items that increase assets are in line with strong uncertainty-avoidance society's preference for security and a cautious approach to manage unforeseen future events.

Gray (1988) extended Hofstede's (1980) study and theorized that national culture influences the individual countries' accounting systems and values. He was apparently the first researcher to do so. He employed Hofstede's cultural variables to develop a framework indicating that cultural values influence national accounting values and, furthermore, that accounting values influence financial reporting. The framework linked Hofstede's cultural dimensions—power distance, uncertainty avoidance, individualism, and masculinity—with Gray's (1988) accounting values—professionalism, uniformity, conservatism, and secrecy.

Gray (1988) connected professionalism with individualism and uncertainty avoidance. He indicates that professionalism's preference for professional judgment and independent attitudes of accounting professional around the world are in line with high individualism society's preference for individual independence, decisions, and performance. He also indicates that a weak uncertainty-avoidance society's preference for fewer rules and regulations, and where professional judgments would more likely be welcomed**,** may make the accounting value of professionalism acceptable in a weak uncertainty avoidance society.

Noravesh, Dilami, &Bazaz (2007) examined the associations between Hofstede's (1980) cultural values and Gray's (1988) accounting values in Iran. They collected financial information for a period of 10 years from 247 firms listed in the Tehran Stock Exchange. The sources for the data include an economics magazine, the Iran statistical yearbook, financial statements, and auditors' reports of firms listed in Tehran Stock Exchange.

They used confirmatory factor analysis (CFA) to test the *measurement model* in linear structural relationship (LISREL). Their results indicated that there is negative significant association between uncertainty avoidance and professionalism, negative significant association between uncertainty avoidance and conservatism, negative significant association between uncertainty avoidance and uniformity.

Gray (1988) connected secrecy with uncertainty avoidance, power distance, and individualism dimensions. He indicates that preference for secrecy is in line with strong uncertainty avoidance for restriction of information disclosures in order to prevent conflict and competition, as well as to maintain security. Nabar and Boonlert-U-Thai's (2007) examination of samples from 30 countries indicates that national culture has an influence on accounting and financial reporting systems in various countries. They indicate that the international accounting standards setter and those who will be enforcing IFRS should consider the influence of national culture on the choice of accounting. The results of their study found strong support for investor protection in common-law countries, which operate equity market systems, and weak investor protection in code-law countries, where debt-market systems exist.

Ding, Jeanjean and Stolowy (2004) indicate that "divergence is significantly positively correlated with individualism, negatively correlated with power distance, and positively correlated with uncertainty avoidance". But the results of their study also indicate that national cultural dimensions cannot satisfactorily explain certain instances where the IAS had accounting treatments for certain accounting issues, and the national GAAP did not have accounting treatments for such accounting issues. They argue that this situation is more likely to be linked with economic development and capital market issues. Ding et al. (2004) employed a quantitative research method in their study. They used data from a study conducted by several international accounting firms in 2001 known as GAAP. They used correlation and regression statistics in analyzing the results of their research.

Zarzeski (1996) employed descriptive statistics and regression model to examine 256 corporate annual reports in seven countries—France, Germany, Hong Kong, Japan, Norway, U.K., and U.S.—in order to determine the effects of culture and market forces on accounting disclosure practices. The findings of her study indicate that disclosure practices of the companies that operate locally are in accordance with the local accounting rules and regulations. On the other hand, disclosure practices of the companies that operate both nationally and internationally deviate from those of the companies that operate locally. She attributed these findings to deviations based on the source of funds. She argues that to conform to the same international standards, companies that operate at the global market would be forced to adopt disclosure practices that differ from the local disclosure practices. She indicates that companies that want to raise funds in the international markets would have to provide more information in their financial statements. She then concludes that culture and market forces both affect accounting disclosure practices.

METHODOLOGY

Design: The study employed a survey research design. A field survey research design normally employs self-administered questionnaires to collect data from the respondents. A researcher is not required to be present during the data collection period. Also, since this researcher cannot be present during the data collection period, and it may not be possible to gain permission to manipulate the independent variables in the real-life settings, survey research design is appropriate for this study.

Population:A population, according to Kothari (2008) is considered to be any group of people, events, or items that are of interest to the researchers that they wish to investigate. Borg and Gall (2009) described the target population as a universal set of study of all members of real or hypothetical set of people, events or objects to which an investigator wishes to generalize the result. The population for this study is the accounting professionals in the Republic of Benin and Nigeria. The targeted population was accounting professionals that have skills and expertise needed to prepare and present financial statements. The accounting professionals without the skills and expertise needed to prepare and present financial statements were excluded from participating in this study. The participants are working in different organizations such as multinational companies (MNCs), national corporations, regional corporations, large companies, medium and small-sized companies, and different sizes of accounting firms; 200 respondents participated in the study. Of these, 100 survey questionnaires were delivered to the accounting professionals in Republic of Benin, and 100 survey questionnaires were delivered to the accounting professionals in Nigeria.

Instrumentation: The instrument for data collection was a questionnaire constructed by the researchers. Two categories of questionnaire were used together, the English version as well as the French version. The English version of the questionnaire was sent to accounting professionals in Nigeria and the French version of the questionnaire was sent to accounting professionals in the Republic of Benin. The English version of the research instrument was translated into the French language. The English-French translation was performed by a linguistic professor and a chairperson over a university department of humanities whose native language is French. The content validity was verified by the linguistic experts in both English and French. This ensures that the contents in both versions are the same. A five-point Likert-type scale (with 1 = very unlikely and 5 = very likely) was used to solicit respondents' information. This researcher sent preliminary or pre-notice letters to accounting professionals in the Republic of Benin and Nigeria seeking their help to participate in the study. Survey questionnaires were delivered by hand to the participants in the Republic of Benin and Nigeria 1 week after pre-notice letters were sent.

Pre-test of Instrument: To assess the research instrument used in this study, a Cronbach's alpha statistic was calculated. The result of reliability testing produced Cronbach's alpha value of 0.73, which supports the reliability of the research instrument used in this study. Cronbach's alpha values of 0.70 or higher are considered to indicate acceptable reliability for research instruments.

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In other words, the Cronbach's alpha value of 0.73 for this instrument means a reliable research instrument was used to collect data for this study.

Operationalization: Hofstede's (1980) cross-cultural study has made it easier to operationalize culture in cross-cultural studies. The independent variables in this study were Hofstede's (1980) scores of cultural dimensions—power distance. In other words, the cultural scores allocated to West Africa by Hofstede's study were operationalized as independent variables in this study.

Data Analysis Procedure: In order to test the hypothesis for each of Hofstede's cultural dimension, this study examined the difference between Republic of Benin and Nigerian participants' responses to questions designed for each of the Hofstede's cultural dimension of power distance. That is, the answers collected from the Republic of Benin and Nigerian participants about their decisions on their application of IFRS for the question designed for power distance were examined to see if any significant difference exists between the two countries' scores. Descriptive statistics and t-test were employed in analyzing the research data and Statistical Package for the Social Sciences (SPSS® Version 17.0) was used to calculate the statistics. The t-test was chosen for this study because it is the statistic needed to examine whether significant difference exists between two variables. This study examines whether significant cultural difference exists between the Republic of Benin and Nigerian participants' decisions on how to apply IFRS. The alpha for the test was set at p = .05.

RESULTS AND DISCUSSION

DESCRIPTIVE ANALYSIS OF PARTICIPANTS' BIO-DATA

Table 1: Percentage Distribution of Respondents Personal Characteristics

S/N	*Personal Characteristics*	*Frequency*	*Percentage (%)*
	Republic of Benin		
1.	**Sex**		
	Female	33	33.00
	Male	67	67.00
2.	**Age**		
	25-35 years	24	24.00
	36-45 years	30	30.00
	46+ years	46	46.00
3.	**Position**		
	Director	26	26.00
	Partner	24	24.00
	Manager	19	19.00
	Senior Staff	31	31.00
	Others	-	-
4.	**Years of Experience**		
	4-8 years	44	44.00
	9+ years	56	56.00
	Nigeria		
1.	**Sex**		
	Female	41	41.00
	Male	59	59.00
2.	**Age**		
	25-35 years	29	29.00
	36-45 years	44	44.00
	46+ years	27	27.00
3.	**Position**		
	Director	11	11.00
	Partner	14	14.00
	Manager	31	31.00
	Senior Staff	41	41.00
	Others	3	3.00
4.	**Years of Experience**		
	4-8 years	46	46.00
	9+ years	54	54.00

Source: Field survey (2018)

ANALYSIS OF RESEARCH QUESTION

Question: If you are 90% convinced that you should disclose the pending litigation in the notes to the financial statements, how likely is your superior preference will influence your decision?

Table 2: Distribution of Responses on the Survey Answer for Republic of Benin Participants

Responses	*Frequency*	*Percent*	*Cumulative Percent*
Very unlikely	8	8.00	8.00
Unlikely	8	8.00	16.00
Undecided	4	4.00	20.00
Likely	28	28.00	48.00
Very likely	52	52.00	100.00

Source: Field survey (2018)

Table 2indicates 16 (16%) of the Republic of Benin participants decided that it is very unlikely 8(8%) or unlikely 8(8%) that their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to the financial statements, 80 (80%) believed that it is likely 28 (28%) or very likely 52 (52%) that their superior's preference would influence their decisions on disclosing a pending lawsuit in the notes to the financial statements, and 4 (4%) were undecided whether their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to the financial statements. Most Republic of Benin participants 80 (80%) believed that their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to financial statements.

Table 3: Distribution of Responses on the Survey Answer for Nigerian Participants

Responses	*Frequency*	*Percent*	*Cumulative Percent*
Very unlikely	40	40.00	40.00
Unlikely	33	33.00	73.00
Undecided	6	6.00	79.00
Likely	16	16.00	95.00
Very likely	5	5.00	100.00

Source: Field Survey (2018)

Table 3 indicates 73 (73%) of the Nigerian participants believed that it is very unlikely 40 (40%) or unlikely 33 (33%) that their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to financial statements, 21 (21%) believed it is likely 16 (16%) or very likely 5 (5%) that their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to financial statements, and 6 (6%) were undecided whether their superior's preference would influence their decisions on disclosing pending lawsuit in the notes to financial statements. Most Nigerian participants, 73 (73%), believed their superior's preference would not influence their decisions on disclosing pending lawsuit in the notes to financial statements. This is contrary to the Republic of Benin participants' perception, as 80 (80%) of them believed their superior's preference would influence their decisions.

HYPOTHESIS TESTING AND INTERPRETATION OF RESULTS

The hypothesis states that there is no significant difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria using the concept of uncertainty avoidance. Data collected for the study was analyzed using inferential statistics of t-test to test the only hypothesis stated for the study and was tested for significance at the 0.05 level of significance.

Table 4: Two Sample t-Test difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria

Nationality	N	Mean (*M*)	Std. Deviation (*SD*)	Degree of freedom (*df*)	Test statistic (*t*)	*P*-value (2-tailed)
Republic of Benin	100	4.03	1.12	198	9.23	.000
Nigeria	100	2.37	1.41			

Source: Field Survey (2018)

The table 4 shows that the hypothesis two that hypothesized no significant difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria was not supported, since the *t-stat*(198) = 9.23, $p = 0.00$ i.e the (P<5%). This indicates that there is a significance difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria.

For Republic of Benin participants, *Mean* = 4.03, *SD* = 1.12; for Nigerian participants, *M* = 2.37, *SD* = 1.41. This result infers that the H_0will not be acceptable.

DISCUSSION OF FINDINGS

The hypothesis two was designed to test Hofstede's (1980) cultural dimension of uncertainty avoidance. Therefore, the answer to survey question two was used to test hypothesis two. Result of hypothesis two, *t-stat* (198) = 9.23, $p = 0.00$, indicated that there is a significant difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria using the concept of uncertainty avoidance. Most Republic of Benin participants (71%) believed their company policy would influence their decisions on disclosing a pending lawsuit in the notes to financial statements. But most (63%) Nigerian participants believed their company policy would not influence their decisions on disclosing a pending lawsuit in the notes to financial statements. The participants in both countries did not agree regarding the application of IFRS using the concept of cultural dimension of uncertainty avoidance.

Hosfstede's (1980) uncertainty avoidance scores allocated to West African countries, including the Republic of Benin and Nigeria, were 54. This puts West African countries a bit above the mean for uncertainty avoidance, as the mean for this cultural dimension of uncertainty avoidance in Hofstede's study is 50. Since 54 is more than the mean score, the West Africa countries can be classified as strong uncertainty avoidance. Hofstede (1980) allocated uncertainty avoidance scores of 35 and 86 to the U.K. and France, respectively. This classifies U.K. as a weak uncertainty avoidance society and France as a strong uncertainty avoidance society, respectively. The result of the hypothesis in this study is consistence with the results of Guan et al.'s (2005) study which indicate that national culture has influence on the accounting professionals' choice in applying accounting rules for earnings management.

CONCLUSION

According to the findings of this paper, there is a significant difference in the application of IFRS between the accounting professionals in the Republic of Benin and Nigeria using the concept of uncertainty avoidance. The results of this study provide supporting evidence indicating that culture variable like uncertainty avoidance is a determining factor in the application of accounting rules—IFRS—in various countries. This means the accounting professionals in various countries will treat the same accounting issues differently, due to cultural dimensions of uncertainty avoidance. The result indicates that participants in both countries were on the opposite side regarding the application of IFRS using the concept of cultural dimension of power distance. In other words, the paper findings indicate that countries with different cultural values will treat the same accounting issues differently. Treating the same accounting issues differently in various countries will produce incomparable financial statements. This works against the aims of the IASB, which is trying to prescribe international accounting rules—IFRS—that can produce comparable financial statements around the world.

RECOMMENDATIONS

Following the findings of this study, the below recommendations were made:

- The IASB can present the findings of this study to the accounting professionals among its constituents in order to garner support for the establishment of a compliance committee. This committee would monitor the compliance of the accounting professionals regarding the application of the IFRS worldwide. In addition, this committee can also have an enforcement subcommittee. The compliance committee would refer any issues of non-compliance to the enforcement subcommittee.
- IASB can use the results of this study to garner support for the development of educational programs aimed at reducing inconsistencies in the application of IFRS worldwide. The educational program would be in form of de-educating and re-educating accounting

professionals worldwide. Application of accounting rules—IFRS—is about making sound and consistent decisions by the accounting professionals. Therefore, de-educating accounting professionals worldwide would focus on how the accounting professionals worldwide can change their present way of reasoning when applying accounting rules.

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