

Firm characteristics and selection of international accounting software

Ajay Adhikari^{a,*}, Marc I. Lebow^{b,1}, Hao Zhang^{c,2}

^a *Department of Accounting, Kogod School of Business, The American University,
Washington, DC 20016, USA*

^b *Hampton University, Hampton, VA, USA*

^c *Leeds University Business School, Leeds University, Leeds LS2 9JT, UK*

Abstract

We report the results of a survey of international U.S. companies focused on the selection of international accounting software. We investigate the relationships among firm characteristics (size and degree of internationalization), international features of accounting software (multicurrency, multireporting, and multilingual), and general selection criteria (support and security, hardware and operating platforms, and flexibility and cost). We find that firms' reported preferences for international features differ depending on size and degree of internationalization. However, the relationship between firm characteristics and general selection criteria is not significant. The implication from our results is that firm characteristics should be an important consideration in the selection and design of international accounting software.

© 2004 Elsevier Inc. All rights reserved.

Keywords: Software selection; International accounting software; Firm characteristics

1. Introduction

Companies all over the world are becoming more international in their outlook. Competing in the global marketplace, however, entails a new set of accounting challenges. Instead of dealing in a single currency and a single set of accounting principles, companies may

* Corresponding author. Tel.: +1-202-885-1993; fax: +1-202-885-1131.

E-mail addresses: aadhika@american.edu (A. Adhikari), mlebow@hamptonu.edu (M.I. Lebow), hz@lubs.leeds.ac.uk (H. Zhang).

¹ Tel.: +1-757-727-5360; fax: +1-757-727-5048.

² Tel.: +44-113-233-4471; fax: +44-113-343-4459.

have to deal with multiple currencies and follow a myriad of accounting and tax rules. As a result, there is an increased demand for new and more sophisticated accounting software packages capable of handling international accounting issues.³

While a number of studies have examined the selection process for accounting software in the domestic context (Bagranoff, 1999; Bagranoff & Simkin, 1992; Borthick & Scheiner, 1988), little research has been conducted to assess firms' needs with respect to international accounting software.⁴ This study seeks to expand the limited knowledge base that exists on firms' needs with respect to international accounting software. More specifically, we examine the relationship among firm characteristics (size and degree of internationalization), international features of accounting software (multicurrency, multireporting, and multilingual), and general selection criteria (support and security, hardware and operating platforms, and flexibility and cost) used in the selection of international accounting software. We find that firms' reported preferences for international features of software differ depending on size and degree of internationalization. However, we find no relationship among firm characteristics and general selection criteria in the selection of international accounting software.

Additionally, our study provides some evidence on the relative importance that firms place on different international features that could be incorporated in accounting software. Our results indicate that core multireporting and multicurrency issues are considered the most important international features of accounting software. Among general selection criteria, security and support considerations are considered most important in the selection of international accounting software.

The results of the study should be of interest to international accounting audiences including user firms and accounting software developers since national boundaries are blurring and more companies are going global. In 1999, there were over 231,000 U.S. exporting companies compared with about 60,000 in 1986. Of the 231,000 exporting companies 97% were small companies (SBA, 2003). As companies enter the global marketplace, they face a host of challenges including selection of accounting software capable of handling international transactions.

One challenge, system fit, which is how well system capabilities match user requirements, can be a serious concern in the selection of international accounting software. Part

³ While high-end enterprise resource planning (ERP) systems (e.g., Baan, JDEdwards, Peoplesoft, SAP) have offered broad international accounting functionality for some time, these systems are quite expensive and complicated to install, with major installations sometimes running into years. As a result, the target market for ERP systems has largely been confined to the very large multinational organizations. In recent years with the slowdown in the ERP market reflecting partly a saturation of the high-end system market and partly the postponement of major software acquisitions by companies as a result of downturn in the economy, ERP vendors have increasingly started turning their attention to the midrange system market.

⁴ Some checklists and general guidelines for evaluating international accounting software have been proposed (Lebow & Adhikari, 1995; O'Brien, 1995) but these are largely anecdotal and ad hoc in nature. In 1988, a group, the Body of International Accounting Software, was formed in the United Kingdom to examine users' requirements and develop standards for evaluating international accounting software packages. The group consisted of accountancy firms, consultants, and major software developers. After some initial progress, the group faded away and became dormant. Additionally, accounting software packages may not be distinctly identified as "international accounting software." A better descriptor may be "accounting software packages with international accounting features." To simplify the exposition, we use the two terms interchangeably in the manuscript.

متن کامل مقاله

دریافت فوری ←

ISIArticles

مرجع مقالات تخصصی ایران

- ✓ امکان دانلود نسخه تمام متن مقالات انگلیسی
- ✓ امکان دانلود نسخه ترجمه شده مقالات
- ✓ پذیرش سفارش ترجمه تخصصی
- ✓ امکان جستجو در آرشیو جامعی از صدها موضوع و هزاران مقاله
- ✓ امکان دانلود رایگان ۲ صفحه اول هر مقاله
- ✓ امکان پرداخت اینترنتی با کلیه کارت های عضو شتاب
- ✓ دانلود فوری مقاله پس از پرداخت آنلاین
- ✓ پشتیبانی کامل خرید با بهره مندی از سیستم هوشمند رهگیری سفارشات