

The 2018 Conceptual Framework: an investigation of evidence of neoliberalism
and stewardship in submitted comment letters

submitted by

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Date Submitted: 02 April 2020

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in partial fulfilment of the requirements for the degree of

Master of Commerce

University of the Witwatersrand

Abstract

This paper investigates the level of propensity for either a neoliberal or stewardship paradigm which may be prevalent in the comment letters addressing the 2018 Conceptual Framework Revision project. Previous research explored the two paradigms, namely, the neoliberalism and stewardship paradigms evident in accounting and the impact of isomorphism on the views stakeholders hold. This study will seek to indicate the level of consensus among the key stakeholders identified in the paradigm in the Conceptual Framework and the resulting expectation of its perceived legitimacy in financial reporting around the world which has not yet been addressed in previous research. This paper also focuses on whether the stakeholders of financial statements are more inclined toward either paradigm, irrespective of which jurisdiction they may belong. This research adopts a cost-effective methodology by utilising existing data available in the comment letters as the source of data for this study. The key objective is to understand what direction the interested stakeholders recommend the Conceptual Framework should take as the Conceptual Framework has a direct impact on the formulation of existing and future accounting standards.

Keywords: *Conceptual Framework, neoliberalism, stewardship, fair value, isomorphism, stakeholders, jurisdictions.*

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List of abbreviations and acronyms

Abbreviation / Acronym	Description
DP	Discussion paper
ED	Exposure draft
EU	European Union
FASB	Financial Accounting Standards Board
FVA	Fair Value Accounting
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
CF	Conceptual Framework
CFP	Conceptual Framework Project
FW	Framework
USA	United States of America

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1: Introduction

There are two competing paradigms driving the accounting standard-setting process, a neoliberal (fair value) and a stewardship (accountability) view (see Whittington, 2008). The neoliberalism paradigm supports the notion that markets operate efficiently. In this environment, financial reporting is able to meet the needs of investors with reporting focused on fair values. In contrast, the stewardship paradigm regards markets as less efficient. Which argues that financial reporting needs to meet the monitoring requirements of existing shareholders by reporting on past transactions driven by entity-specific conditions (Murphy, O'Connell, & Ó hÓgartaigh, 2013; Whittington, 2008; Zhang & Andrew, 2014). The two competing paradigms provide the basis for this research: to explore the extent to which the notions of neoliberalism or stewardship have informed the comment letters received by the International Accounting Standards Board (IASB) on the Conceptual Framework Project (CFP).

In May 2015, the IASB published the Exposure Draft ED/2015/3 Conceptual Framework for Financial Reporting (ED). Stakeholders submitted comments on the ED until cut-off in October 2015. The IASB anticipated that the revised Conceptual Framework (CF) would improve the transparency of financial reporting, promote accountability, and enhance the efficient allocation of capital resources (IASB, 2016, 2018) and engaged stakeholders to confirm if this position was supported.

To maintain their credibility, the IASB considers interested stakeholders' input on the discussion papers (DP) before publishing an ED. These include users, preparers, accounting firms, and regulators (see Section 1.5). The consultation process when issuing a DP for comment allows the IASB to gauge what issues and concerns stakeholders have and offer them an opportunity to make suggestions to improve the ED. Discussions of the stakeholder views or insights will be evident after publishing all DPs and tentative decisions taken. It does not, however, mean that the IASB will implement all suggestions (Bamber & McMeeking, 2016).

The consultation process of the CFP provides the opportunity to perform an analysis of the inclination towards either of the two competing paradigms expressed by the different stakeholder groups. This process will provide the data needed, in the form of the comment letters, to evidence the views each stakeholder holds and the level of influence the institutional pressures may have on these views across the various jurisdictions. The objective of this research paper is to assess the predisposition of users of financial statements towards

neoliberalism and alternatively, the inclination of preparers, accounting firms, and regulators towards stewardship.

1.1 Statement of the problem

Given the rise of the neoliberalism paradigm, there has been an increased emphasis on information useful for decision making (neoliberalism) rather than the traditional stewardship role played by financial accounting (Zhang & Andrew, 2014). The comment letters received from various stakeholders during the consultation process of the CF provide data which evidence the views of the different stakeholder groups (see Vivian & Maroun, 2018). This study will follow a two-phase approach. The first phase will seek to understand if stakeholders lean towards either a neoliberalism paradigm or stewardship. The second phase of this study examines the level of commitment by stakeholders to neoliberalism or stewardship across different jurisdictions. This paper asserts that stakeholders of the same classification would hold the same view irrespective of jurisdiction, because of the isomorphic pressures at play (DiMaggio & Powell, 1983).

1.2 Significance of the study

The CF is a tool used to guide the IASB when setting accounting standards (IASB, 2016). It also informs the understanding and interpretation of the International Financial Reporting Standards (IFRS) by stakeholders (Hoogervorst & Knubley, 2015). The CF has a direct impact on the future of the IFRS' standard-setting process. Therefore, it is of important to understand what direction the interested stakeholders recommend the CF should take and, in particular, whether neoliberalism, stewardship or both, would underpin the CF.

Most studies on the CFP have been technical (see, (Bradbury, 2008; Dick & Walton, 2007; Goldberg, Grant, & Stoval, 2008; Ravenscroft & Williams, 2009; Whittington, 2008)). This paper answers the call of Zhang and Andrew (2014) to explore the motivations which underpin the CFP and the consequences which these have on accounting practice. It will examine the views of key stakeholders (namely, users, preparers, accounting firms, and regulators of financial statements) regarding the relevance of accountability and neoliberalism for the development of the CF. It will seek to provide insight into what implications these two paradigms may have on the technical understanding of the existing and proposed IFRS. It also responds to Camfferman and Zeff (2018) by gauging the extent of the relation between the IASB and its jurisdictional counterparts. More specifically, the current research considers the practical application of the IFRS in jurisdictions where institutional pressures influence views on the development of the CF. This research makes a contribution to the literature because the extent of which stakeholders support accountability or a neoliberal paradigm

because the operation of institutional pressures has not been considered in detail (Camfferman & Zeff, 2018).

1.3: Hypotheses

The positivist view assumes that management influences the setting of accounting standards to maximise own utilities and therefore assumes that accounting is built on rules with a deterministic view of outcomes. (Watts & Zimmerman, 1978). The shift from accounting for the performance of the organisation internally to that of accounting for information externally to the organisation has driven users' decisions (Ravenscroft & Williams, 2009). This shift has progressed to a user-oriented neoliberal viewpoint, as opposed to the previous manager-oriented viewpoint (Ravenscroft & Williams, 2009). As a result, in this context, the following two hypotheses are proposed:

H1: The content of the comment letters submitted by users of financial statements during the IASB CF revision process will be associated with neoliberalism to a greater extent than the content of comment letters submitted by preparers, accounting firms and regulators of financial statements.

H2: The content of the comment letters submitted by preparers, accounting firms and regulators of financial statements during the IASB CF consultation process will be associated with stewardship to a greater extent than the content of the comment letters submitted by users of financial statements.

It is important to note that the comment letters received by the IASB originate from different jurisdictions each with their own set of environmental influences and isomorphic pressures guiding the views (Robson, Humphrey, Khalifa, & Jones, 2007). Regardless of the location of these stakeholders, their position on either paradigm may be the same. Given these lines of thought, it is proposed that:

H3: The comment letters submitted by users of financial statements during the IASB CF revision process exhibit the same level of commitment to neoliberalism across different jurisdictions.

H4: The comment letters submitted by preparers, accounting firms and regulators of financial statements during the IASB CF revision process exhibit the same level of commitment to stewardship across the different jurisdictions

1.4 Scope, delimitations and assumptions

This paper will only focus on the comment letters received on the ED published in May 2015. It will not assess the letters received by the IASB in the previous consultation processes of the last two CF projects undertaken and published in 1989 and 2010. Also, the processes applied

by the IASB when developing the CF or any other accounting standard, including the relevance of lobbying by influential stakeholders, are not within the scope of this research.

1.5 Definitions

The identification and classification of the four stakeholder categories (users, preparers, accounting firms, and regulators) (Kwok & Sharp, 2005) are as follows:

- Users are defined as financial statement users whose interests are primarily centred around disclosure of financial statement information for the objective of assessing cash flow projections and performance management (Kwok & Sharp, 2005). Examples of these users include financial analysts and existing or potential investors.
- Preparers are defined as the management of the company (Kwok & Sharp, 2005).
- Accounting firms are defined as independent public accounting and auditing firms which provide accounting services, such as the compilations of financial statements and the provision of assurance and non-assurance services.
- Regulators are defined as the bodies which have powers to enforce standards, rules, or regulations dealing directly or indirectly with financial reporting (Kwok & Sharp, 2005). Examples include the Securities Exchange Commission (SEC) in the United States of America (USA) and the South African Reserve Bank (SARB) in South Africa (SA).

2: Literature review

Currently, more than 166 jurisdictions have adopted IFRS (IASB, 2019). Major economies which have adopted the IFRS as their public accounting reporting framework include: the European Union, Japan, Australia, Brazil, and Canada (IASB, 2019). Initially, accounting was referred to as a living law with stewardship, otherwise known as accountability as its root (Murphy et. al, 2013). Societies have regarded truth and fairness and accountability as essential ideals (Murphy et. al, 2013). The IFRS had a strong stewardship focus. For example, in some of the IASB's standards, entity-specific assumptions are employed in projections to determine future cash flows as markets are regarded as imperfect, such as IAS 36 Impairment of Assets and IAS 37 Provisions, contingent liabilities and assets. When the fair value is inappropriate, both standards apply entity-specific assumptions in the determination of the recoverable amount and the best estimate, respectively (Whittington, 2008).

Recent years have seen a shift towards a neoliberal focus (Durocher, 2014; Power, 2010; Zhang & Andrew, 2014). With this shift, new standards began to emerge, which appear to pull away from the stewardship focus to fair value. The introduction of IFRS 9 Financial Instruments has seen the emphasis of Fair Value Accounting (FVA) (Peng & Bewley, 2010). An exit price

(the price received to sell an asset) (IASB, 2016) has reference to a market which is to be applied to measure a transaction between parties, rather than an entity-specific measure (Whittington, 2008).

Utilising the comment letters to the IASB's ED/2015/3 provides insights into the neoliberal and stewardship paradigms. The next section provides a brief history of the CF. Followed by a discussion of the two broad theoretical frameworks (Section 2.2). This section ends with a discussion of legitimacy theory and isomorphic pressures regarding the institutionalisation of financial reporting (Section 2.3).

2.1 History of the Conceptual Framework

In 2001, following its predecessor, the International Accounting Standards Committee ("IASC"), the IASB was established. (Camfferman & Zeff, 2018). The IASB is an independent accounting standard-setting body which develops and publishes the IFRS. The IASB operates under the supervision of the IFRS Foundation (Deloitte, 2018).

The Framework for the Preparation and Presentation of Financial Statements was the first CF the IASC published in 1989 (Camfferman & Zeff, 2018). The 1989 Framework (1989FW) had a substantial stewardship focus with qualitative characteristics which determine the usefulness of information such as reliability and prudence. Stewardship was the objective of financial reporting. The 1989FW contained no hierarchy of qualitative characteristics, resulting in inconsistent trade-offs among the four qualitative characteristics (understandability, relevance, reliability and comparability).

In 2004, the IASB had commenced a collaborative project with the Financial Accounting Standards Board (FASB) of the USA (IASB, 2016) to revise their respective CFs. This collaborative effort saw to the 2010 publication of the two chapters, (1) the objective of the financial reporting and (2) The qualitative characteristics. A key motivation for the joint project was to connect the frameworks of the two standard-setters in order to provide a consistent and reliable foundation for the convergence of the two sets of standards: both boards committed to this per the Norwalk Agreement of 2002 (Whittington, 2008). This joint project encouraged uniformity and comparability of the standards and among global markets (Zhang & Andrew, 2014).

The IASB revised the 1989FW which has resulted in the publication of the Conceptual Framework for Financial Reporting 2010 in September 2010 which was to replace the 1989FW. The 2010 Framework (2010FW) introduced the hierarchy of the qualitative characteristics and placed Relevance and Faithful Representation as fundamental qualitative

characteristics with the others as enhancing qualitative characteristics (IASB, 2010). Hence, some stakeholders interpreted this as removal of the stewardship function from the objective of financial reporting (ACCA, 2017). The IASB disagreed with this interpretation and asserted that stewardship was implied in the 2010CFW (IASB, 2016).

However, in 2010 the joint project was suspended by both bodies in order to prioritise other projects. In 2011, feedback the IASB had received from an agenda consultation, highlighted the importance of this project, resulting in the IASB resuming the CFP in 2012 (IASB, 2015). Aspects of the 2010FW, which were under discussion relate to prudence, stewardship, reliability, complexity, defining the elements, presentation, and disclosure, the implications of long-term investment and measurement (IASB, 2016).

The Board issued the revised 2018 Conceptual Framework for Financial Reporting issued in March 2018. The improvements brought about in the 2018 Framework (2018FW) were to fill in the gaps relating to the concepts on measurement and presentation and disclosure, to provide updated definitions of the elements of financial statements and the recognition criteria and lastly to provide clarity on the roles of stewardship and prudence on financial reporting (IASB, 2016).

2.2 The relevance of accountability and neoliberalism in the development of the Conceptual Framework

The root of accounting was stewardship (Hopwood, 1987). Management (the custodian of the economic resources) must provide information which allows the existing or current shareholders to judge their custodianship of the company's resources. Past transactions with emphasis placed on their reliability were the focus of financial information (Whittington, 2008). In contrast, neoliberalism regards the importance of forward-looking information as relevant even if it is less reliable or verifiable for decision making purposes. This paradigm regards the existing and potential investors to have equal importance (Whittington, 2008).

Stewardship and neoliberalism have potential in conflicting objectives in accounting (Murphy et al., 2013). Table 1 summarises the main differences between these. Each of these points is discussed in more detail (Section 2.2) and will be used as codes to analyse the comment letters submitted to the IASB by stakeholder groups (see Section 3).

Table 1 Differences between the two accounting paradigms

Themes	Neoliberalism	Stewardship
1. Relevance and faithful representation	Decision usefulness is fundamental in serving to inform economic decisions. The interest of the users (current and prospective) of financial statements does not pertain to the performance of management (accountability). Instead, their interest is emphasised on the performance of the market in order to maximise their financial returns.	The monitoring of management's performance is of importance to the users of financial statements. Past performance of management may indicate the future economic performance of the entity. There is a crucial relationship between management and the current shareholders. The objective of the shareholder is to keep management accountable (stewardship) in the execution of their duties. Doing so would, in turn, maximise their return on investment.
2. Forecasting of future cash flows (forward-looking information)	Emphasis on forward-looking information which should enable the forecasting of future cash flows from a non-entity specific perspective to serve investors in capital markets.	Emphasis on the reliability of information (accuracy and completeness of information) which is enhanced by prudence is considered necessary. Past events and transactions are crucial in support of predicting cash flows from an entity-specific perspective.
3. Fair value market-based information	Market prices should be informed, unbiased and non-entity specific. Fair value is perceived to be a better indicator of the economic substance of a transaction than rendering historical cost to be an inappropriate measure of economic substance. The exit price (market selling price) is the preferred measurement basis.	Historical cost is the primary input to predict future cash flows. The economic environment is seen as imperfect, and therefore market opportunities will be entity-specific. Future cash flows may be endogenous (feedback from shareholders and market may influence management decisions) and not informed by the market.
4. Objective of Financial Reporting	The main objective of financial reporting is to focus on the decision usefulness of the economic information, and that accountability is not its distinct objective albeit may be met incidentally to others.	Stewardship – accountability to present shareholders is at least as necessary as considered decision usefulness.
5. User Reference for the general purpose of financial reporting	Neoliberalism serves existing and potential investors and capital markets.	Present shareholders of the entity have special status as users of financial statements and their feedback, along with market information, is considered essential in influencing management's decisions.

(adapted from Ravenscroft & Williams, 2009; Whittington, 2008; Zhang & Andrew, 2014)

Investors rely on market indicators to assess the worth of a company rather than on the book value assessments made by a management team (Bloom, 2009). Current investors are not as committed to the company in which they have invested: This is different from early financial reporting. They may easily and frequently divest from one company and invest in another. This renders some shareholders being less concerned with evaluating management's past performance and more concerned with maximising their return on capital based on projecting future cash flows (Bloom, 2009). Also users of financial statements look to many sources of information, including outside financial statements, to obtain information about an entity's performance. However, compared to and contrasted with preparers, accounting firms and regulators who generally view financial statements as their primary source of information to maintain their decision making (Georgiou, 2013).

In contrast to investors, preparers of financial statements will inform their decision making on information which reveals how the entity has performed. They do not rely on the market valuations of the company to inform their decisions (Georgiou, 2013). Preparers are also more inclined to favour cost-based accounting which they perceive as being easier to understand and apply (ibid).

2.2.1 An overview of the case for stewardship and the standard setter's view

Stewardship, synonymously referred to as accountability or 'conservatism' within financial reporting, is regarded as the differential verifiability required for recognition of profits or losses (Murphy et al., 2013; Watts, 2003). Conservatism provides a host of benefits for the user of financial reports. Four main benefits stem from verifiability, ranging from; the reduction of managerial bias from the use of asymmetrical information, the reduction of litigation costs, reduced taxation and increased firm value and, lastly, the reduction of administrative costs to the standard-setter and regulator (Watts, 2003; Watts & Zimmerman, 1978). Conservatism constrains the moral hazard by using asymmetric information to understate the net asset value which arises from delaying the recognition of revenues and promoting recognition of losses or expenses which, in turn, reduces the tax consequences (Watts, 2003). Consequently, litigation costs are also influenced by this asymmetry in information as it is more likely for litigation to arise from the overstatement of the net assets than an understatement (Watts, 2003). Finally, regulators undergo less criticism if firms understate their assets (Watts, 2003).

Although there seems to be an incentive for firms to support conservative financial reporting, in recent times, accounting standard setters appear to ignore these incentives as they promote the need for neutrality in financial reporting (Watts, 2003). In the context of the 2018FW ED, this view may not necessarily be encouraged by the reintroduction of prudence and the belief

that prudence is essential for achieving neutrality (IASB, 2016). Prudence is the exercise of caution when making judgements under conditions of uncertainty that assets and income are not overstated, and liabilities and expenses are not understated (IASB, 2016). Paragraph BC 2.1 in the Basis for Conclusions, determines that for information to be reliable, it should be neutral (IASB, 2015). Prudence does not provide licence for the creation of excessive provisions or hidden reserves or the deliberate understatement of assets or income or the deliberate overstatement of liabilities or expenses, as this will result in undermining the reliability of financial reporting (IASB, 2015; Watts, 2003). Cautious prudence supports the faithful representation of the elements in the financial statements (IASB, 2015). Faithful representation is understood to be supported by three characteristics of information which should be complete, neutral and, free from error (IASB, 2015). As asserted by Watts (2003), the loss of the four benefits purported from conservatism stemming from asymmetric information is due to the introduction of prudence. Furthermore, it is to be the intention of the IASB that neutral accounting policies do not require an entity to recognise the firm value in the financial statements (IASB, 2015).

Conservatism generates estimations of net assets and retained earnings which are asymmetrically biased downwards as to encourage good stewardship and, in turn, maximise the returns or the real value of the entity (Hopwood, 1987; Watts, 2003). Future earnings are deferred and realised once reliable, verifiable evidence exists. Earnings and asset measures are easily manipulated where unverifiable future cash flows or market values are used, as was the case for WorldCom and Enron (Peng & Bewley, 2010; Watts, 2003). It would now seem that Enron had involved itself in a web of complex transactions, designed to achieve accounting rather than operating results (Schwartz, 2002). Verifiability would be challenging to achieve. Disclosures to these transactions would either be oversimplified or providing detail and sophistication beyond the level of understanding for an ordinary investor, making disclosures imperfect (Schwartz, 2002). Verifiability is one of the enhancing qualitative characteristics of the 2018FW and assures users that information faithfully represents what it purports to represent (IASB, 2015). However, verifiability supports faithful representation, rather than relevance. Information may still be relevant to the user even when verifiability is low because of high levels of existence or measurement uncertainty (IASB, 2015; Ravenscroft & Williams, 2009). Even with the benefits of conservatism within financial reporting, as an area for future research, accounting standard-setters and regulators should re-examine the effects of excessive safeguards, which can stifle business innovation. They should seek to favour flexibility over rigidity, innovation above consistency in order for enterprises to remain competitive in a global economy (Schwartz, 2002).

2.2.2 The case for neoliberalism and the standard setters view

Neoliberalism generally refers to the doctrine that views markets as efficient and where economies should be allowed to function with minimal interference by governments (Zhang & Andrew, 2014). In a financial reporting context, this resulted in a shift towards the provision of information focused on providing current and relevant information, especially in so far as this facilitates users' ability to estimate the value of the firm. However, in the 1980s, standard-setters and regulators never took a clear position or bias towards either accountability or neoliberalism. It should be noted that neoliberalism does not regard accountability as unimportant. As expressed in the agency relationship, the principal (owner) delegates authority or decision-making power to the agent to act in the best interest of the principal (Jensen & Meckling, 1976). In some instances, the agent may not always act in the best interest of the principal, and as such, the principal would need to incur monitoring costs to incentivise the agent to perform activities which promotes the interests of the principle and discourage the agent from any aberrant activities (Jensen & Meckling, 1976). As a result, a mixed measurement system informs accounting standards (Durocher, 2014; Power, 2010). Subsequently, Fair Value Accounting (FVA) had gained prominence and had motivated the accounting reform led by both the FASB and the IASB (Power, 2010; Xianjiei, Wong, & Young, 2012).

The notion of neoliberalism or FVA has gained momentum and became institutionalised, regardless of the pressing opposition. According to Power (2010), the notion of reliability was founded in a market-based model of valuation rather than in its older transaction-based valuation model. It was this reliability which was later referred to as a social construct within FVA (Hopwood, 2000; Power, 2010). Fair Value is 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date' (an exit price) (IASB, 2016). It is this definition which, at times, has caused critics of FVA to call it subjective, fictitious, and imaginary in its nature (Power, 2010; Xianjiei et al., 2012). Fair value is not regarded as a single measurement base as it consists of an array of various approaches which would determine an estimate of exit value, which has resulted in very little evidence to support arguments for and against FVA (Power, 2010; Xianjiei et al., 2012).

The CF requires the preparation of financial statements to contain specific disclosures, and it asserts that numerous benefits will follow for a wide range of users. However, it constructs financial notions of accountability of the performance of various entities and, in turn, restricts the potential of these institutions (Potter, 2002). Preparing financial statements within the

traditional accounting parameters (stewardship) and neglecting to incorporate FVA will fail to capture the full benefits of resource allocation (Potter, 2002). The main objective of accounting is to communicate the value of an entity by its actual structure and its sources of value creation (Busacca & Maccarone, 2007). As the accounting world evolves from the tangible to the intangible drivers of value creation, traditional accounting is not responsive to this change and so is, unable to achieve its objective (Busacca & Maccarone, 2007). The 2018FW will reflect this transition and be able to set future accounting standards which will be able to respond to these changes (IASB, 2018). This evolution of accounting allows for the representation of strategic resources to approximate its reality (Busacca & Maccarone, 2007). Proponents of FVA would refer to a true account of information, which promotes transparency (Peng & Bewley, 2010; Power, 2010). As Busacca & Maccarone, 2007 cites, this evolution takes place in two stages, namely, through regulators and companies. Regulators aim at seeking best practices for the reliability and robustness of these strategic resources of value creation and comparing these to accounting theory to develop accounting standards. Consequently, entities adopt new accounting standards to improve best practices (Busacca & Maccarone, 2007).

Considering the preference for a specific paradigm by the different stakeholder groups, this research paper sought to investigate the preference for either paradigm in the comment letters received by the IASB. The comment letters discussed the following aspects of the ED/2015/3; (1) the elements of financial statements, (2) recognition and derecognition, (3) measurement, and (4) presentation and disclosure as outlined by the revised 2018FW issued in March 2018. The development of the following hypotheses for the first phase of this paper:

H1: The content of the comment letters submitted by users of financial statements during the IASB CF revision process will be associated with neoliberalism to a greater extent than will the content of comment letters submitted by preparers, accounting firms and regulators.

H2: The content of the comment letters submitted by preparers, accounting firms and regulators of financial statements during the IASB CF revision process will not be associated with stewardship to a greater extent than will the content of comment letters submitted by users of financial statements.

Table 2 presents more refined hypotheses aligned with each of the themes summarised in Table 1.

Table 2 Summary of paradigms, themes and hypotheses					
Themes	Section	Hypotheses	Stewardship	Neoliberalism	Primary references
1. Relevance and faithful representation	2.2	H1.1/2.1: The content of the comment letters submitted by users of financial statements during the IASB's CF process is associated with relevance and faithful representation of useful information to a greater extent than will the content of the comment letters submitted by preparers, accounting firms and regulators of financial statements.	Reliability	Captures economic substance to inform decisions rather than the accuracy and completeness of the information.	(Whittington, 2008) (Ravenscroft & Williams, 2009) (Georgiou, 2013) (Zhang & Andrew, 2014)
2. Forecasting of future cash flows	2.2	H1.2/2.2: The content of the comment letters submitted by users of financial statements during the IASB's CF process is associated with forecasting of future cash flows to a greater extent than will the content of the comment letters submitted by preparers, accounting firms and regulators of financial statements.	The application of prudence is essential regarding the recognition of assets/liabilities. Recognise fewer assets and more liabilities.	Emphasis is placed on unbiased, neutral, market-based information. Future cash flows and market-based information are critical in the measurement of assets or liabilities in the financial statements. Broader asset recognition criteria provide a better understanding of the costs and utilisation of the asset.	(Whittington, 2008) (Ravenscroft & Williams, 2009)

3. Fair value	2.2	H1.3/2.3: The content of the comment letters submitted by users of financial statements during the IASB's CF process is associated with market based or fair value information to a greater extent than will the content of the comment letters submitted by preparers, accounting firms and regulators of financial statements.	Focus is on managements' performance as custodians of assets in generating returns and not on the market performance of the entity's market value. Historical cost and entity-specific information are fundamental to the measurement of assets or liabilities.	More disclosures required in financial statements based on market information regarding tangible and intangible information in the determination of fair value.	(O'Dwyer, Owen, & Unerman, 2011) (De Villiers, Rinaldi, & Unerman, 2014) (Shoaf, Jermakowicz, & Epstein, 2018)
4. Objective of financial reporting	2.2	H1.4/2.4: The content of the comment letters submitted by users of financial statements during the IASB's CF process is associated with the usefulness in decision making information to a greater extent than will the content of the comment letters submitted by preparers, accounting firms and regulators of financial statements.	Emphasis is placed on the accountability of management to the existing shareholders of the entity. Past transactions and events are what influence management's decision making.	Market prices give investors information to decide on potential cash flows as markets are regarded as complete and efficient for decision usefulness.	(Whittington, 2008) (Ravenscroft & Williams, 2009)
5. User reference for the general purpose of financial reporting	2.2	H1.5/2.5: The content of the comment letters submitted by users of financial statements during the IASB's CF process is focused more on potential investors or shareholders and capital markets to a greater extent than will the content of the comment letters submitted by preparers, accounting firms and regulators of financial statements.	Existing or present shareholders are regarded as the critical user of financial statements.	Present shareholders have no prominence amongst investors as users of financial statements.	(Whittington, 2008)

2.3 The institutionalisation of financial reporting

Isomorphism refers to forces that act subtly and result in firms resembling one another. There are three mechanisms of isomorphism which determine the way institutions transform: coercive, mimetic, and normative isomorphism (DiMaggio & Powell, 1983; Robson et al., 2007). In the context of this paper, coercive isomorphism is a product of the pressure applied on entities by their counterparts, which includes the motive to adhere to society's expectations and is deemed more explicitly through the means of compliance with legal regulations (Suchman, 1995). With fair value gaining importance, financial reporting is 'coerced' into meeting the needs of users of financial statements which have changed as decision usefulness becomes key in the value added by financial statements (Bloom, 2009). At the same time, many jurisdictions mandate compliance with IFRS (Swait, Patel, & Maroun, 2018).

Coercive isomorphic pressure is evident with preparers, accounting firms, and regulators of financial statements adopting new IFRS standards as an act of compliance, even when they regard the information as not directly relevant to organisation's stakeholders (Hopwood, 1987; Swait et al., 2018). The result of compliance is thus resultant by the pressure and influence exerted on organisations by an organisation's peers and the inclination to adhere to society's expectations (Maroun & Van Zijl, 2016).

Apart from these pressures, the entrenchment and concentration of the audit market globally have contributed significantly to the institutionalisation of financial reporting. Users of financial statements do not merely rely on the risk-based model, but their insights into the audit opinion have been greatly influenced by the legitimacy that has been created by the institutionalisation of the profession such as qualifications, regulation, standards, ethics and results of crisis (Watts & Zimmerman, 1983). The demand for audits has risen due to the complexity of accounts, the growth in scale of capital markets and the expansion of companies have resulted in a long-lasting impression for the need of auditors (Watts & Zimmerman, 1983). Finally, the underlying view of the reliance placed by the user on the financial statement is not necessarily rational but also one influenced by the legitimacy, credibility and authority that the audit profession has built for itself by the institutionalisation of the profession due to the rise of the agency problem (Watts & Zimmerman, 1983). Therefore, preparers are guided by the accounting firms as to the knowledge templates to be applied that would shape financial reporting. The social constructivist view that the world is a messy and irrational place with differing perceptions which the audit practice would need to make rational output (Power, 2003).

1. This approach is similar to that used by Vivian and Maroun for their content analysis of comment letters.

Mimetic isomorphic pressures are the result of pressure to conform with already legitimate organisations by replicating the actions of the most successful entities to gain credibility in times of uncertainty or change (DiMaggio and Powell, 1983). A new entrant to the market or a company which has done something wrong and may seek remedial actions to repair its legitimacy may choose to mimic a legitimate entity's structures, processes, models, and methods in order to be perceived as legitimate by association. Mimetic isomorphic pressures are evident when preparers of financial statements elect to copy their competitors' financial reporting regimes in order to minimise their decision-making costs while maintaining their legitimacy (Swait et al., 2018). It is also evident in the context of uncertain times, in which an organisation may seek credibility by mimicking or the replicating of the actions, structures and processes of the most successful organisations (Maroun & Van Zijl, 2016).

Normative isomorphism is the extent to which an entity conforms to professional standards. Values can be evident by the adoption of their policies following the expectations of the society in which the entity operates (Robson et al., 2007; Suchman, 1995). Presenting to be a source of technical knowledge, competence and expertise, can be an indicator of credibility and encourages normative isomorphic transformation (Maroun & Van Zijl, 2016; Power, 2003).

The production of financial statements, as neoliberalism suggests, is for the objective of decision-making purposes on behalf of the user who has a firm belief that balance sheet data should reflect market values (Durocher, 2014; Ravenscroft & Williams, 2009; Whittington, 2008). The consensus is that, if enough people support the usefulness of this 'fictitious' notion of fair value, it would be accepted as reality (Power, 2010).

On the other hand, stewardship states that for information to be useful, it needs to be reliable and verifiable in order to assess the extent to which management has discharged their stewardship responsibilities (Durocher, 2014; Zhang & Andrew, 2014). It is critical to gain a better understanding of the practitioner's epistemic commitment in the context of a significant normative drift given the interconnection between professional knowledge and the solidification of professional projects (Durocher, 2014; Maroun & Van Zijl, 2016). Previous sociology of professions literature suggests that a profession's ability to occupy a jurisdiction in its cognitive authority regarding an area of work may be reduced when the members' epistemic commitment becomes varied or pluralistic (Durocher, 2014). Cognitive authority refers to the ability to maintain dominance over jurisdiction as the leader in an area of expertise and knowledge. Cognitive unity refers to the extent to which specific expertise and knowledge are endorsed within a professional community (Durocher, 2014; Maroun & Van Zijl, 2016).

1. This approach is similar to that used by Vivian and Maroun for their content analysis of comment letters.

Professional bodies and accounting firms spend considerable effort in shaping the mindset of young professional accountants through educational and social areas. They are seeking to promote a specific culture of thinking and application through continuous exposure to a set of particular knowledge templates (Durocher, 2014; Maroun & Van Zijl, 2017). However, there may be variation in terms of the level of commitment to the adoption of the knowledge templates amongst various practitioners, because of various socialising streams to which these individuals are exposed (Durocher, 2014; Maroun & Van Zijl, 2017). Nonetheless, there may still be a level of congruency amongst individuals who may become over committed to these knowledge templates to the point where they internalise and may disassociate from a community whose set of beliefs may be different to theirs (Durocher, 2014). Individuals with a high epistemic commitment may become disconcerted when confronted with a situation where an event may destabilise a given knowledge template (Durocher, 2014). Therefore, the extent of epistemic commitment within a professional community may be subject to change, despite the active promotion of knowledge template (Durocher, 2014). A positive response is anticipated to the normative shift from accountability or stewardship to neoliberalism or FVA. Several respondents in the comment letters may have a high epistemic commitment to the fair value knowledge template, having been exposed to various socialisation streams promoting market-based information, measurements and the implementation of FVA standards (Durocher, 2014; Ravenscroft & Williams, 2009)

Coercive, normative, and mimetic forces operate concurrently in influencing how organisations or stakeholders respond to the changes in their environment (DiMaggio & Powell, 1983). As a result, jurisdictional differences do not influence the views of the stakeholders of financial statements but the isomorphic pressures at work do. The development of the following hypotheses for phase two of this study is as follows:

H3: The comment letters submitted by users of financial statements during the IASB CF revision process do exhibit the same level of commitment to neoliberalism across different jurisdictions.

H4: The comment letters submitted by preparers, accounting firms, and regulators of financial statements during the IASB CF revision process do exhibit the same level of commitment to stewardship across the different jurisdictions.

3: Methodology

This research used a mixed-method research approach (Creswell & Plano Clark, 2011)¹. First, a qualitative content analysis (Leedy & Ormrod, 2010) of the comment letters was performed to identify and categorise the data units. Thereafter, the data were analysed

1. This approach is similar to that used by Vivian and Maroun for their content analysis of comment letters.

quantitatively. It was done by incorporating the use of chi-squared tests to address each stated hypothesis which is consistent with the approach followed by Vivian and Maroun (2018) as well as by Bamber and McMeeking (2016). In order to avoid creating the impression that the research is advancing a causal relationship among variables, a regression model was not developed.

While the research relied primarily on a quantitative method, it is best be described as inspired by an interpretive approach (Leedy & Ormrod, 2010). This thesis aimed to explore new insights about the preference of users, preparers, accounting firms and regulators of financial statements for either a neoliberal or stewardship model. Developing a causal model is beyond the scope of the research.

3.1 Content analysis

The research commenced with a content analysis of the comment letters received by the IASB during its CFP. Content analysis was best suited when analysing the comment letters as it permitted the researcher to categorise the opinions in the comment letters so that these opinions could be analysed (Holder, Karim, Lin, & Woods, 2013; Vivian & Maroun, 2018). The reasoning for utilising comment letters to understand stakeholders' views has a preference in the accounting literature (Brown & Feroz, 1992; Kwok & Sharp, 2005; Watts & Zimmerman, 1978).

The detail of the comment letters was analysed for the specific positions taken on each of the themes identified in Chapter 2, the literature review per Section 2.2. For each of the comment letters, the researcher commenced by identifying which stakeholder group the respondent would be classified in based on the definitions in Section 1.3. The researcher then read each comment letter on a line-by-line basis, identified the position taken by the respondent for each relevant response and categorised the positions.

A structured coding approach was applied to each relevant response. For this purpose, the themes listed in Table 1 and 2 served as themes or code headings. (Leedy & Ormrod, 2010). Each statement or response was recorded in an Excel spreadsheet showing the respondent's preference for either neoliberalism or stewardship, or being neutral or silent (Kwok & Sharp, 2005) and was classified according to the themes (as per Table 2) and the respondent's stakeholder group (Section 1.3). The positions were documented against each respondent's name and jurisdiction (see Carvalho, de Albuquerque, Quirós, & Justino, 2015; Kwok & Sharp, 2005; Vivian & Maroun, 2018).

The process of classifying comment letters is subjective (Brown & Feroz, 1992). In order to keep subjectivity to a minimum, the individual responses analysed in the analysis have been selected from specific matters or questions identified for comments in the consultation documentation, the ED. Following the first round of coding, a sample of letters was reread to confirm the consistency, where each comment letter is regarded as a unit of analysis (Kwok & Sharp, 2005). An independent third party with accounting technical knowledge repeated the comment letter analysis on a sample of four comment letters (Kwok & Sharp, 2005)².

3.2 Quantitative analysis

A quantitative analysis was conducted on the coded data. The position or view taken by respondents for each statement/response was classified on a binary scale where '1' represents a preference towards a particular position and a 'zero' representing no preference (Kwok & Sharp, 2005). These individual scores were totalled for each theme per respondent category and utilised to develop a two-by-two contingency table.

A chi-square test, as used or applied in similar studies (Giner, 2012; Kwok & Sharp, 2005), was employed to analyse the data. The chi-square test assisted in analysing, whether two or more independent groups differ in terms of a particular characteristic (theme) (Carvalho et al., 2015). The chi-square test requires two assumptions to be met.

Firstly, the sample must be reasonable within the context of the test. The test only provides an approximate p-value and the accuracy of this approximation is reduced for smaller sample sizes (Krishnan, 2011). The full population was tested, and if more than 20% of the contingency cells had values less than five, a Fisher's exact test was to be applied instead of the chi-square test (Saemann, 1999).

Secondly, the data must be independent because the test cannot be applied to correlated data (Krishnan, 2011). It was not regarded as a problem for this study because the comment letters were compiled independently by separate entities or stakeholders.

The test was applied to the hypotheses stated in Section 2. The chi-square test was applied individually to each of the hypotheses. A p-value of 5% was applied, as has been used in similar studies (see Carvalho et al., 2015). When testing for differences in responses by stakeholder and jurisdiction, an alpha of 1% was applied to reduce the risk of a Type 1 error (ibid).

2. The classification of the comment letters was similar to the coding performed by Kwok and Sharp (2005) and Bamber and McMeeking (2016) which classified responses into two categories. The coding was performed manually by both the coder and third party on the sample of letters coded. A discussion was held concerning the coding and the interpretation applied. The majority of coding dissimilarities relate to interpretations of the coding scheme rather than disagreement.

3.3 Population and sampling

The population of the 233 comment letters submitted to the IASB's CFP³. A one hundred percent sample was analysed because of the relatively low number of comment letters on the ED received by the IASB. These letters were available on the IFRS Foundation website and were manually downloaded.

3.4 Validity and reliability

The following validity and reliability safeguards have been introduced:

- The coding instrument has been derived from the prior literature to limit researcher subjectivity. Individual responses were coded by the researcher and re-evaluated. A research assistant was employed to ensure that data were consistently analysed.
- On external validity of this study, the aim was not to generalise the entire population of financial reporting stakeholders but to analyse the views of the respondents or stakeholders who participated in the comment letters (Bamber & McMeeking, 2016).
- The validity and reliability of the conclusions of the quantitative analysis were controlled by testing the two critical assumptions of the chi-square test (explained in Section 3.2).
- Statistical tests are commonly used in research to test hypotheses. It is well understood that these statistical tests depend on assumptions such as normality, equal variances, and independence of the observations (Zimmerman, 2014). The application of these checks determined whether statistical tests used in this study would lead to correct statistical decisions. Robustness checks were employed to support the study's validity. The IFRS have evolved from the International Accounting Standards (IAS) which have, in turn, largely originated from British accounting. The U.K (United Kingdom) was used as a control to determine whether this impacted the findings. No significant changes.

4: Analysis and discussion of results

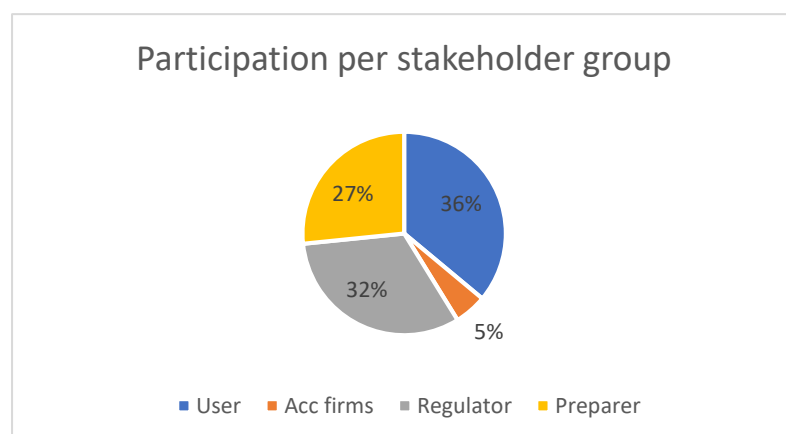
This chapter presents the descriptive statistics to summarise the data and provide context for further analysis. These are followed by a discussion of the findings from statistical tests run and what those findings mean.

³ A quantitative method is appropriate because there were 233 comment letters received and published on the IFRS Foundation website. As a result, the sample sizes were expected to be appropriate and the data readily available.

4.1 Findings in comment letters by stakeholders

From a total of 233 comment letters submitted in response to the CF ED, 2680 outcome-orientated comments were made. As outlined in Table 3, 46 countries responded to the IASB's invitation to comment on the ED. For ease of reference, each country or city was assigned a jurisdiction value (See Appendix A, Table 17). A total of 14 jurisdictions were identified based on the location and proximity of these countries in order for jurisdictional influences or institutional pressures to exist as outlined in section 2.3.

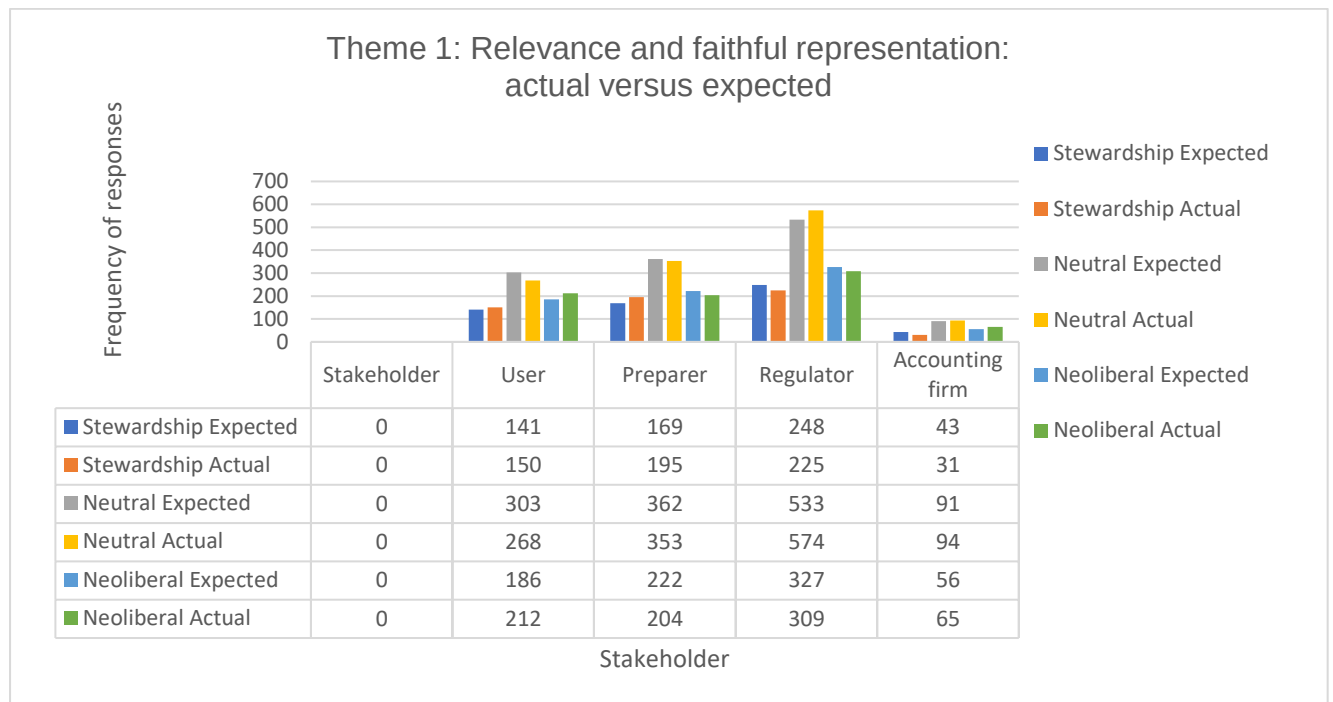
Graph 1: Participation per stakeholder group



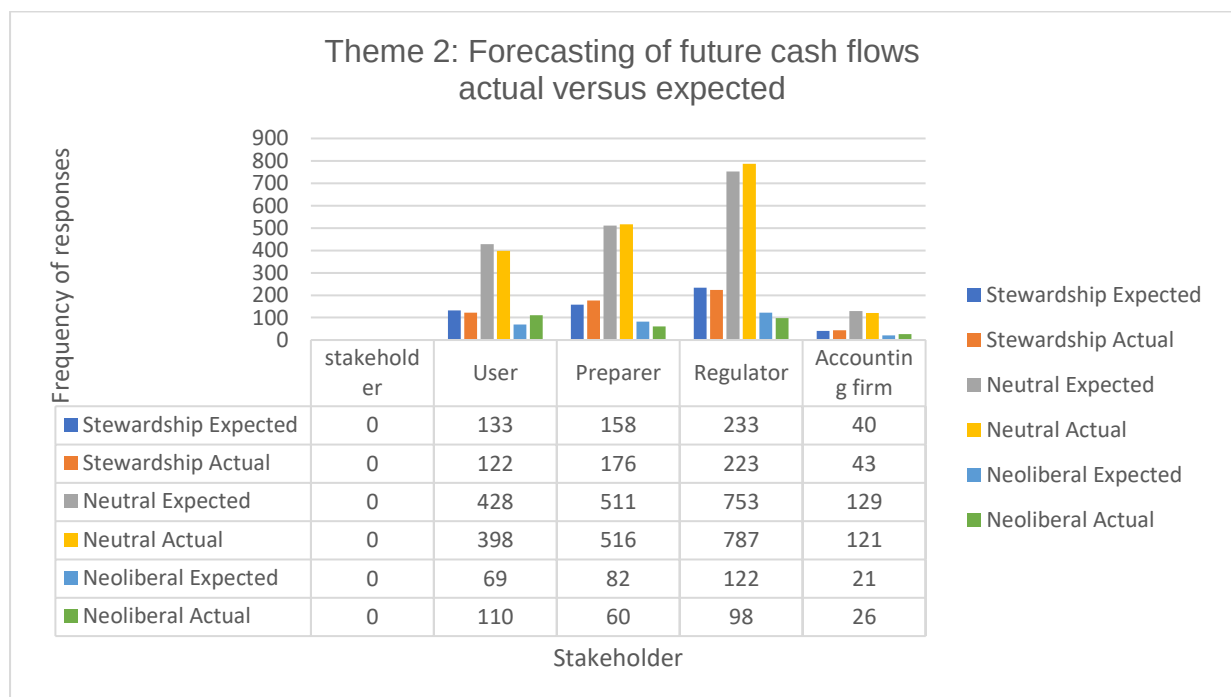
Graph 1 illustrates the number of comment letters per stakeholder. It summarises the stakeholder groups (as defined in section 1.4) which have responded to the IASB's invitation to comment on the ED. As illustrated, the majority of comment letters (36%) are from the user stakeholder group, with 31 of 84 from China. Conversely, only 12 accounting firms worldwide submitted comment letters on the ED, signifying only 5% of the population of comment letters.

Accounting firms formed 5% of the total responses. According to the IASB's 2018 Annual Report, the international accounting firms contributed £5 378 582 towards the IASB's revenue which equates to 24% of the total contributions received in that year (Foundation, 2018). While 5% seems low, this is made up of 12 firms – including the Big 4⁴. Each of these firms only submit one letter, which represent the views of their entire network of member firms. For example, PricewaterhouseCoopers (PwC) responded with a 25-page letter representing member firms operational in 157 countries worldwide (PwC, 2020) and Deloitte with a comprehensive 47-page response, representing member firms operating in over 150 countries (Deloitte, 2020).

4. The Big 4 refers to the four largest international accounting firms in the world. These firms provide an extensive range of accounting and auditing services including external audit, taxation services, management and business consultancy, and risk advisory. These firms are Deloitte (Deloitte Touche Tohmatsu), EY (Ernst & Young), KPMG (Klynveld Peat Marwick Goerdeler) and PwC (PricewaterhouseCoopers)

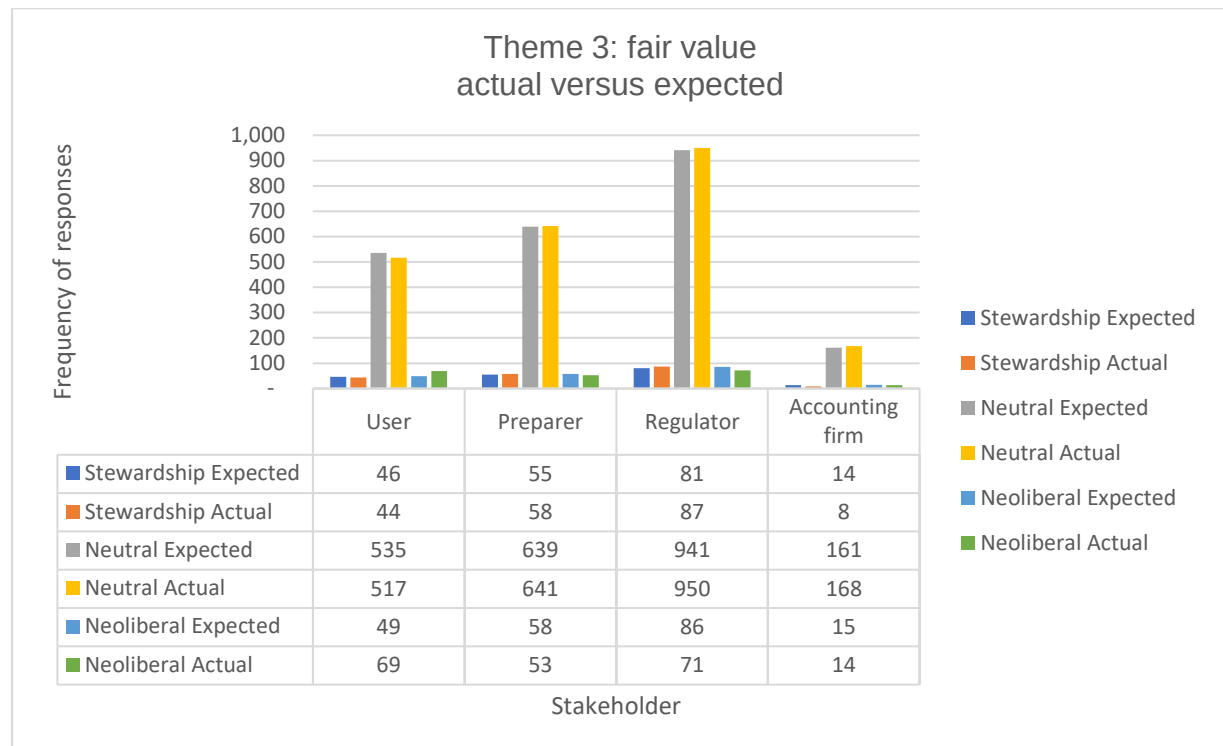
Graph 2: Theme 1- Relevance and faithful representation: frequency of responses

Per Graph 2, theme 1- relevance and faithful representation the majority of the frequency of responses were neutral or had no comment on most questions in the ED. However, across the various stakeholder groups, there is a propensity towards neoliberalism in most responses. The regulator stakeholder group with the highest frequency of responses for neoliberalism at 309 responses, however, this is less than the expected frequency of 327 responses.

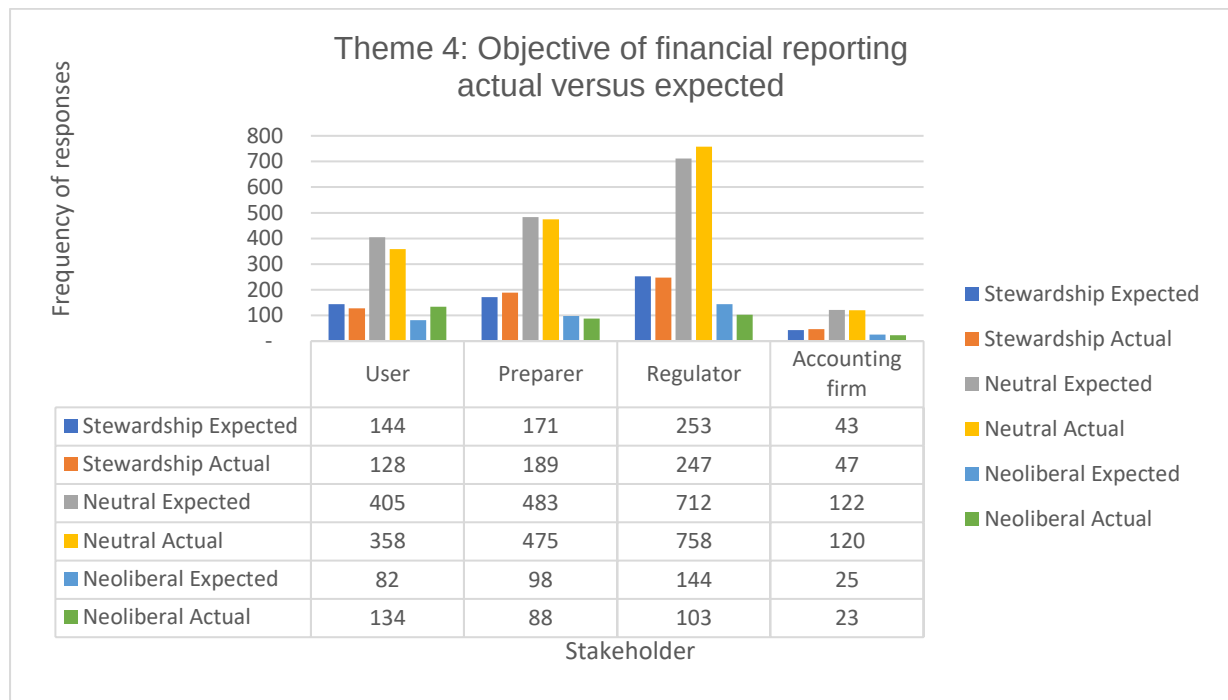
Graph 3: Theme 2- Forecasting of future cash flows: frequency of responses

Graph 3, theme 2- forecasting of future cash flows indicates a higher frequency of responses towards stewardship other than the neutral responses. Unlike the results in theme 1- relevance and faithful representation, in respect to theme 2, all stakeholders have shown a higher frequency of responses towards stewardship, especially, the regulators. Regulators have indicated a preference for stewardship with 223 actual responses.

Graph 4: Theme 3- Fair value: frequency of responses



Concerning theme 3- fair value, Graph 4, indicates no specific preference for either paradigm. Except for the majority of responses indicating neutral, it seems that users are more inclined towards neoliberalism with 69 actual responses, higher than the expectation of 49. This result, therefore, corresponds or agrees with the hypothesis H1, that users have the preference for neoliberalism more than do preparers, regulators, and accounting firms.

Graph 5: Theme 4- Objective of financial reporting: frequency of responses

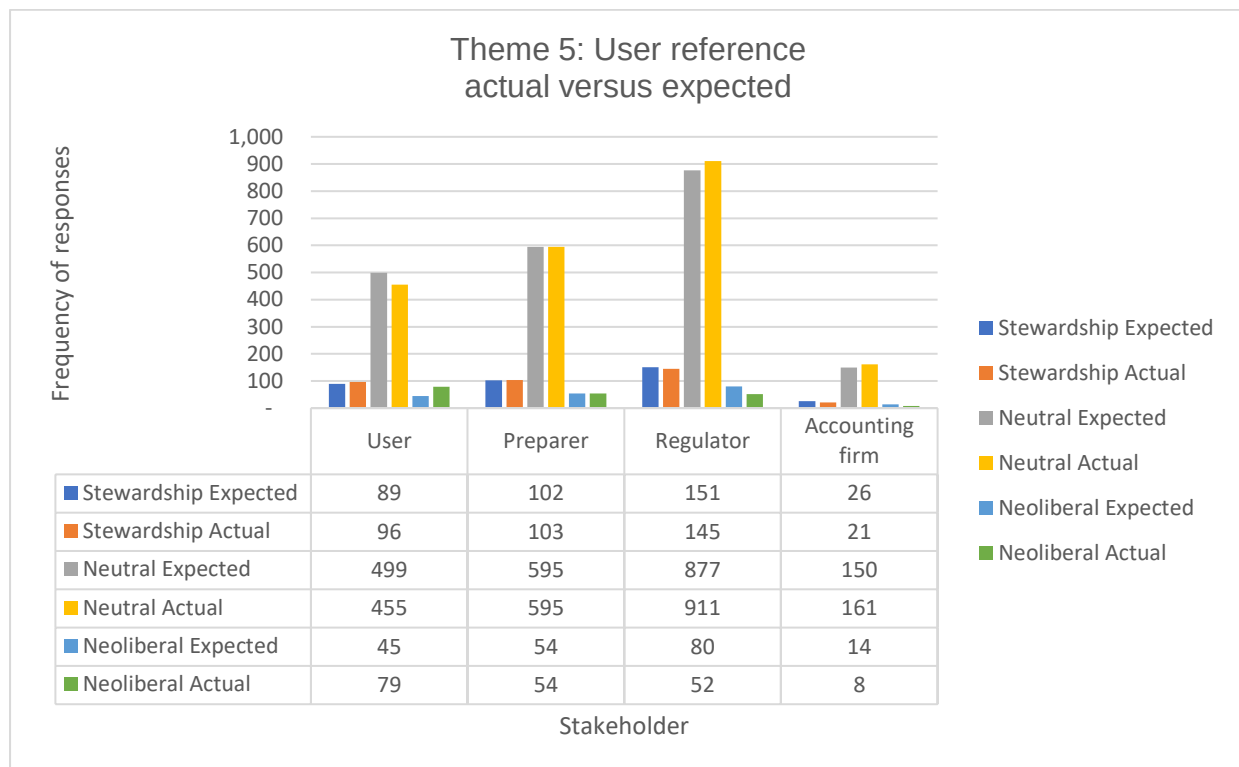
The frequency of responses in Graph 5, theme 4- objective of financial reporting, indicates the preference for stewardship for preparers, regulators, and accounting firms. The actual responses concerning stewardship for each of these stakeholders are higher than the expected responses, except those of regulators. Even so, regulators have 247 actual responses towards stewardship as opposed to 103 actual responses for neoliberalism. Conversely, users appear to be inclined towards neoliberalism with 134 actual responses when compared to regulators. It appears that the hypothesis H2 would be supported and that the null hypotheses would be rejected. The comment letters submitted by preparers, regulators, and accounting firms about theme 4- objective of financial reporting is associated with stewardship to a greater extent than the contents of the comment letters submitted by users of financial statements.

What is worth noting is the comment letter from the European Financial Reporting Advisory Group (EFRAG) highlighting the debate between information usefulness and stewardship. The EFRAG is considered a key stakeholder for the IASB. The mandate of the EFRAG is to confirm that International Financial Reporting Standards are responsive to European needs and concerns, thereby classified as a regulator for purposes of this paper. In their response to the ED's question on stewardship, the EFRAG emphasised the importance of stewardship and that information usefulness should not only be limited to the decision to buy, sell or hold decisions but should include decisions based on the assessment of management's stewardship (EFRAG, 2015). The EFRAG is of the view that the objective of financial reporting

should give greater prominence to the assessment of management's stewardship. This supports the findings for theme 4- objective of financial reporting on the views of regulators.

The EFRAG also supports the notion that information usefulness for the assessment of stewardship as significant as the provision of information in assessing the prospects of future net cashflows to an entity. The EFRAG considered this information to be both forward looking and backward looking thereby demonstrating how management has geared the entity for the future and what has been achieved in a set period (EFRAG, 2015).

Graph 6: Theme 5- User reference: frequency of responses



Theme 5- user reference, as shown in Graph 6, indicates a higher number of responses for stewardship than neoliberalism. Preparers show no difference in neoliberalism between expected versus actual responses. However, actual responses towards stewardship were higher at 103 responses as opposed to the expected responses of 102.

Table 3 presents results testing the association of each stakeholder to each of the five themes identified in the theoretical framework in Section 2.2. The application of the 1% or 5% confidence level indicate any significant associations among the stakeholders and each theme. It seems that there are statistically significant associations between all stakeholders and the themes identified:

Table 3 Variation in themes by stakeholder	
Theme	X-Statistic
1: Relevance and faithful representation	25.060***
2: Forecasting of future cash flows	43.884 ***
3: Fair value	15.615 **
4: Objective of financial reporting	56.420 ***
5: User reference	45.222 ***
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level Data grouped by stakeholder	

As per Table 3, there is an association between the stakeholders and comments pertaining to theme 1- relevance and faithful representation ($X = 25.060$, $p < 0.01$), theme 2- forecasting of future cash flows ($X = 43.884$, $p < 0.01$), theme 3- fair value ($X = 15.615$, $p < 0.05$), theme 4- objective of financial reporting ($X = 56.420$, $p < 0.01$) and theme 5- user reference ($X = 45.222$, $p < 0.01$).

Table 4 Symmetric measures per themes	
Theme	X-Statistic ⁵
1: Relevance and faithful representation	0.097***
2: Forecasting of future cash flows	0.128***
3: Fair value	0.076**
4: Objective of financial reporting	0.145***
5: User reference	0.130***
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level Data grouped by stakeholder	

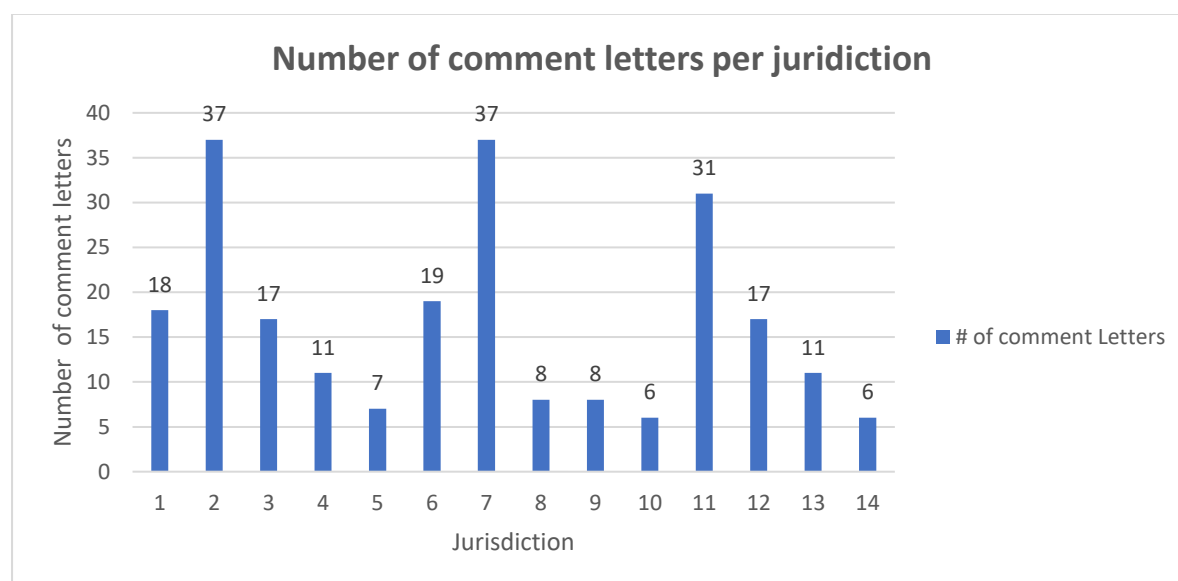
As per Table 4, the chi-square tests emphasise that there is a significant association between the themes and the stakeholders. The results for the themes are as follows: theme 1- relevance and faithful representation ($X = 0.097$, $p < 0.01$), theme 2- forecasting of future cash flows ($X = 0.128$, $p < 0.01$), theme 3- fair value ($X = 0.076$, $p < 0.05$), theme 4- objective of financial reporting ($X = 0.145$, $p < 0.01$) and theme 5- user reference ($X = 0.130$, $p < 0.01$).

5. Corroborating tests have been applied in support of the Chi-square tests. With the application of the two by two contingency tables, the Phi and Cramer's V tests are applicable to measure the association among the categories which have defined the contingency tables i.e., the relationship between the different themes and jurisdictions. It would be recognised that the relationship is statistically significant, as each of the themes presents a Cramer's V value of less than 0.2, however, the associations are significant at the 1% and 5% confidence level.

4.2 Results by jurisdiction

Graph 7 depicts jurisdictional participation, in which China, Hong Kong, and the UK had the highest number of letters. Graphs 8 to 12 present the frequency of responses submitted per jurisdiction and the total number of responses classified into the propensity towards stewardship and neoliberalism or a neutral position per the five themes identified in Table 2.

Graph 7: Number of comment letters per jurisdiction

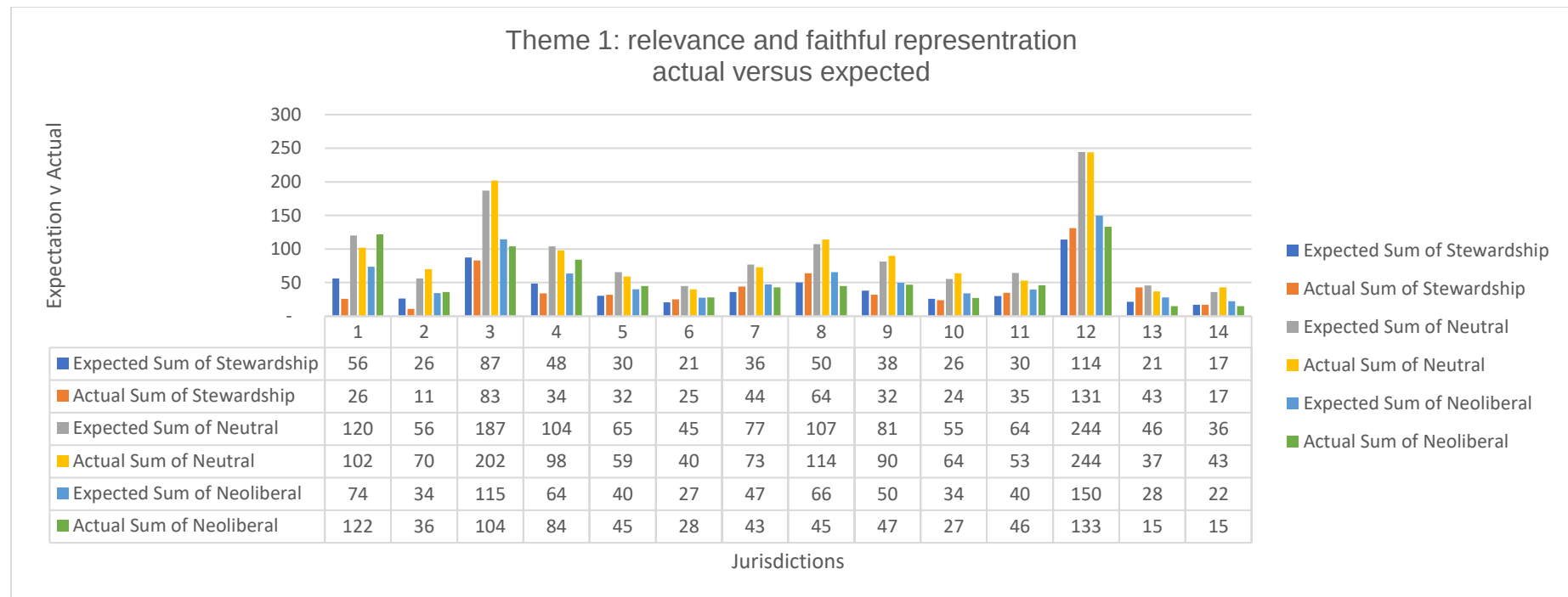


As illustrated in Graph 7 the number of comment letters received from each of the jurisdictions vary in participation. What is worth highlighting is the participation shown by jurisdiction 2 – China and Hong Kong contributing a combined response of 37 letters from both countries where convergence of the IFRS is applied (Clemens & Fisher, 2013). Convergence is when a jurisdiction does not adopt the IFRS as its financial accounting standards. Rather, local standards are maintained and converged over time to align closer with the IFRS (Clemens & Fisher, 2013). It is worthwhile to note that China has adopted the Chinese Accounting Standards for Business Enterprises (ASBE) which were substantially converged with the IFRS as per the 2005 joint statement of the China Accounting Standards Committee (CASC) Chairman and IASB Chairman (IFRS.org, 2020). It was then updated in the 2015 joint statement that aimed to advance the use of the IFRS within China (IFRS.org, 2020). It is interesting to note that while China has not fully converged with the IFRS, its stakeholders were vocal regarding the changes proposed by the IASB in the CF ED. At present, China neither requires nor permits domestic public companies to apply IFRS nor does it require or permit the application of IFRS for listings by foreign companies (IASB, 2019). All Chinese companies whose shares or securities trade in a public market in China are required to apply the ASBEs for financial reporting (IFRS.org, 2020).

Another observation in Graph 7 is the low response rate from jurisdiction 6 (the United States of America) with 19 comment letters. The USA's FASB and the IASB have concluded on the Norwalk agreement in 2002 with the aim to work jointly on the development of high-quality accounting standards in addition to the revision existing differences in standards between the two standard setters in order to achieve compatibility (Clemens & Fisher, 2013). This endeavour would assist the transition of the USA from U.S. GAAP to IFRS which would facilitate convergence (Clemens & Fisher, 2013).

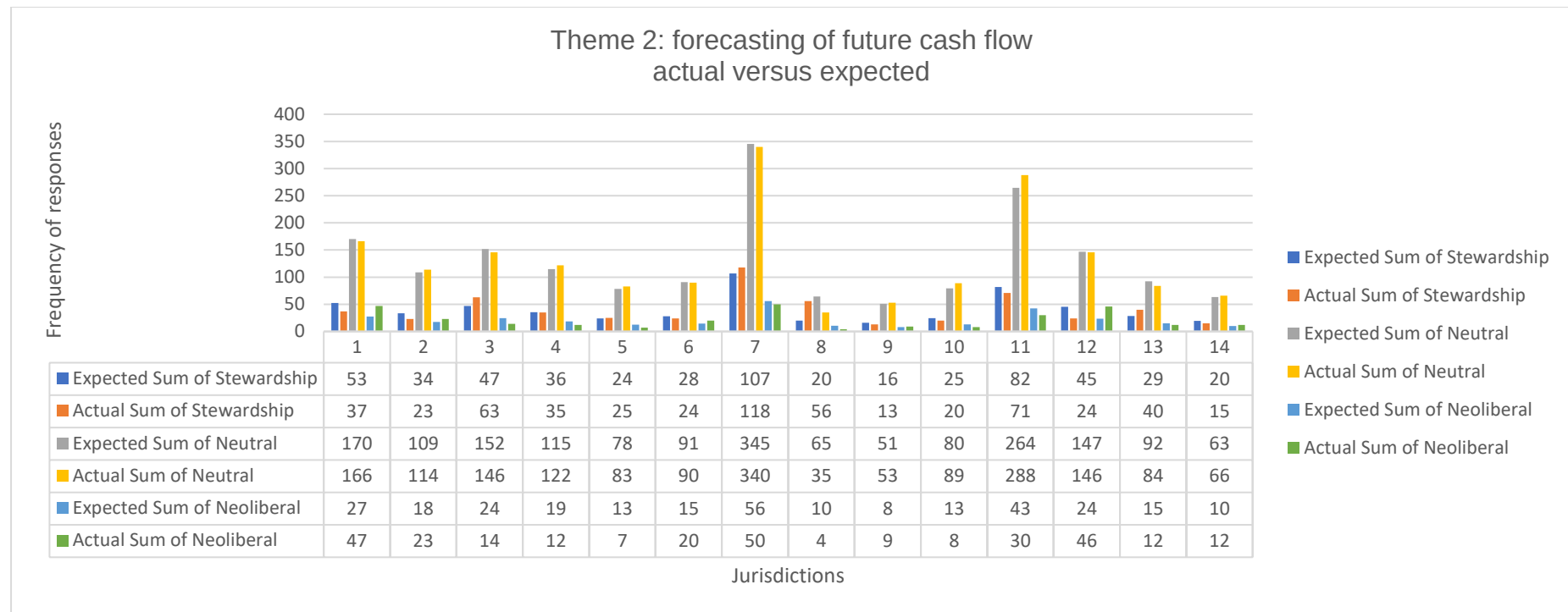
There has been a delay as to the adoption of the IFRS by the SEC in the USA because of fundamental differences between the U.S. GAAP and IFRS. These differences are triplicate in reasoning; firstly, the convergence project as concluded in the Norwalk Agreement is still not complete (Clemens & Fisher, 2013). Secondly, the SEC regards the U.S. GAAP as a more robust set of standards which are responsive to industry demands and regards the IFRS not as comprehensive in respect to certain industries (Clemens & Fisher, 2013). Lastly, the full adoption of IFRS would shift standard setting authority from the US SEC to the IASB. This would require further analysis, as the SEC might not want to relinquish their position as standard setter especially when their role is to protect the interests of the US investor (Clemens & Fisher, 2013).

Graph 8: Preference of jurisdictions in theme 1: relevance and faithful representation

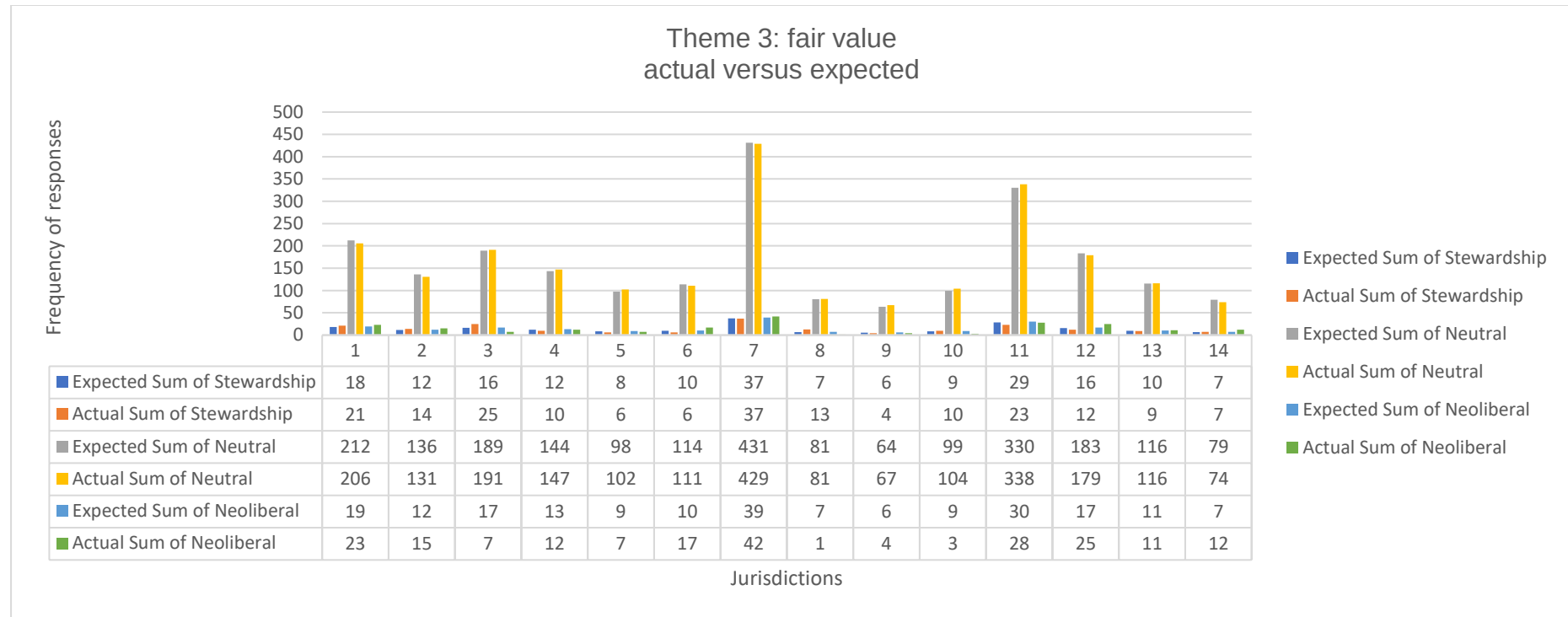


The descriptive statistics provide an overall context and an initial understanding of the data collected. The central aim is to consider whether there are an association and statistical difference in the preference for stewardship or neoliberalism in the context of the five themes identified amongst the 14 jurisdictions (Appendix A, Table 17). Australia and New Zealand have the highest difference between actual neoliberal responses at 122 and 26 actual responses in favour of stewardship. There is a significant association of the jurisdictions to theme 1- relevance and faithful representation across the jurisdictions ($X = 138.920$, $p < 0.01$). This means that all jurisdictions would exhibit the same level of commitment for theme 1- relevance and faithful representation.

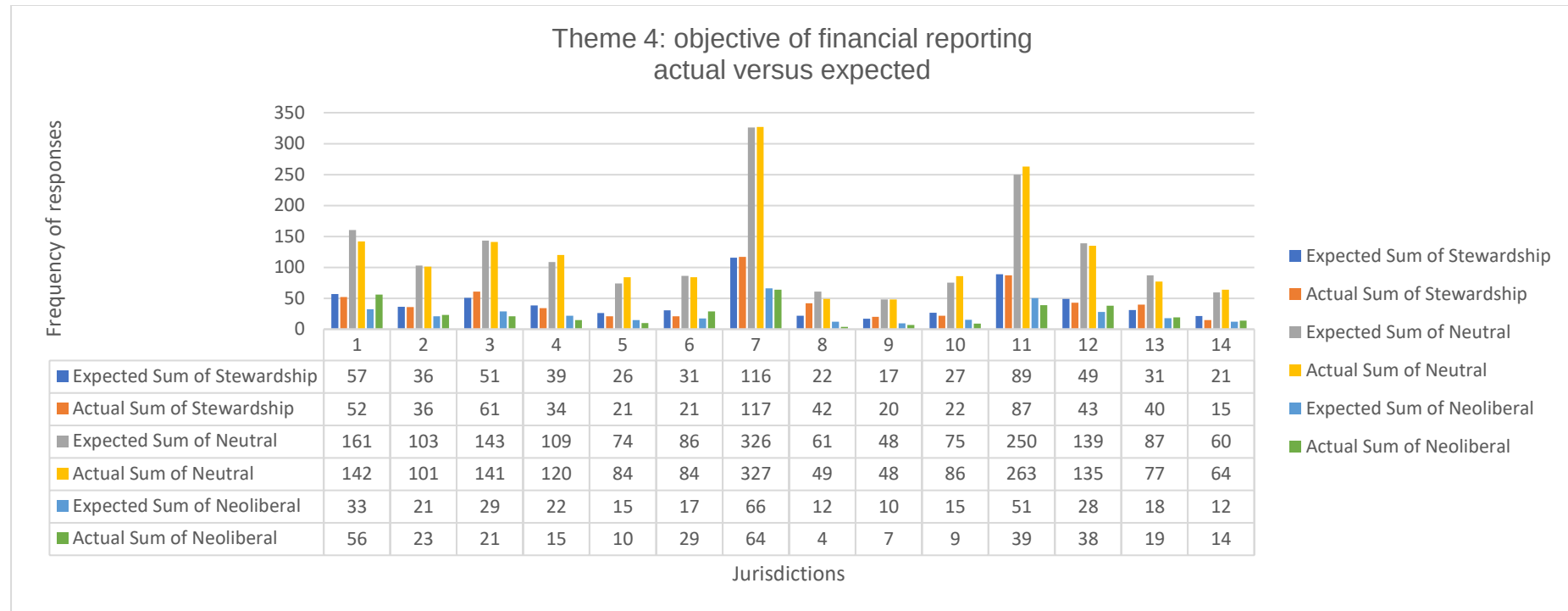
Graph 9: Preference of jurisdictions in theme 2: forecasting of future cash flows



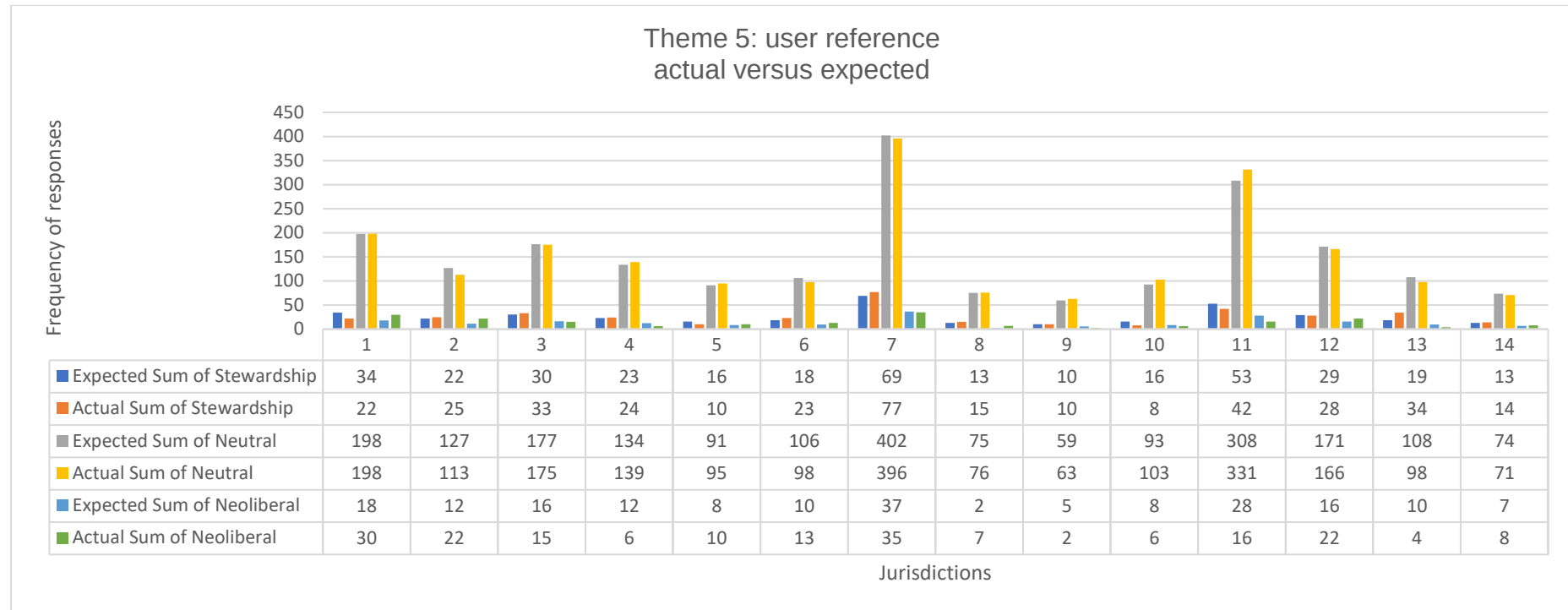
Graph 9 represents the preference of each jurisdiction for either paradigm. The majority of jurisdictions lean towards stewardship in respect of theme 2- forecasting of future cash flow. Therefore, these jurisdictions agree on prudence when recognising assets or liabilities. Emphasis on past events and transactions are crucial in support of predicting future cash flows from an entity-specific perspective (Ravenscroft & Williams, 2009; Whittington, 2008). There is a significant association of the jurisdictions to theme 2- forecasting of future cash flow ($X = 176.778$, $p < 0.01$).

Graph 10: Preference of jurisdictions in theme 3: fair value

Except for the majority of responses in the neutral across all themes, Graph 10 shows that there are no extreme outliers in respect of either paradigm across the jurisdictions in respect to theme 3- fair value. For example, jurisdiction 2 China and Hong Kong indicate a balance between paradigms, with a slight preference for neoliberalism. It may be because of the isomorphic pressures which may be at play in Mainland China to apply their accounting standards which tend to away away from Fair Value Accounting (FVA) but these standards have currently been converged with the IFRS which applies FVA (IFRS.org, 2020; Peng & Bewley, 2010; Xianjiel et al., 2012). There is a significant association of the jurisdictions to theme 3- fair value across the jurisdictions ($X = 47.601$, $p < 0.05$).

Graph 11: Preference of jurisdictions in theme 4: objective of financial reporting

The majority of the responses per Graph 11 indicate a preference for stewardship across jurisdictions. It shows that accountability of management to the existing shareholders of the entity is of great importance (Whittington, 2008). For example, stakeholders in jurisdiction 7 the UK with the highest actual number of responses of 117 towards stewardship, prefer to use financial statements to assess the performance of management. There is a significant association of the jurisdictions to theme 4- objective of financial reporting across the jurisdictions ($X = 90.431$, $p < 0.01$).

Graph 12: Preference of jurisdictions in theme 5: user reference

Graph 12 shows the preference for stewardship in respect of theme 5- user reference. This outcome seems to agree with theme 4- objective of financial reporting in Graph 11. Graph 12 indicates an actual number of responses in favour of stewardship at 77 responses, stakeholders in jurisdiction 7 the UK regard the present shareholders of the entity to have special status as users of financial statements and their feedback, along with market information is considered essential in influencing management's decisions (Zhang & Andrew, 2014). There is a significant association of the jurisdictions to theme 5- user reference across the jurisdictions ($X = 73.500$, $p < 0.01$).

Table 5 Variation in themes by jurisdiction	
Theme	X-Statistic
1: Relevance and faithful representation	138.920***
2: Forecasting of future cash flows	176.778***
3: Fair value	47.601 **
4: Objective of financial reporting	90.431***
5: User reference	73.500***
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level	
Data grouped by jurisdiction	

Table 5 shows the chi-square statistic which indicates a statistical association at the 1% and 5% confidence level between jurisdictions and the five themes identified. There is a strong association between the jurisdictions and comments of theme 1- relevance and faithful representation ($X = 138.920$, $p < 0.01$), theme 2- forecasting of future cash flow ($X = 176.778$, $p < 0.01$), theme 3- fair value ($X = 47.601$, $p < 0.05$), theme 4- objective of financial reporting ($X = 90.431$, $p < 0.01$) and theme 5- user reference ($X = 73.500$, $p < 0.01$). Section 4.3 considers a comparison between the different stakeholders across jurisdictions in respect of each of the five themes identified.

Table 6 Symmetric measures in themes	
Theme	X-Statistic ⁶
1: Relevance and faithful representation	0.228***
2: Forecasting of future cash flows	0.257***
3: Fair value	0.133**
4: Objective of financial reporting	0.184***
5: User reference	0.166***
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level Data grouped by jurisdiction	

As per Table 6, the chi-square tests emphasise that there is a significant association between the themes and the jurisdictions. The results for the themes are as follows: theme 1- relevance and faithful representation ($X = 0.228$, $p < 0.01$), theme 2- forecasting of future cash flows ($X = 0.257$, $p < 0.01$), theme 3- fair value ($X = 0.133$, $p < 0.05$), theme 4- objective of financial reporting ($X = 0.184$, $p < 0.01$) and theme 5- user reference ($X = 0.166$, $p < 0.01$). The symmetric tests in Table 6 agree to support the findings of Table 5.

4.3 Complementary analysis

The next sets of tests are refined tests to compare specific stakeholders or jurisdictions regarding their association with the themes identified.

Table 7 Stratification of association to themes: stakeholders within the jurisdiction					
Pearson Chi-Square test	1: Relevance and faithful representation	2: Forecast of future cash flows	3: Fair value	4: Objective of financial reporting	5: User reference
Jurisdiction	Value	Value	Value	Value	Value
China and Hong Kong	17.324**	8.274*	4.600*	11.587**	9.776**
France	6.665*	13.849**	3.658*	9.497*	31.388***
Singapore, India, Philippines, Thailand, Malaysia, Iran, Sri Lanka, Pakistan, Indonesia	31.497***	14.421**	8.254*	13.212**	21.788***
Canada	4.480*	.741*	9.88**	6.139*	.666*
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level Data grouped by jurisdiction					

Table 7 presents jurisdictions which indicated a significant association with each theme. The sample size limitation applied only to show jurisdictions which indicated a significant

6. The relationship is statistically significant between the different jurisdictions and the themes identified. This is corroborated by a Cramer's V test. This association is a weak relationship as shown by a Cramer's V value of less than 0.2 for each theme which indicates a weaker preference for each theme.

association for each theme. Each jurisdiction's outcome varies according to the theme. China and Hong Kong, for example, indicate a statistical significance in association at 5% confidence level with theme 1- relevance and faithful representation ($X = 17.324$, $p < 0.05$) and theme 4- objective of financial reporting reference ($X = 11.587$, $p < 0.05$) and theme 5- user reference ($X = 9.776$, $p < 0.05$). Whereas Canada only indicates a significant association with theme 3- fair value ($X = 9.88$, $p < 0.05$), the remaining themes are at a higher than 10% confidence level which indicates a weaker association.

Further refined tests were applied with the use of the Mann-Whitney U test to compare the stakeholders with one another, as well as per jurisdiction across the relevant themes identified in Table 2.

4.3.1 Users compared and contrasted to preparers

The objective of section 4.3.1 is to understand the level of association each stakeholder (user versus preparers) has towards each of the five themes. These tests cover three areas; Table 8 measures the stakeholder association towards each theme, Table 9 shows the association of these stakeholders in specific jurisdictions towards the themes and, lastly, Table 10 outlines the level of association with each theme on matters discussing presentation and disclosure or no presentation and disclosure issues.

Table 8 Variation in themes by stakeholder: users compared and contrasted to preparers	
Theme	U-Statistic
1: Relevance and faithful representation	221773.000**
2: Forecasting of future cash flows	210872.000***
3: Fair value	226740.000**
4: Objective of financial reporting	209840.000***
5: User reference	229313.500*
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level Data grouped by stakeholder	

Table 8 compares the users to preparers. It can be concluded that the hypotheses of H1 and H2 is supported for all themes, except for theme 5- user reference ($U = 229313.500$, $p > 0.10$). It shows that users of financial statements have a preference for neoliberalism to a greater extent than preparers, accounting firms and regulators of financial statements or in the contrary, preparers have a preference for stewardship to a greater extent than do users of financial statements. Given that China has contributed 37 letters (Graph 3), of which 31 letters come from the user stakeholder group (Appendix A, Table 17), consideration needs to be

given to the isomorphic pressures of the Chinese environment. China is the world's largest emerging market and contributes significantly to the global economy (Xianjiet et al., 2012).

The convergence of the Chinese standards with the IFRS has been applied by large companies, mainly to the extent of measuring financial instruments and evaluating long-term asset impairments (Peng & Bewley, 2010). The Chinese Minister of Finance claims substantial convergence between the Chinese Standards and IFRS within their 2015 joint statement (IFRS.org, 2020). However, a previous study by Peng and Bewley (2010) shows there to be three Fair Value Accounting (FVA) divergencies, among others, between the IFRS and the Chinese Accounting Standards within the exceptional circumstances of China alone (Peng & Bewley, 2010).

The first divergence relates to China's less developed financial markets and less advanced pricing techniques, which is a challenge to the reliability of fair value pricing of non-financial instruments which requires market efficiencies (Peng & Bewley, 2010). China's institutions are incompatible with the use of FVA in their financial reporting (Xianjiet et al., 2012). IFRS adoption in emerging markets such as China, the intended benefits of improved transparency through FVA implementation may fail to materialize or, worse, unintended consequences such as more earnings manipulation may arise (Xianjiet et al., 2012).

Secondly, the language used in the Chinese standards customises the IFRS to provide more specific guidance to their users which is not open for interpretation or judgement, whereas IFRS is open to the application of judgement or interpretation by the user (Xianjiet et al., 2012).

Thirdly, the IFRS is silent on accounting for business combinations in respect of IFRS for entities under common control, given the frequency of such transactions within China's many state-owned enterprises (Peng & Bewley, 2010). China has prohibited the recognition of earnings resulting from changes from one standard to the next such as gains made on changes in accounting for investment properties within IAS 40 *Investment Property* and reversals on impairment losses on assets per IAS 36 *Impairment of Assets*, among others. These prohibitions were directed towards reducing the risk of earnings manipulation through the abuse of FVA (Peng & Bewley, 2010). Government regulations in China incentivise firms to maintain their earnings and listing status as influenced by their contracting information (reporting losses for three consecutive years could result in delisting) rather than disclosure of information role to provide investors with transparent information (Xianjiet et al., 2012). Amidst the convergence of Chinese accounting standards with the IFRS, the IASB has started to

consider the requests made by China to adjust the IFRS to reflect the risks posed by FVA on China and other emerging economies (Peng & Bewley, 2010).

It is not clear why users of financial statements in China are so involved in their input on the ED, nor is it clear why they lean toward neoliberalism or FVA in light of these challenges identified in their emerging economy.

Table 9 Refined: Users compared and contrasted to preparers per jurisdiction	1: Relevance and faithful representation	2: Forecast of future cash flow	3: Fair value	4: Objective of financial reporting	5: User reference
Jurisdiction	U- Statistic	U- Statistic	U- Statistic	U- Statistic	U- Statistic
Australia and New Zealand	709.000*	570.000**	706.500*	511.000***	798.000*
China and Hong Kong	1630.500*	1611.500*	1612.000*	1455.000*	1440.000*
Germany	2008.500*	1904.000*	2210.500*	1800.000*	2196.000*
Brazil	549.000*	559.000*	477.000*	475.500*	551.000*
USA	1004.500*	1057.500*	1043.500*	979.500*	1019.500*
England, UK, Scotland, London	11003.500*	10489.500*	10911.000*	9864.000*	10655.500*
France	90.500*	74.500*	93.000*	73.500*	39.000*
Columbia, Argentina, Mexico, Chile	123.500*	147.500*	159.500*	89.500*	118.000*
Ireland, Poland, Sweden, Israel, Spain, Netherlands, Italy, Switzerland, Luxemburg, Denmark, Norway	2829.500*	2753.000*	2595.000*	2765.000*	2541.500*
Singapore, India, Philippines, Malaysia, Iran, Sri Lanka, Pakistan, Thailand, Indonesia	112.000*	134.500*	122.000*	127.500*	124.000*
Canada	387.000*	415.000*	433.000*	385.500*	456.500*
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level					
Data grouped by jurisdiction					

Across all jurisdictions, there is no significant association regarding all themes, except for Australia and New Zealand. Australia and New Zealand have significant associations within the 10% confidence level in theme 2- forecasting of future cash flows ($U = 570$, $p < 0.05$) and theme 4- objective of financial reporting ($U = 511$, $p < 0.01$). This will still fail to reject the null hypotheses as the contents of the comment letters from users of financial statements do not exhibit the same level of commitment to neoliberalism as do those from preparers across jurisdictions. Preparers do not exhibit the same level of commitment towards stewardship across jurisdictions.

Further refining to the classification of comments in the contents analysis shows the nature of the comments as either referring to matters relating to Presentation and Disclosure (P&D) or non- P&D per Table 10. Theme 3- fair value and theme 5- user reference, has an insignificant association at $p > 0.10$ between users and preparers across jurisdictions on matters about P&D and matters not covering P&D. However, across all other themes, there is a significant association with p-values at 1% and 5% confidence levels. So the null hypotheses to H1 and H2 are rejected as users show a preference for neoliberalism. However, the statistics fail to reject the null hypotheses to H3 and H4 as users and preparers do not exhibit the same level of preference for either paradigm across all jurisdictions.

Table 10 Variation in themes: users compared and contrasted to preparers across jurisdictions	Other than Presentation	Presentation and Disclosure
Theme	U-Statistic	U-Statistic
1: Relevance and faithful representation	143932.500*	8346.000**
2: Forecasting of future cash flow	135557.000***	8309.000**
3: Fair value	146486.000*	8678.000*
4: Objective of financial reporting	137159.500**	7741.500***
5: User reference	144809.000*	9658.000*
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level Data grouped by stakeholder		

4.3.2 Users compared and contrasted to regulators

The next set of tests in line with Table 11 compare the user stakeholder group with the regulators. There are significant associations with themes 2 to 4, except for theme 1, relevance and faithful representation ($U = 341807$, $p > 0.10$) and theme 5, user reference ($U = 332374.500$, $p > 0.10$). Therefore, there is support for hypotheses H1 and H2 and reject the null hypotheses overall except for theme 1, relevance and faithful representation and theme 5, user reference. The comment letters from users of financial statements are more associated with neoliberalism across the themes 2 to 4. Equally, the content of the comment letters for regulators are associated with stewardship to a greater extent than the content of the letters from the user stakeholder group.

Table 11 Variation in themes by stakeholder: users compared and contrasted to regulators	
Theme	U-Statistic
1: Relevance and faithful representation	341807.000*
2: Forecasting of future cash flow	322580.000***
3: Fair value	331569.000**
4: Objective of financial reporting	310293.000***
5: User reference	332374.500*
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level Data grouped by jurisdiction	

Table 12 shows all jurisdictions and their associations with the themes identified. Not all jurisdictions are included because of sample size limitations. Jurisdiction 1 - Australia and New Zealand, have a total of 18 comment letters (including five users and eight regulators) which demonstrate no statistical significance regarding theme 1- relevance and faithful representation ($U = 3014$, $p > 0.10$)., Jurisdiction 12 - Singapore, India, Philippines, Malaysia, Iran, Sri Lanka, Pakistan, Thailand and Indonesia have submitted 17 comment letters (including four users and ten regulators). Significant statistical associations regarding theme 1- relevance and faithful representation ($U = 1561$, $p < 0.01$), theme 2- forecasting of future cash flows ($U = 1995$, $p < 0.05$) and theme 5, user reference ($U = 1931$, $p < 0.01$). However, all other jurisdictions reflect insignificant statistical associations at p-values at greater than 10% confidence level.

Table 12 Refined: Users compared and contrasted to regulators per jurisdiction	1: Relevance and faithful representation	2: Forecast of future cash flow	3: Fair value	4: Objective of financial reporting	5: User reference
Jurisdiction	U- Statistic	U- Statistic	U- Statistic	U- Statistic	U- Statistic
Australia and New Zealand	3014.000*	2064.000***	2808.000***	2177.000***	2960.500**
China and Hong Kong	1104.500*	1080.500*	1255.500*	1314.000*	1203.000*
Belgium	1257.000*	1233.000*	1367.000*	1166.500*	1390.000*
Brazil	861.000*	857.000*	984.500*	789.000**	851.000*
USA	846.000*	858.000*	783.500**	895.500*	855.000*
England, UK, Scotland, London	6916.500*	6905.500*	6866.500*	6187.000*	6223.500*
France	38.500*	39.000*	33.500*	28.500*	22.000*
Columbia, Argentina, Mexico, Chile	146.500*	188.500*	192.500*	115.000*	161.500*
Finland, Ireland, Poland, Sweden, Israel Spain, Netherlands, Italy, Switzerland, Luxemburg, Denmark and Norway	3058.000*	3186.000*	2950.500*	3240.000*	2790.000*
Singapore, India, Philippines, Malaysia, Iran, Sri Lanka, Pakistan, Thailand, Indonesia	1561.000***	1995.000**	2437.500*	2013.000*	1931.000***
South Korea	2040.500*	2254.000*	2174.500*	2199.500*	2006.000*
Canada	168.000*	203.000*	201.000*	180.000*	210.000*

Table 13 Variation in themes: users compared and contrasted to regulators across jurisdictions	Other than Presentation	Presentation and Disclosure
Theme	U-Statistic	U-Statistic
1: Relevance and faithful representation	227757.000*	11415.000*
2: Forecasting of future cash flow	212965.000*	11319.000*
3: Fair value	220899*	11198.000**
4: Objective of financial reporting	208610***	10149.000***
5: User reference	217291.000*	12155.000*
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level Data grouped by stakeholder		

Table 13 shows further refining tests, referring to P&D and non-P&D comments. It arises that theme 4- objective of financial reporting is the only exception to all the other themes. There is a significant association between the two stakeholders and the theme ($U = 208610$, $p < 0.01$) and ($U = 10149$, $p < 0.01$) for non-P&D matters and P&D matters respectively. However, across all other themes, there is an insignificant association with p-values higher than 10% confidence level. Therefore, except for theme 4- objective of financial reporting, all other themes where matters cover P&D or not, Hypotheses H3 and H4 would not be supported by the findings. Users do not exhibit the same level of preference for neoliberalism across jurisdictions, and conversely, regulators do not exhibit the same level of preference for stewardship across jurisdictions.

4.3.3 Users compared and contrasted to accounting firms

The objective of section 4.3.3 is to understand the level of association each stakeholder has with each of the five themes in Table 14. Table 15 outlines the stakeholder association per jurisdiction towards the themes, and lastly, Table 16 shows the level of association per P&D and non P&D matters.

Table 14 Variation in themes by stakeholder: users compared and contrasted to accounting firms	
Theme	U-Statistic
1: Relevance and faithful representation	56619.000*
2: Forecasting of future cash flow	56414.000***
3: Fair value	59333.000**
4: Objective of financial reporting	53397.000***
5: User reference	57815.500*
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level Data grouped by jurisdiction	

As Table 14 suggests, there is a significant association between users and accounting firms. The results confirm a $p < 0.01$ across all themes, except theme 1- relevance and faithful representation ($U = 56619$, $p > 0.10$) and theme 5- user reference ($U = 57815.500$, $p > 0.10$). User reference, no statistical significance in their association. Therefore, users and accounting firms share the same preference for neoliberalism or stewardship. The hypotheses of H1 and H2 are supported for themes 2 to 4 with p-values at 1% and 5% confidence level. The content of the comment letters from users of financial statements would be associated with neoliberalism to a greater extent than the content of the comment letters from accounting firms.

Table 15 shows that there is an insignificant statistical association between the users and accounting firms concerning all the themes identified. Exceptions applies to Brazil as to its statistical association with theme 1- relevance and faithful representation ($U = 7865.500$, $p < 0.01$) and France with theme 5- user reference ($U = 19$, $p < 0.05$). All other themes for all jurisdictions, including Brazil and France, have shown insignificant association. It is indicated that the hypotheses H3 and H4 are not supported and fail to reject the null hypotheses. Users do not exhibit the same level of commitment towards neoliberalism across the themes identified and accounting firms do not display the same level of commitment towards stewardship across jurisdictions as may be due to the isomorphic pressures in each jurisdiction.

It can be concluded that the jurisdictional influences driven by isomorphic pressures do affect the views held by various stakeholders. Stakeholders are significantly influenced by the pressures in each jurisdiction, for example, users in China and Australia would not have the same preference for neoliberalism nor would preparers, regulators, and accounting firms in the UK and Canada respectively show the same preference for stewardship.

Table 15 Refined: users compared and contrasted to accounting firms per jurisdiction	1: Relevance and faithful representation	2: Forecast of future cash flows	3: Fair value	4: Objective of financial reporting	5: User reference
Jurisdiction	U- Statistic	U- Statistic	U- Statistic	U- Statistic	U- Statistic
Australia and New Zealand	87.500*	50.000*	112.500*	95.500*	111.000*
Germany	530.500*	613.500*	681.500*	538.500*	603.000*
Brazil	7865.500***	10002.000*	9782.500*	10301.000*	10356.500*
France	32.000*	36.000*	32.500*	23.000*	19.000**
Singapore, India, Philippines, Malaysia, Iran, Sri Lanka, Pakistan & Thailand	194.000*	172.500*	217.500*	184.000*	191.000*
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level Data grouped by jurisdiction					

Table 16 Variation in themes: users versus accounting firms across jurisdictions	Other than Presentation	Presentation and Disclosure
Theme	U-Statistic	U-Statistic
1: Relevance and faithful representation	36286.500*	1813.500*
2: Forecasting of future cash flow	37672.000*	1869.000*
3: Fair value	39716.500*	1920.000*
4: Objective of financial reporting	36676.000*	1555.500*
5: User reference	38663.000*	1899.000*
*** significance at the 1% level; ** significance at the 5% level; * significance at the 10% level Data grouped by stakeholder		

Per Table 16, there are insignificant statistical associations ($p > 0.10$) between the users and accounting firms across the five-themes about P&D and non-P&D comments submitted by the users and accounting firms alike. This applies across the jurisdictions. Again, users and accounting firms have no significant associations towards the themes identified, and as such, H3 and H4 would not be supported and thus fail to reject the null hypotheses.

5: Conclusion and recommendations

5.1 Summary of findings

This study was divided into two phases. The first phase sought to understand the stakeholder preference for either neoliberalism or stewardship as outlined by the hypotheses H1 and H2 and in Section 2.2. The null hypotheses would be rejected. The results provide evidence in support of H1 and H2 in that there is a preference for neoliberalism to a greater extent in the content of the comment letters from the user stakeholder group than from the preparers, accounting firms, and regulators in each of the themes identified. Conversely, preparers, regulators, and accounting firms have a higher preference for stewardship than users of financial statements.

The second phase of this study examined the level of commitment by stakeholders to neoliberalism or stewardship across different jurisdictions as outlined by the hypotheses H3 and H4 and in Section 2.3. From the findings in the statistical tests, the results do not support H3 and H4 and so fails to reject the null hypotheses. It appears that there is a significant impact of isomorphic pressures on the stakeholders across the jurisdictions and that these pressures are unique to each jurisdiction as countries have different legal frameworks and normative practices which influence stakeholder views (DiMaggio & Powell, 1983; Maroun & Van Zijl, 2016). Therefore, there is not the same level of commitment by users for neoliberalism across the different jurisdictions per the hypothesis H3. Likewise, there is no significant association

with any of the five themes identified in respect of stewardship by preparers, regulators, and accounting firms per H4. The results fail to reject the null hypotheses.

5.2 Implications and contributions

This study provides insight into the underlying paradigms and foundational influences which shape our accounting world today. It applied a cost-effective approach by the utilisation of existing data from the comment letters as the source of data for this study. CF has a fundamental role to play in the setting of future accounting standards (IASB, 2010). It is critical to understand which direction the interested stakeholders who have participated intend the CF should take as to what underlying paradigm would set the tone for future accounting standards. Analysis of these comment letters has demonstrated that the users of financial statements are in favour of a neoliberal paradigm to a greater extent than are preparers, regulators, and accounting firms. Also, preparers, regulators, accounting firms still support stewardship to a greater extent than do users. However, the level of commitment each of these stakeholders present either paradigm is not consistent.

Jurisdictional influences driven by isomorphic pressures play a pivotal role in influencing the outcome of each stakeholder's view in each jurisdiction (Durocher, 2014). Given the historical narrative of China, one of the world's largest emerging economies, the user group had a strong leaning towards FVA, despite the regulatory pressures within the Mainland against it (Peng & Bewley, 2010; Xianjiet al., 2012). These findings are consistent with past studies that there is an increased importance placed on information relevant for decision making as a pivotal objective of financial reporting, rather than does stewardship (Murphy et al., 2013; Ravenscroft & Williams, 2009; Whittington, 2008; Zhang & Andrew, 2014). They encouraged strong support for prospective information, fair value and, the relevance of information instead of its reliability to inform their decision making (Ravenscroft & Williams, 2009).

5.3 Limitations and areas for future research

The limitation of this study is that it considered only the comment letters on the ED. No other material such as the DP or Board deliberations on the CF was considered. It considered the CF in isolation. The method applied a manual coding approach by the use of a binary scoring system to identify preferences for neoliberalism or stewardship (Kwok & Sharp, 2005). As a results it appears that evaluation is not recommended for larger populations or datasets. A more exploratory research design may provide a better understanding of why a particular stakeholder group favour either neoliberalism or stewardship. The researcher had to rely on her technical knowledge and interpretation to understand the viewpoint of each respondent.

The method applied can be onerous as the entire population of 233 letters were analysed as smaller samples of data would make more advanced statistical analysis less executable and the results less reliable (Bamber & McMeeking, 2016). Another limitation is that this study did not research the level of influence the comment letters of each stakeholder group might have had on the drafting of the CF, neither did it study the acceptance or rejection of input by the IASB.

This study does not suggest that isomorphic pressures represent a complete account for the institutionalisation of financial reporting, but would rather propose it to be a component thereof. This study set out to investigate whether isomorphic pressures are partly responsible for the views stakeholders hold and not to prove it to be the sole influencer of these views.

In addition to the findings of this research paper, it is also not clear why the Chinese users would lean toward neoliberalism in light of these challenges identified in their emerging economy to FVA (Peng & Bewley, 2010; Xianjiel et al., 2012). It may be an avenue for future research. Another area for future research consideration may be the implications these findings have on the accounting administrators such as the International Federation of Accountants ("IFAC") or the South African Institute of Chartered Accountants ("SAICA") with regards to their response on these findings.

6: References

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Appendix A

Table 17 Stakeholder group comment letters per jurisdiction

Jurisdiction Value	Users	Preparers	Regulators	Accounting Firms	Total	1	2	3	4
1: Australia& New Zealand	5	1	8	4	18	6%	8%	11%	6%
2: China & Hong Kong	31	0	2	4	37	37%	0%	3%	6%
3: Germany	6	2	3	6	17	7%	17%	4%	10%
4: Belgium	0	0	4	7	11	0%	0%	5%	11%
5: Brazil	3	0	2	2	7	4%	0%	3%	3%
6: USA	7	0	5	7	19	8%	0%	7%	11%
7: England, UK, Scotland, London	11	7	8	11	37	13%	58%	11%	18%
8: France	1	1	1	5	8	1%	8%	1%	8%
9: Columbia, Argentina, Mexico & Chile	3	0	4	1	8	4%	0%	5%	2%
10: Zimbabwe, Zambia, South Africa, Uganda & Kenya	0	0	6	0	6	0%	0%	8%	0%
11: Finland, Ireland Poland, Sweden, Israel, Spain, Netherland, Italy, Switzerland, Luxemburg, Denmark & Norway	6	0	15	10	31	7%	0%	20%	16%
12: Singapore, India, Philippines, Malaysia, Iran, Sri Lanka, Pakistan, Thailand & Indonesia	4	1	10	2	17	5%	8%	13%	3%
13: South Korea & Japan	6	0	5	0	11	7%	0%	7%	0%
14: Canada	1	0	2	3	6	1%	0%	3%	5%
Total	84	12	75	62	233	100%	99%⁷	101%	99%

Table 17 represents the number of comment letters submitted per stakeholder group across the 14 jurisdictions

7. These percentage totals are subject to rounding, but do approximate 100%

