



The Impact of Globalization in the Implementation of Accounting Practices and Policy of Oman Telecommunication Company

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Abstract

The aim of this research was to determine when the concept of globalization emerged, not only when it happens in information networks and communication technology. As proven by this apparent profitability, some accounting procedures and opinions turn it into a “business language” and as a result, a large number of guiding principles and objectives are available along with accounting standards and consistency. Recent developments include guidelines to assess the risks and prepare for the financial crises of various organizations, to identify the importance of accounting policies and practices in Omantel, to make assessments of changes in accounting policies and experiences as affected by globalization, to assess the impact of new technologies on accounting policies and practices, to make available and to suggest recommendations to change accounting practices that will fully enhance Omantel in line with globalization. A standardized approach and vocabulary is required. A questionnaire was used to collect and organize data sampling size of 50 Omantel employees in the Department of Financial Accounting and the Senior Accounting Department of Omantel. The data was analyzed using Microsoft Excel statistical function. According to the financial reports, globalization has affected the financial accounts of Omantel in a negative way. However, Omantel takes the necessary measures to maintain and protect the accounting policies.

Keywords: Globalization, Accounting Standard, Accounting Policy, Accounting Application

Introduction

This research focuses on the impact of globalization on implementation of accounting practices and policies; how these practices and policies play a role in preparing the financial statements; the issues of accounting practices and professional accounting qualifications that have emerged in the era of globalization, as well as discussing the effects that affect accounting with the recent developments of the information network and communication technology. The reason for choosing this topic is that many companies need improvements in accounting and business to increase the interest of their new investors. Likewise for all the companies in the world, the accounting department is the cornerstone as it is the department where all the financial information, profits of the company and its investments are managed. By clarifying both accounting policies and implementation in practices, it is clear that these reports are very important for agreeing to potential buyers an investment for Omantel or an institution.

Statement of the Research Problem

There is a lack of application of globalization in the implementation of accounting policies and practices that are likely to affect the performance of the company, as well as the factors that affect globalization. Some companies do not use the concept of globalization in the implementation of accounting policies and practices or do not do it correctly in their financial statements, and this may affect the performance of the organization and affect the behavior of users of accounting information.

Research Objectives

1. To identify the importance of accounting policies and practices in Omantel.
2. To make an evaluation on the changes on accounting policies and practices as affected by globalization.
3. To assess the impact of new technologies on accounting policies and practices.
4. To suggest recommendations for changes to accounting practices that will enhance Omantel fully in line with globalization.

Research questions

1. What is the importance of accounting policies and practices to Omantel?
2. What are the changes in accounting policies and practices as affected by globalization?

3. What are the new technologies affecting accounting policies and practices?
4. What accounting standards should be improved to bring the organization fully in line with globalization?

Literature Review

The Importance of Accounting Policy in Globalization

For telecom companies, it has potential and challenges as a result of globalization. Perhaps the shortage of human capital, to take advantage of these prospects, especially managerial knowledge and financial resources, is the most important issue. According to research, a company often seeks help from trusted advisors and takes into account its own accounting practices and policies. Globalization and the flow of information necessary for timely political, administrative and economic choices have improved as a result of the development of computers and the information revolution, the Internet and e-mail (Michael, 2016). At the sectoral level or at the state level. Unless the data is comparable, it will not be of sufficient value. This comparison, which is based on measurement standards or rules, may differ from country to country, industry to industry, and company to company, causing distortion of the comparison, distortion of measurement and deception of decision-makers. In light of this, developing global accounting standards for measurement on the basis of which is an urgent international task undertaken by many organizations and governments (Al-Matari, 2018). Financial reports prepared under International Financial Reporting Standards (IFRS) present a picture consistent with that of multinational companies and industrialized countries, which is a sign of globalization. In order to reap the global economic benefits of IFRS adoption, developing countries and emerging economies must adapt their organizational structure and culture to Western accounting standards, based on aggregated archival sources, Oman's adoption of globalization and the adoption of IFRS. The need to build appropriate regulatory mechanisms to address the cultural challenges of confidentiality and fraud (Mohammadi et al., 2019)

Changing Globalization Factors in Accounting Practices

Sustainability is an essential component, this accounting encourages the growth of financial liabilities and globalization. Management accounting techniques have proven in numerous empirical investigations that globalization has a role in improving management decisions and has an effective role in supporting success, even influencing the company itself. The financial

aspects and their impact on post-crisis globalization can be ensured by applying appropriate accounting methods that measure and reflect the complexities of globalization (Meyfroidt, & Lambin, 2016). Specifically which provides ideas about organizational performance and control, by creating a budget in the company from various aspects such as the principle of full scoring and scoring, the objective of balanced cards of performance objectives by their relevance to the achievement of the objective, in decision-making the contribution of communication, given how performance is judged, A manager must be well acquainted with any of these three disciplines in order to begin to define a system of variables for globalization that can help in management, monitoring and reporting techniques. To ensure compliance in many locations, research targeting the use of both mitigation measures and traditional risk measures, as well as to reflect the globalization of various mitigations, should be monitored, and accounting policies updated (Diana, 2016). Intellectual work can now be categorized, supplied, published, produced and reassembled in a globalized world, allowing for a new level of flexibility in how work is done. This means that various services can be outsourced to companies that can perform the same or better work at a cheaper cost. Accounting services are included in this. The accounting work is outsourced to developing countries such as Malaysia and India from industrialized countries such as the United Kingdom and the United States. Accountants now compete on an equal footing outside national borders. Every accountant now competes on the basis of their own talents, the quality of their work, and the pricing of their services. (Diana, 2016).

The Impact of Globalization on Accounting Practices

Many issues of accounting practice have emerged in the era of globalization few accountants understand that international finance is no longer a niche sector as it once was, but almost all of them will be affected by current challenges. In other words, Arthur Anderson's image was tarnished by the Enron disaster, which led to significant pollution and the end of his career as one of the top five accounting firms. Through a system of checks and balances this call is revived that allows corporate executives to address their responsibilities to shareholders while ensuring that they are aware of the long-term benefits. The Great Recession in the United States was the latest of these concerns, and it is not yet known how to deal with it. It was a huge setback for the economy. It created a global financial crisis and forced many mortgage lenders to close their doors (Christensen, et.al 2017, p 515).

When an accountant works in a developing industry, he is deeply affected. Other developing industries are also expected to be affected. In a globalized environment, enforcing quality

standards and recognizing such issues is critical if they are to survive an organization must change. (Christensen, et.al 2017, p 515)

Methodology

This research used a descriptive analysis method, the information was taken using a questionnaire from the primary and secondary data. 50 samples were investigated from the participants in the Department of Financial Accounting and the Senior Accounting Department of Omantel, the data was collected and using Microsoft Word and Microsoft Excel the data was analyzed

Findings:

Table 1.0 The importance of Omantel's accounting policies and practices

	Frequency	percentage
yes	50	100%
No	0	0%

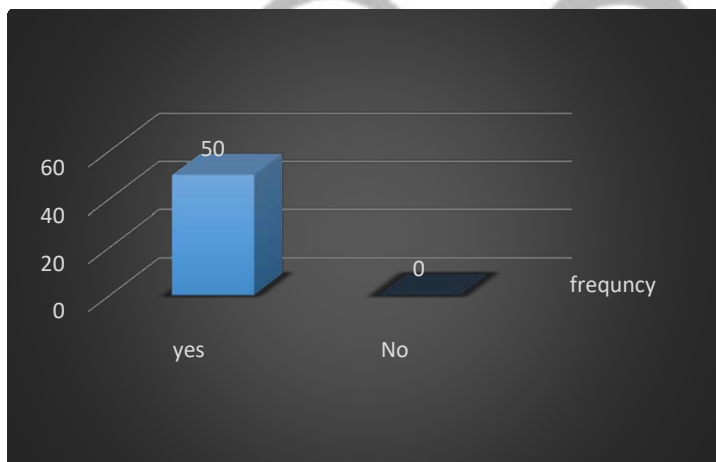


Figure 1.0 the importance of Omantel's accounting policies and practices

Table 1.0 shows the answers of Omantel workers who participated in the survey about the importance of the company's accounting policies and processes. The importance of Omantel's accounting rules and processes is demonstrated by 100% of the results. All the participants of the survey agreed that accounting policies and practices are important for the company. This includes the whole demography of the company. All the female and male participants across all age groups, educational qualifications, and work experience. (Akpaka, 2018),

Table 2.0 The relationship of accounting policies and practices to Omantel's performance

	No . of respondents	Percentage
Yes	50	100%
No	0	0%

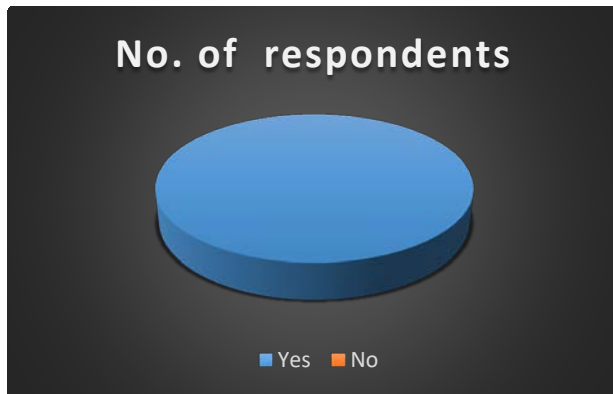


Figure 2.0 The relationship of accounting policies and practices to Omantel's performance

Table 2.0 shows the relationship between the accounting rules and procedures and Omantel's performance. A statistically significant relationship between accounting policies and practices was confirmed by all individuals in the survey. The approval rate was a perfect 100 percent. Referred to the disclosure of financial statements and financial information. The accounting policies followed by Omantel must be disclosed. Accounting policy must be properly disclosed because accounting standards represent items in many ways. It is important in terms of correct disclosure of the accounting policy (Mukhopadhyay, 2022)

Table 3.0 The Relationship between accounting variables and standards of Omantel

	No. of respondents	Percentage
Yes sure	50	100%
No	0	0%

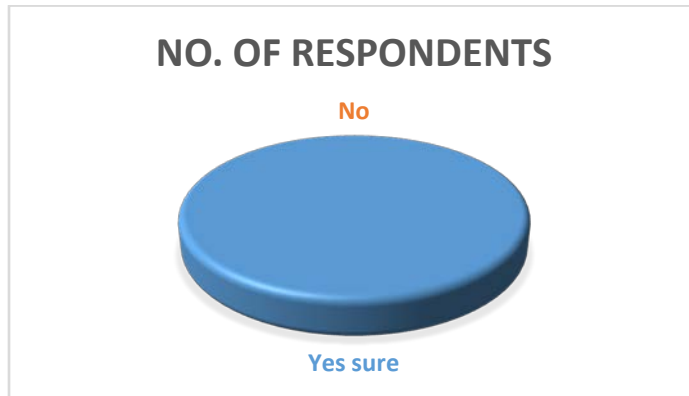


Figure 3.0 The Relationship between accounting variables and standards of Omantel

Table 3.0 presents respondents' opinions on whether there is a correlation between accounting factors and Omantel's standards. I trusted him 100 percent. This means that there is a close relationship between the standard and the accounting variables of Omantel, as well as in accordance with the standards it follows, as companies prepare their books of accounts and disclose information about the value of the accounting company and financial disclosure in accordance with the standards. To measure inventory, the accounting standard requires disclosure of the accounting policies used. Classifications for raw material stock, work in progress and finished items. Must be disclosed. As a result, the company must disclose all the information in the books of accounts required by the rules. The Accounting Standards Board oversees the development of accounting standards. The accounting standards are the only ones that tell the company how to record the entries (Al-Matari, 2017).

Table 4.0 Profits and losses influencing accounting practices techniques.

	No responded	Percentage
Strongly disagree	0	0%
Disagree	0	0%
Neutral	9	18%
Agree	25	50%
Strongly agree	16	32%

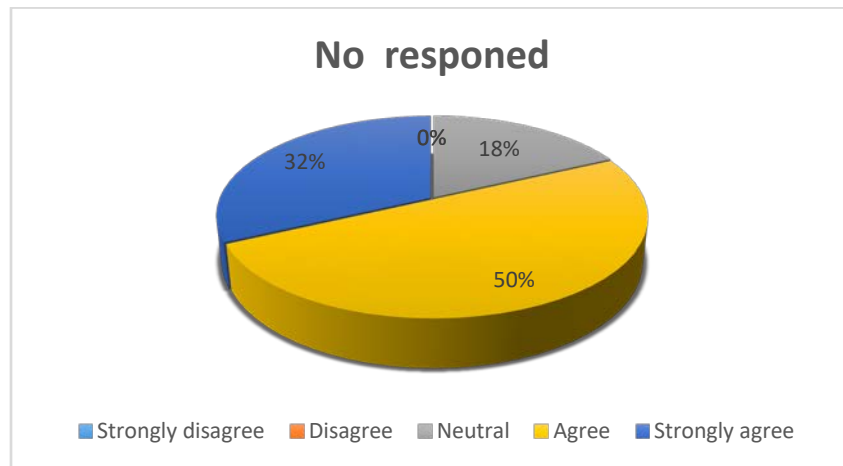


Figure 4.0 Profits and losses influencing accounting practices techniques

The table and chart above show Omantel employees their opinion about Omantel’s profits and losses and whether they affect the methods of accounting practices or not. The response was 50% in agreement, 32% in agreement strongly, and they obtained a percentage of 18% naturally, which means that the methods of accounting practices have an impact Confirmed to Omantel, and from the above tables and graphs, it can be figured that irrespective of gender, education, and years of experience, every participant understands that there is a need for the implementation of proper accounting and executive policies. As manager of the accounting department, there are a number of things that can be done for solving such problems (Akpaka, 2018). These are –

- Implement a proper recording statement for human capital along with other investments.
- Proper market research must be done to understand the current market trends and make necessary changes accordingly.

Correlation

Table 5.0 Correlation

Correlations				
			Q 4.5.1	Q4.5.4
4.5.4	Q 4.5.1	Correlation Coefficient	1.00	-0.59
		Sig. (2-tailed)	.	-0.67
		N	50	50
	Q 4.5.4	Correlation Coefficient	-0.59	1.00
		Sig. (2-tailed)	-0.67	.
		N	50	50

The variables were tested for correlation and a negative correlation was found. Two questions were used for the purpose of Question No. 4.5.1 and 4.5.4. Negative correlation shows that these two goals are negatively correlated with each other.

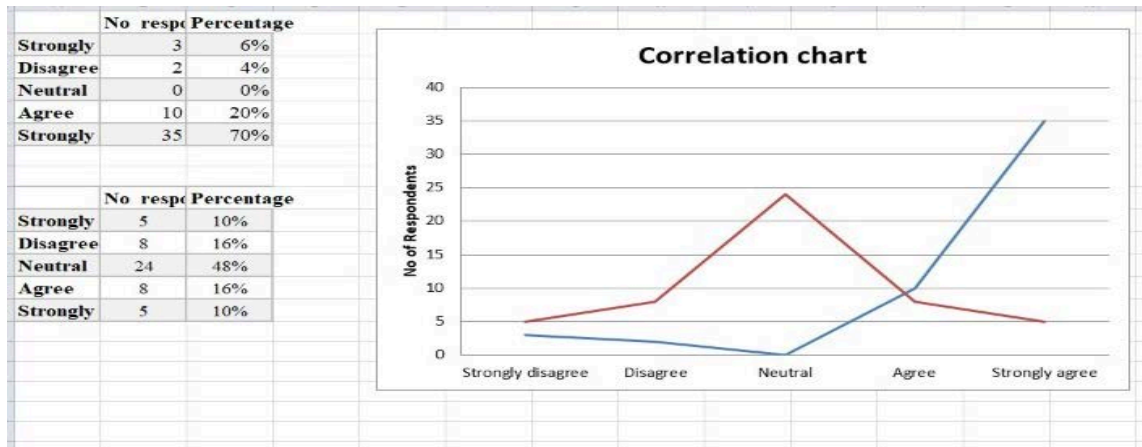


Figure: 5.0 Correlation

In the correlation analysis, two questions were merged to generate a critical understanding regarding the topic. This helps in extracting a viable result link. First two tables provide answer to the questions that had been asked within the interview. The first table is associated with the answer that was provided to the question “In your opinion, are the accounting policies and practices considered and important point for the improvement of Omantel?” The second table provides understanding regarding the answers that were provided in relation to the question “Does the work of accounting variables for globalization by Omantel eliminates all risks?” The correlation ultimately helps in indicating the extent to which the accounting standards have an impact on the performance of Omantel. The graph helps in indicating that there is a correlation between both of the variables even though the two variables are not in the same direction.

Interview analysis

Table 6.0 Interview Questions.

Interview Question	Interviewee Response	Response Analysis
1. Do accounting practices and executive policies affect the performance of workers?	<ol style="list-style-type: none"> Tracking the performance of the workers Allowing the development of flexible accounting practices and executive policies 	Based on the interview it was indicated that generating an appropriate tracking of the performance can help in determining whether the accounting practices and executive policies are affecting the performance of the workers

		within the organization
1. Being a manager in the accounting department, how can Omantel implement the right practices and policies?	<p>1 – Utilizing proper training of the employees in regards to the practices and policies can be helpful</p> <p>2. Analyzing the current practices and policy trends in the market could be feasible</p>	Focusing on generating proper training of the employees and analyzing the competitive practices that are being applied by the companies in the market will be feasible in understanding whether the manager in the accounting department is able to implement the right practices and policies
1. Do you think these accounting standards still affect Omantel's performance?	<p>1.Generating frequent performance analysis of the employees within the company can help in analyzing the effectiveness of the accounting standards</p> <p>2. Generating proper forecast based on past data can help in relaying whether the accounting standards are affecting the performance of the company</p>	The general outcome that was obtained from the interview is that the accounting standards are impacting the company's performance.

Conclusions

The study dealt with the importance of accounting rules and processes and their impact on Omantel's performance. It was an attempt to answer the study question, which focuses on the role of the impact of globalization on accounting policies and practices through disclosure policy, difficulties, culture, financial information and accounting standards, in promoting the

successful implementation of corporate governance. Many parties inside and outside the organization, most of them investors, have used this as a major decision-making tool. This is the basis of the five chapters mentioned in the research.

Objective 1 was to analyze how the accounting standards and policies have impacted the organization. Accounting policies and procedures can be defined to be the rules and guidelines that are generally selected by an organization for preparing and presenting financial statements. According to the analysis, the accounting policies that are chosen by an organization help in indicating whether the management is conservative or aggressive in reporting the earnings of the organization. Accounting policies and procedures can be utilized for preparing financial statements. Accounting policies are important for the company because they help in setting the framework that each of the organizational members can follow. It also helps in providing consistent and comparable standard financial statements of the company relative to all other organizations.

Analysis of objective 2 indicates that accounting policies and practices have been impacted due to globalization factors. Due to the development of globalization and technological advancement, the central repository of accounting data has changed significantly. There have also been relative changes in the overall trends associated with accounting standards.

By assessing the impact of new technologies on accounting policies and practices as analyzed for research objective 3, it could be stated that new technologies increase the ability of the company to develop effective computerized systems for tracking and recording financial transactions. Technologically advanced systems have also allowed the company to implement the utilization of computer systems and networks that have in turn shortened the time needed by the accountants for presenting and preparing financial information.

As per objective 4, it can be suggested that it is important for the organization to apply appropriate analysis regarding the specific trends in the accounting practices that have resulted due to globalization and technological advancement. It is also important to promote the development of modification of local standards. Increasing employee training is another important factor that is required for increasing the financial transparency within the Omantel Company.

Recommendations

1. Whether it is positive or negative, the application of globalization must begin with the definition of the concept and its impact on society. There is no doubt that globalization is

a phenomenon that is proliferating deeply in the field of accounting. This is because it intensified the requirement for uniform accounting standards across the entire organization. As a result of this, there is a further increment in opportunity and job mobility for the accountants in the organization. Globalization has also introduced many changes across the entire global market leading to the development of changes in accounting standards and accounting trends. Based on this the organization needs to understand the accounting standards that are currently being employed by the other companies in the market. This will allow the company to remain collaborative and connected with companies, thus increasing flexibility and profitability. Research, conferences, and seminars can help with this.

2. Local standards will be modified, in a way that better depicts the effects of the change in accounting rules across the region that these standards will need to contain some additional missing information. The pandemic has induced several changes in accounting standards such as the development of frequent valuation of inventories, establishment of cash flow statements, and analysis of contingencies and events that are occurring within the organization after the issuing of the balance sheet date. The assessment of the profit and loss of the organization for a specific period based on analysis of prior period items and changes in accounting policies needs to be done frequently. It is significantly important for the organization to make a critical understanding of the modifications that have been performed within the local accounting standards. This will ultimately allow the organization to coordinate all of the information and generate a strategic accounting system, leading to effective performance.
3. Create advanced technology applications with a clear goal of participating in a competitive market, such as Balanced Performance System, Comparison Technology, Total Quality Management System, Cost Targeting, and Continuous Improvement. The use of Block chain has become an important component of the accounting system considering that the block chain system uses modern crypto processes. It also allows the company to use the infrastructure to hold the data. It helps the customer to register systematically during a particular transaction.
4. Increase employee training and education programs to clarify accounting priorities, definitions, and financial transparency and its impact on Omantel's globalization. Further to reporting standards, the goal is to increase the number of accountants who can apply financial and accounting rules, principles, and standards more effectively. Training will

help the members of the organization to understand the importance of accounting standards and the changes that have been integrated within the standards. It will also help the employees to obtain job satisfaction and job security. Job satisfaction and job security will ensure that the employees can uphold greater morale, contribute to organizational success and reduce their absenteeism and turnover rate

5. Which govern their domestic application and in accordance with them require the authorities to direct their applications in accordance with accounting practices and policies, between these applications and the accounting policies used in countries, there is consistency and consistency with the promotion of standardization.
6. The differences have a significant impact on company performance when international companies that change their financial reporting regulations have to take a globalization approach. Significantly different from local policies Approved international policies vary.

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