

IAS for SMEs Adoption: Evidence from the Regions of Kavala and Serres, Greece



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Abstract This paper examines the adoption and implementation of IFRS by SMEs in the regions of Kavala and Serres, Greece. Our main objective is to examine the possibility of direct implementation of the International Accounting Standard for SMEs. Through empirical analysis and in accordance with the literature review, we set the main factors that affect business decision to implement IFRS/IAS.

We investigate whether the willingness of businesses to implement IFRS/IAS depends largely on the educational level and size of companies. We also examine what influences the decision to apply IFRS/IAS and more specifically how much the advantages of using IFRS/IAS and the desire for transparency affect such decision.

The findings of our research suggest that SMEs have insufficient information or guidance about the standards. This is one of the reasons that explain their reluctance to apply standards and be indifferent about the existence of internationally comparable information. Lack of knowledge and infrastructure and given the current economic circumstances in Greece, implementation costs act as a serious deterrent in the implementation of IFRS/IAS.

Keywords International Financial Reporting Standards for SMEs • SMEs
• Factors influencing the IAS for SMEs

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1 Introduction

The overwhelming majority of businesses, in the smaller counties of Greece, are characterized as small to medium enterprises (SME). However, this particular category of businesses does not appear willing to abide by the IAS. The main reason for this attitude is the implementation costs which are particularly high because a specially trained staff is required and needs to have experience in this specific type of modern operating equipment. Therefore, very few companies today, given the economic climate, have the ability to make these types of investments that may hide possible long-term benefits (European Commission 2012a, b).

Nevertheless, the need to implement basic international accounting rules by the remaining businesses has become a necessity especially since international trade by these companies has increased and therefore some form of common reporting standards is needed. In July 2009 the (IASB) International Accounting Standards Board created the (IAS) International Accounting Standards for small- to middle-sized businesses. Their intention was mainly to increase the competitiveness and decrease the operating costs. They are also promoting a simplified set of accounting policies which create a more secure environment for the shareholders and the external traders with respect to the security of their transactions (Milonas and Athanasopoulos 2013, Taxheaven 2009).

These specific accounting standards constitute a separate part of the IFRS, and therefore each country may choose to adopt them regardless of international imperatives. They also provide the flexibility for each country with respect to the definition of the criteria that the companies must possess. In addition, the Committee of International Accounting Standards, IASB provides supporting material to countries for their implementation. The first country which implemented the standard was South Africa, which enrolled this as its national standard for its small to medium enterprises (Student Accountant 2010; The Vima Newspaper 2009).

The purpose of this thesis is to measure as to what degree the small- to middle-sized enterprises in Kavala and Serres have adopted the International Accounting Standards (IAS). We also seek to find the reasons why they are reluctant or positive in their adoption of the IAS. More precisely, with the use of survey questions, we will examine the implementation of the IAS in the greater part of the prefecture of Kavala and Serres, and we will compare the results for the two counties.

2 Literature Review

A significant amount of research exists concerning the advantages and the shortcomings of the application of the IAS. In a research done by Ball (2006), it was found that the advantages of such an application for the investors are both direct and indirect. Investors are greatly assisted by IASs as they promote precision and

comprehension of financial information; in this way they are better positioned to invest on the stock market. At the same time, smaller investors who until recently were in a disadvantage regarding their access to timely and precise financial information have now found themselves in a more favorable position as their information access handicap has been significantly overcome (Ball 2006).

In addition to more precision and comprehension the standards also provide investors with the potential for greater relevance and comparability. In addition, they have been found to lower the cost of processing financial information. In a research paper by Daske (2004), it was noted that the reduction of this cost increases the effectiveness of the processing of the financial information, and this may increase the effectiveness that the stock market incorporates in its prices. Finally, according to Daske, the application of the IAS offers the chance of further development of international trade by lifting obstacles while rewarding investors with higher redemption premium.

Beyond the above direct benefits, the application of the IAS offers a multitude of indirect benefits. For example, reducing the risks to investors may result in reducing business costs relative to their equity. Potentially this may cause an increase in the price of the company's stock, making similar companies more attractive to new investors (Deloitte Touche Tohmatsu 2009).

Similarly, IAS may act as a deterrent to investment. Investors are now in a position to evaluate investment opportunities by analysing financial statements and reject those they consider damaging and thus to move on to an alternative strategy (Ball 2006).

Additionally a research from the FRF (2015) has shown that deregulating SME financial reporting could have a detrimental effect on the relationship between the businesses and the general society. Also it is implied that "each jurisdiction has developed financial reporting requirements for SMEs that suit its own particular circumstances" (Financial Reporting Faculty 2015).

According to research carried out by Albu et al. (2010), relating to the application of IAS in Romania, their adoption is not up to par, as the high quality of accounting standards comes into conflict with the local standards. They have also found that a similar situation may exist in other countries where their national standards differ from IFRS.

Similar conclusions have been drawn after the application of the IAS in countries of the European Union like Portugal. According to a study by, the application caused, as was expected, short-term confusion since the standards in some cases came into conflict with the traditional national standards. However, the study has shown that in most companies that have applied the standards, important changes (increases) in their financial performance had occurred.

The same results were reported in a recent study by two Turkish researchers concerning IFRS for the SMEs in Turkey. After a study concerning the familiarity IAS, it was noted that the employees who worked in the accounting department have moderate knowledge of the IAS for SME, while the executives of the Big

4 group of companies have a slightly increased knowledge. Another important result of the research relates to the fact that on the question about the way of being informed about the IFRS for the SMEs the respondents answered that they were informed mainly from websites and professional magazines than from the official website of the IASB (Uyar and Gungormus 2013).

Finally, in a research by Baldarelli et al. (2006) about the application of the IAS in small- and medium-sized entities in Italy and Croatia, the researchers came to the conclusion that in Croatia the application of the standards showed that some paragraphs do not meet the needs of the country, and so they were not fully adopted by the SMEs even though improvements were considered necessary. The need for improvements was mainly discussed in the chapters “Conceptual Model of Outcomes of Perceived Fair Insurance Services” and “Institutional Voids and the Role of NGOS in Filling Voids: The Case of GIMDES” where it is noted that there was no need to implement IAS for the small- and medium-sized entities.

In the case of Italy, a different approach is observed because of its advanced extroversion. As noted by Nobes (1998), the Italian accounting system belongs to the same category as other European countries such as Germany, Portugal, Spain, Belgium, Greece, etc. The unique characteristic which is observed in these countries is that their governments assume the role of supervisor and tax collector in relation to the businesses causing the need for uniformity in the measuring and the presentation of the financial statements.

However, the basic incentive to adopt the IAS for SMEs in Italy is the need for communication with foreign shareholders who search for enhanced financial systems (Nobes 1998).

3 Research Methodology

Following the literature review, we asked a number of hypothetical questions. Our primary research consists of a questionnaire addressing the SMEs in the prefectures of Kavala and Serres.

One aim of this research is to study the adoption of the IFRS by SMEs. Another aim is to analyse the factors that affect the level of acceptance of the IFRS by SMEs. Additionally, we will be able to compare the results between two similar prefectures. We have tried to focus our attention to the testing of the following hypotheses.

- H1: The educational level and the knowledge of the accountant and of the manager of the SMEs affects either positively or negatively the level of application of the IFRS.
- H2: The size of the SME and their extroversion are positively related with the adoption of the IFRS.

- H3: The ability of the administration and of the employees to implement the IFRS is positively related with the advantages found with the adoption of the IAS for SME.
- H4: The high cost and the lack of required national legislation are negatively related to the willingness of the SME to apply the IFRS. (Tzani 2005)

In addition to being interesting from an accounting point of view, this research has also an accounting interest. In our days the accounting sector attracts the interest of analysts and society at large due to the increased need for the existence of governance rules for economic entities. The current economic crisis makes this attraction inevitable.

For the purpose of this paper, we relied on primary sources. It was therefore deemed necessary to create a locally based research area using a questionnaire.

3.1 Correlation Analysis

At this stage of the research, we will attempt to examine the correlation between the questions that we raised in the context of the research and the decision of adopting the IFRS for SMEs.

Beginning with the hypothesis with respect to the educational level, we found the following:

- H0: The educational level and knowledge of the accountant and the manager of the SMEs doesn't affect the level of application of the IFRS.
- H1: The educational level and knowledge of the accountant and the manager of the SMEs affects the level of application of the IFRS.

Based on the Table 1, we note the correlation that occurs between educational level and the comparative accounting information for each region. For the Table 1 (which concerns the prefecture of Kavala), the p -value = $0.000 < 0.05$. This fact brings us to accept the alternative hypothesis and conclude that the educational level of those asked affects the level of application of the IFRS.

Subsequently, we will examine the correlation between the educational level and the willingness of those asked to adopt the IAS. We are able to claim, as p -value = $0.018 < 0.05$, that (albeit marginally) the educational level affects the degree of adoption of the IAS in a company.

The correlation that arises about the benefit of the firm resulting from the application of the IAS is positive because the p -value = $0.016 < 0.05$.

Based on the above indications, we are able to conclude that the null hypothesis that we claimed earlier is rejected and thus the educational level and knowledge of the accountant and the manager of the SMEs affects the level of application of the IFRS for the region of Kavala.

Table 1 Correlation between the educational background, the internationally comparable accounting information, the willingness from the enterprises to adopt the IFRS, and the benefits which are derived from the adoption of IFRS for the prefectures of Kavala and Serres

			Prefecture of Kavala	Prefecture of Serres
			Internationally comparable accounting information	Internationally comparable accounting information
Spearman correlation	Educational background	Correlation coefficient	0.352	-0.025
		Sig. (2-tailed)	0.000	0.761
		N	130	156
			Willingness of adoption IFRS	Willingness of adoption IFRS
	Educational background	Correlation coefficient	0.176	-0.146
		Sig. (2-tailed)	0.046	0.070
		N	130	156
			Benefit from the adoption of IFRS	Benefit from the adoption of IFRS
	Educational background	Correlation coefficient	0.226	-0.105
		Sig. (2-tailed)	0.010	0.194
		N	130	156

On the other hand, the results for region of Serres may be different than we expect. More specific the Spearman correlation between the educational background and the other three variables (the internationally comparable accounting information, the willingness of adopting the IFRS, and the benefits that derived from this adoption) leads us to conclude that they're all significant enough to accept the null hypothesis. As a result we can assume that for the region of Serres the educational level and knowledge of the accountant and the manager of the SMEs doesn't affect the level of application of the IFRS.

The next research question that we will examine is the following:

- H0: The size of the SMEs and its extroversion is not correlated positively to the adoption of the IFRS.
- H1: The size of the SME and its extroversion is correlated positively with the adoption of the IFRS.

In order for the case to be tested, we must compare the relations arising from the use of the IAS, the degree of existence of comparative accounting data, the degree of adoption of the IAS, and the degree of profit benefit in a series of features for the firms.

With respect to the effect of the use of the IAS by businesses, we have the following conclusions:

For Kavala the variables such as the number of employees, the annual sales, and the foreign competition do not affect the use of IAS. This has come about from the fact that all three variables show great values in the p -value resulting in a level of importance 5% bringing us to the acceptance of the null hypothesis (in order the values are formed as follows: $0.648 > 0.05$, $0.532 > 0.05$ and $0.484 > 0.05$).

The other variables such as the imports, the exports, the capital from foreign investors, the loans from abroad, and the existence of foreign subsidiary companies affect the decision for the use of the IAS. The following variables are less in importance 5% and thus reject the null hypothesis.

On the other hand, for Serres, the results are completely different. The only variable that seems to be significant enough is the existence of foreign competitors (p -value = $0.023 < 0.05$). All the other variables lead us to accept the null hypothesis.

According to Table 8, we can note that for Kavala all of the variables affect our existence of comparative accounting information. Specifically, all the following variables have p -value = $0.000 < 0.05$ (and the variables of foreign subsidiary companies and foreign competitors have a value of 0.012 and of 0.007, respectively, that is again above the 0.05); thus we must accept the alternative case. For the prefecture of Serres, we realize that the existence of comparative accounting information doesn't affect our variables (except the existence of foreign subsidiaries which considered interfacing with the comparative accounting information).

In Table 9 we can observe that for Kavala all stated variables affect the degree of adoption of the IAS. All of the variables, beyond the type of production, are less than the level of importance 5%, and thus the null hypothesis about the non-correlation must be rejected. However, the variable of the type of production of a firm proves that it is not correlated with the degree of adoption of the IAS (so the p -value = $0.264 > 0.05$) (Marouga 2004). Contrary the results for Serres might be different. The Spearman analysis has shown that only the variable of the foreign imports seems to affect the degree of adoption of the IAS.

Beyond the above relationships, and in order to be able to extract reliable conclusions, we must examine the correlation of the chosen variables with the degree of benefit that the IAS provides. In this way, according to Table 10, we observe a similar image with that of the former analysis. Specifically, once again for the prefecture of Kavala, all the variables are found in conjunction with the degree of interest with the application of the IAS except the variable which has to deal with the commodity that is produced by the examined firms which we realize they are not correlated to the degree of benefit of the IAS (because of the p -value = $0.218 > 0.05$). The Table 10 for the prefecture of Serres showed to us that none of the existing variables are significant enough, and as a result we have to accept the null hypothesis.

Based on the analysis preceded, the conclusion for the region of Kavala is that both the size of the SMEs and its extroversion are positively correlated with the adoption of the IFRS. The above results, up to a point, were as expected.

In the past, other researchers have come to the same conclusions. Specifically, after the research of Zeghal and Mhedhbi (2006), they had come to the same conclusion that the extroversion of the firms directly affects and also drives them to the adoption of IAS in an attempt to consolidate economic gains.

On the other hand, the results for Serres have shown that the size of the SMEs and their extroversion are negatively correlated with the adoption of the IFRS.

Turning to the third research question that we raised:

- H0: The ability of the managers to apply the IFRS does not correlate positively with the advantages that stem from the adoption of the IAS for SMEs.
- H1: The ability of the managers to apply the IFRS correlates positively with the advantages that stem from the adoption of the IAS for SMEs.

Table 2 shows the correlation of the above variables with the degree of adoption of the IAS. We observe, therefore, that for Kavala all the variables (contrary to what was observed for the region of Serres) that we have examined reach the null with p -value $0.000 < 0.05$, and thus it pushes us to reject the null hypothesis and accept the alternative which means that the ability of the managers to apply the IFRS is correlated positively with the advantages that derived from the adoption of the IAS for SMEs (Emvalotis et al. 2006).

Finally, the verification of the final research question brings us to the following control correlation:

- H0: Factors such as the high cost and necessary national legislation are not correlated negatively with the willingness of SMEs to adopt the IFRS.
- H1: Factors such as the high cost and necessary national legislation are correlated negatively with the willingness of SMEs to adopt the IFRS.

In order to verify the above question we will use the following variables:

The degree of availability to adopt the IAS

The factors that negatively affect the decision to apply the IAS

With the assistance of Table 3, we note that for Kavala, as in previous checks, all variables are 0.000 (or at least have a minor deviation reaching 0.001). This fact leads us to reject the null hypothesis and the reasoning that the variables such as the high costs and the necessary national legislation are negatively correlated with the willingness of the SMEs to apply the IFRS.

Respectively, it doesn't surprise us the fact that in Serres the results show that factors such as the high cost and necessary national legislation are irrelevant with the willingness of SMEs to adopt the IFRS.

Table 2 Correlation between the willingness from the enterprises to adopt the IFRS and the advantages which are derived from the adoption of IFRS for SMEs

Spearman rho			Prefecture of Kavala	Prefecture of Serres
			Willingness of adoption IFRS	Willingness of adoption IFRS
	Efficiency of pricing capital	Correlation coefficient	0.393	0.053
		Sig. (2-tailed)	0.000	0.508
		<i>N</i>	130	156
	Provision of individual high-quality information	Correlation coefficient	0.509	-0.010
		Sig. (2-tailed)	0.000	0.900
		<i>N</i>	130	156
	Facilitate cross border trade	Correlation coefficient	0.375	-0.064
		Sig. (2-tailed)	0.000	0.425
		<i>N</i>	130	156
	Remove the uncertainty of finding capitals	Correlation coefficient	0.314	0.033
		Sig. (2-tailed)	0.000	0.682
		<i>N</i>	130	156
	Improve consistency in audit quality	Correlation coefficient	0.338	0.126
		Sig. (2-tailed)	0.000	0.118
		<i>N</i>	130	156
	Facilitate lending decisions by the banks	Correlation coefficient	0.371	0.007
		Sig. (2-tailed)	0.000	0.931
		<i>N</i>	130	156
	Vendors from other countries can evaluate the financial health of buyers	Correlation coefficient	0.402	0.014
		Sig. (2-tailed)	0.000	0.862
		<i>N</i>	130	156
	Facilitate and enhance the rating process by the credit rating agencies	Correlation coefficient	0.322	0.159
		Sig. (2-tailed)	0.000	0.047
		<i>N</i>	130	156
	Enhance the transparency of data provided	Correlation coefficient	0.341	0.126
		Sig. (2-tailed)	0.000	0.117
		<i>N</i>	130	156
	Facilitate funding from venture capital firms	Correlation coefficient	0.340	-0.058
		Sig. (2-tailed)	0.000	0.474
		<i>N</i>	130	156
	Help the owners and/or the managers in the decision-making process	Correlation coefficient	0.326	0.020
		Sig. (2-tailed)	0.000	0.801
		<i>N</i>	130	156
	Attract foreign investors and lower the cost of capital	Correlation coefficient	0.347	0.046
		Sig. (2-tailed)	0.000	0.565
		<i>N</i>	130	156
	Provide improved comparability for users of accounts	Correlation coefficient	0.408	-0.013
		Sig. (2-tailed)	0.000	0.870
		<i>N</i>	130	156

(continued)

Table 2 (continued)

		Prefecture of Kavala	Prefecture of Serres
		Willingness of adoption IFRS	Willingness of adoption IFRS
Enhance the overall confidence in the accounts of SMEs	Correlation coefficient	0.381	-0.049
	Sig. (2-tailed)	0.000	0.540
	N	130	156
Facilitate mergers and acquisitions	Correlation coefficient	0.315	0.089
	Sig. (2-tailed)	0.000	0.270
	N	130	156
Reduce the significant costs involved of maintaining standards on a national basis	Correlation coefficient	0.396	-0.017
	Sig. (2-tailed)	0.000	0.834
	N	130	156
Enhance the comparability of financial information	Correlation coefficient	0.281	-0.048
	Sig. (2-tailed)	0.001	0.548
	N	130	156
Improve the efficiency of capital's allocation	Correlation coefficient	0.313	0.048
	Sig. (2-tailed)	0.000	0.553
	N	130	156

3.2 Factor Analysis

According to Jamie DeCoster (1998), “the factor analysis is applied in order to examine the pattern of correlations (or covariance) between the observed measurements. From these measurements which have a high degree of correlation (either positive or negative) it is possible to be affected by the same factors, while those that are correlated with uncorrelated variables may be affected by different factors.”

Table 4 introduces the results of the Kaiser–Meyer–Olkin (KMO) test and Bartlett. The Bartlett test checks the appropriateness of the factor analysis that has been made. Thus we can observe that the value of p -value = 0.000 < 0.05, and thus we reject the null hypothesis and accept that the Bartlett test is more important, stating the fact that there is an outstanding degree of correlation (Voutsinas 2003).

Table 5 shows the communalities for both prefectures. As we observe in their original form, all the variables have fluctuation which is nearly one unit. We observe that there is a difference in fluctuation. Specifically, at this point, we have reached the conclusion that the factor “complex requirements” is the factor that affects more the decision for the application of the IFRS for the SMEs.

Table 3 Correlation between the willingness of adoption IFRS and the factors which affect the willingness of SMEs to implement IFRS

			Prefecture of Kavala	Prefecture of Serres
			Willingness of adoption IFRS	Willingness of adoption IFRS
Spearman rho	Little implementation guidance	Correlation coefficient	0.369	-0.013
		Sig. (2-tailed)	0.000	0.871
		N	130	156
	Mainly locally company operation	Correlation coefficient	0.378	0.004
		Sig. (2-tailed)	0.000	0.960
		N	130	156
	Complex requirements	Correlation coefficient	0.307	0.004
		Sig. (2-tailed)	0.000	0.959
		N	130	156
	Possible lack of comparability in the financial statements	Correlation coefficient	0.286	0.143
		Sig. (2-tailed)	0.001	0.074
		N	130	156
	Highly setup costs	Correlation coefficient	0.342	-0.060
		Sig. (2-tailed)	0.000	0.459
		N	130	156
	Increased cost of preparation and audit of the company's accounts	Correlation coefficient	0.328	-0.025
		Sig. (2-tailed)	0.000	0.756
		N	130	156
	Low disclosure requirements	Correlation coefficient	0.424	0.126
		Sig. (2-tailed)	0.000	0.117
		N	130	156

Table 4 KMO and Bartlett's test

KMO and Bartlett's test		
Kaiser-Meyer-Olkin measure of sampling adequacy		0.828
Bartlett's test of sphericity	Approx. chi-square	938,997
	df	21
	Sig.	0.000

In Table 6 the hierarchy effects factors are presented for each prefecture. We can observe that for Kavala the primary factor in correlation with the decision of the firms is the increased cost of preparation and audit of the company's accounts while for Serres the primary factor is the complex requirements that the implementation demands. Low disclosure requirements is also important factor for the entities.

Table 5 Communalities from KMO and Bartlett's test

Communalities	Initial	Extraction
Little implementation guidance	1000	0.751
Mainly locally company operation	1000	0.691
Complex requirements	1000	0.810
Possible lack of comparability in the financial statements	1000	0.755
Highly setup costs	1000	0.563
Increased cost of preparation and audit of the company's accounts	1000	0.682
There are low disclosure requirements	1000	0.711

Extraction method: principal component analysis

Table 6 Component matrix from KMO and Bartlett's test

Component matrix	Component	
	1	2
Little implementation guidance	0.701	0.510
Mainly locally company operation	0.799	-0.230
Complex requirements	0.559	0.705
Possible lack of comparability in the financial statements	0.750	-0.439
Highly setup costs	0.750	0.012
Increased cost of preparation and audit of the company's accounts	0.824	-0.050
There are low disclosure requirements	0.803	-0.258

Extraction method: principal component analysis

a. One component extracted

4 Conclusion

The research has produced some useful conclusions regarding the way of understanding the ideas of the International Accounting Standards from the viewpoint of the businesses in the prefecture of Kavala and Serres. The sample of companies selected had the criteria deemed necessary by the European Union. In this way the focus was on the so-called small- and medium-sized entities which are founded in the area of Kavala and Serres. In this research we can comprehend that the majority of the sample had no relationship with foreign investments and had moderate relationships in respect to their interest for exports (especially companies that offer services).

It is worth noting that only two sample enterprises in the region of Kavala had foreign subsidiary companies and they already followed the IAS (one that is listed on the stock market). Another fact worth noting is that the majority of those questioned supported the fact that there are foreign competitors. Thus, the conclusion is that the application of the IFRS for SMEs should be the most favoured

choice for companies because the majority are not shown to be able to adopt the full IFRS. This factor assists the imperfect knowledge that they have with respect to the knowledge needed to use the IAS. It is worth noting the fact that the majority of accountants declare moderate knowledge of the Standards while just one manager-owner believes that he has excellent knowledge.

As we have seen in the research in the region of Kavala, factors such as the educational level, the motivation of the businesses, and their extroversion constitute the main factors that affect the attitude of the firms concerning their willingness to adopt the IFRS for SMEs. With reference to other researchers, these factors are classified as regulatory factors that may boost the results of firms. Indicative is the research by Zeghal and Mhedhbi (2006) who among other things believe that the educational level is very important for the decision to adopt the IFRS.

During this research, besides the examination and presentation of the basic hypotheses, we tried to compare the results from the two (demographically common) prefectures. Although we expected to find similar results, we actually found out that each region has a different perspective. As a result the outcome is exactly the opposite of what we expected. The reason for these reactions may form the subject of further research.

It is also deemed necessary at this point to note the importance of the cost of application. Even though in the present research, this particular factor doesn't seem to be the most important, when the decision to apply the IFRS is made, the importance of this step shows more uncertainty. Given the economic conjuncture we are in, such a decision may be judged in such details, something which in the past seemed less possible. The cost is considered very high due to the necessity of detailed knowledge and the staffing of companies with trained personnel.

In order for the IFRS to be suitable for the SMEs in a less developed European nation such as Greece and for the Greek companies to benefit from the advantages that the standards offer, the Greek government should provide an organized legislative framework concerning the IFRS for the SMEs. In order for this to happen, there should be radical changes taken immediately by the national accounting authorities.

Government policy towards small- and medium-sized entities has led them to the noncompliance and essentially to the non-application of the standards. Since the SME constitutes the backbone of the Greek economy, this is not an acceptable situation.

Further research could expand the scope of this study by carrying out this survey in other countries to compare or to verify these results.

Appendix

Table 7 Correlation between the use of IFRS and the factors which affect the adoption of IFRS

			Region of Kavala	Region of Serres
			Use of IFRS	Use of IFRS
Spearman's rho	Number of employees	Correlation coefficient	-0.040	0.116
		Sig. (2-tailed)	0.650	0.150
		<i>N</i>	130	156
	Annual sales	Correlation coefficient	0.055	-0.004
		Sig. (2-tailed)	0.534	0.956
		<i>N</i>	130	156
	Type of production	Correlation coefficient	0.187	-0.011
		Sig. (2-tailed)	0.033	0.894
		<i>N</i>	130	156
	Foreign imports	Correlation coefficient	0.375	-0.034
		Sig. (2-tailed)	0.000	0.678
		<i>N</i>	130	156
	Foreign exports	Correlation coefficient	0.397	-0.093
		Sig. (2-tailed)	0.000	0.250
		<i>N</i>	130	156
	Equity from foreign investors	Correlation coefficient	0.286	0.071
		Sig. (2-tailed)	0.001	0.377
		<i>N</i>	130	156
	Borrowings abroad	Correlation coefficient	0.339	0.056
		Sig. (2-tailed)	0.000	0.489
		<i>N</i>	130	156
	Foreign subsidiaries	Correlation coefficient	0.312	0.062
		Sig. (2-tailed)	0.000	0.441
		<i>N</i>	130	156
	Foreign competitors	Correlation coefficient	0.062	-0.182
		Sig. (2-tailed)	0.486	0.023
		<i>N</i>	130	156

Table 8 Correlation between the internationally comparable accounting information and the factors which affect the adoption of IFRS

			Region of Kavala	Region of Serres
			Internationally comparable accounting information	Internationally comparable accounting information
Spearman's rho	Number of employees	Correlation coefficient	0.697	-0.025
		Sig. (2-tailed)	0.000	0.761
		<i>N</i>	130	156
	Annual sales	Correlation coefficient	0.428	0.001
		Sig. (2-tailed)	0.000	0.986
		<i>N</i>	130	156
	Type of production	Correlation coefficient	0.370	-0.141
		Sig. (2-tailed)	0.000	0.079
		<i>N</i>	130	156
	Foreign imports	Correlation coefficient	0.828	-0.054
		Sig. (2-tailed)	0.000	0.504
		<i>N</i>	130	156
	Foreign imports	Correlation coefficient	0.879	0.157
		Sig. (2-tailed)	0.000	0.051
		<i>N</i>	130	156
	Equity from foreign investors	Correlation coefficient	0.767	0.042
		Sig. (2-tailed)	0.000	0.600
		<i>N</i>	130	156
	Borrowings abroad	Correlation coefficient	0.519	0.108
		Sig. (2-tailed)	0.000	0.180
		<i>N</i>	130	156
Foreign subsidiaries	Correlation coefficient	0.221	0.168	
	Sig. (2-tailed)	0.012	0.036	
	<i>N</i>	130	156	
Foreign competitors	Correlation coefficient	0.238	0.075	
	Sig. (2-tailed)	0.006	0.353	
	<i>N</i>	130	156	

Table 9 Correlation between the willingness of adoption IFRS and the factors which affect the implementation of IFRS

			Region of Kavala	Region of Serres
			Willingness of adoption IFRS	Willingness of adoption IFRS
Spearman's rho	Number of employees	Correlation coefficient	0.687	0.015
		Sig. (2-tailed)	0.000	0.849
		<i>N</i>	130	156
	Annual sales	Correlation coefficient	0.305	0.012
		Sig. (2-tailed)	0.000	0.881
		<i>N</i>	130	156
	Type of production	Correlation coefficient	0.095	0.030
		Sig. (2-tailed)	0.280	0.714
		<i>N</i>	130	156
	Foreign imports	Correlation coefficient	0.658	0.177
		Sig. (2-tailed)	0.000	0.027
		<i>N</i>	130	156
	Foreign exports	Correlation coefficient	0.670	-0.022
		Sig. (2-tailed)	0.000	0.790
		<i>N</i>	130	156
	Equity from foreign investors	Correlation coefficient	0.497	-0.070
		Sig. (2-tailed)	0.000	0.384
		<i>N</i>	130	156
	Borrowings abroad	Correlation coefficient	0.201	0.012
		Sig. (2-tailed)	0.022	0.880
		<i>N</i>	130	156
Foreign subsidiaries	Correlation coefficient	0.193	0.091	
	Sig. (2-tailed)	0.027	0.258	
	<i>N</i>	130	156	
Foreign competitors	Correlation coefficient	0.277	0.020	
	Sig. (2-tailed)	0.001	0.807	
	<i>N</i>		156	

Table 10 Correlation between the benefit from the adoption of IFRS and the factors which affect the implementation of IFRS

			Region of Kavala	Region of Serres
			Benefit from the adoption of IFRS	Benefit from the adoption of IFRS
Spearman's rho	Number of employees	Correlation coefficient	0.564	-0.070
		Sig. (2-tailed)	0.000	0.387
		<i>N</i>	130	156
	Annual sales	Correlation coefficient	0.411	0.001
		Sig. (2-tailed)	0.000	0.988
		<i>N</i>	130	156
	Type of production	Correlation coefficient	0.108	0.068
		Sig. (2-tailed)	0.223	0.400
		<i>N</i>	130	156
	Foreign imports	Correlation coefficient	0.531	-0.074
		Sig. (2-tailed)	0.000	0.358
		<i>N</i>	130	156
	Foreign exports	Correlation coefficient	0.587	-0.041
		Sig. (2-tailed)	0.000	0.608
		<i>N</i>	130	156
	Equity from foreign investors	Correlation coefficient	0.504	-0.075
		Sig. (2-tailed)	0.000	0.349
		<i>N</i>	130	156
	Borrowings abroad	Correlation coefficient	0.404	0.017
		Sig. (2-tailed)	0.000	0.838
		<i>N</i>	130	156
	Foreign subsidiaries	Correlation coefficient	0.256	-0.006
		Sig. (2-tailed)	0.003	0.942
		<i>N</i>	130	156
Foreign competitors	Correlation coefficient	0.315	-0.102	
	Sig. (2-tailed)	0.000	0.205	
	<i>N</i>	130	156	

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