



**Arab American University
Faculty of Graduate Studies**

**Factors influencing accountant's readiness for adopting
accrual basis in Palestinian Municipalities**

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Thesis Approval

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Declaration

The work provided in this thesis, unless otherwise refereed, is the researcher's own work and has not been submitted for any other degree or qualification.

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Abstract

Recently, the Ministry of Local Government in the State of Palestine implemented International Public Sector Accounting Standards (IPSAS), which encouraged local authorities to adopt the accrual basis of accounting. However, implementing a new accounting system may not be straightforward, a significant gap exists due to the difficulty of replacing existing accounting practices with entirely new one. The accrual basis requires fostering a willingness among financial staff in municipalities to adopt it successfully. Therefore, this thesis aims to examine the factors influencing the willingness of accountants in Palestinian municipalities to adopt the accrual basis of accounting. The study identifies several key factors affecting this willingness: human resources, organizational commitment, and information technology. This study employs a quantitative approach by distributing questionnaires to accountants in local authorities. The data will be analyzed using SMART PLS4 software to examine the relationships between the variables. The results showed significant positive relationships between human resources, organizational commitment, and information technology, on the accountants' readiness for adoption accrual basis of accounting. The study contributes to expanding the literature on the adoption of accrual-based accounting in the context of Palestinian local authorities, also provides valuable guidance for the Ministry of Local Government on adopting accrual-based accounting across all local authorities. Furthermore, it offers insights into the critical success factors for ensuring the successful implementation of this adoption process. This study will also provide a foundation for investigating other related variables, such as the impact of job satisfaction and social relationships in the workplace.

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List of Abbreviations

LGU	Local Government Units
IFAC	International Federation of Accountants
IPSAS	International Public Sector of Accounting Standards
MOLG	Palestinian Ministry of Local Government
FMIS	Financial Management Information System
IFMIS	integrated financial management information systems
MDLF	Municipalities Developing and Lending Fund
HR	human resources
OC	organizational commitment
IT	information technology
PSA	public sector accountants
CBA	cash basis of accounting
ABA	accrual basis of accounting
PSO	Public Sector Organizations
IMF	International Monetary Fund
WB	World Bank
ARAABA	accountants' readiness for accrual accounting adoption
MOE	Ministry of Education
GAAS	quality on the adoption of administration accounting standards
SME	Structural Model Evaluation
GOF	Goodness of Fit
SRMR	Standardize Root-Mean-Square Residual
RMS Theta	Root Mean Square Residual Covariance
SAIs	Supreme Audit Institutions
CR	Construct Reliability
AR	Accountants' Readiness
EFA	exploratory factor analysis
HTMT	Heterotrait–Monotrait
AVE	Average Variance Extracted
VIF	Variance Inflation Factor
CMV	common method variance
CMB	Common method bias
TAM	Technology Acceptance Model

Chapter 1

Introduction

1.1 Background of the Study

As the demand for better, more responsive, and higher-quality public services grows, and pressure mounts on public resources, most governments have adopted results-oriented frameworks for program design and delivery. Therefore, over the past thirty years, a number of developed nations have changed their public administration systems as a result. Governments have been under pressure to reform public sector (PS), particularly the accounting of local government units (LGUs), which entails moving from a less informative accounting system to one that is more helpful. This desire has been fueled by a number of factors, including the necessity to pursue the convergence of accounting reports in a recognized structure across nations, globalization, the integration of the global economy, and a rise in financial transactions between governments across nations (Ouda, 2016). Moreover, Broadbent & Guthrie, (2008) claimed that accrual basis of accounting (ABA), which increases decision-making, accountability, and openness by providing better and more accounting information by the end of the 20th century, most governments used cash basis of accounting (CBA) to produce their budgets and accounts, but private businesses had been using ABA for over a century.

The International Federation of Accountants (IFAC) started pressuring the governments all over the world to implement AA in 2000, and formed the committees and boards to establish global standards that serve as guidelines for the accounting profession across all industries. As a result, the International Public Sector of Accounting Standards (IPSASs) were released by the IPSASB of the IFAC, requiring the inclusion of high-quality PS data in accounting reports by the end of the year (Christiaens & Reyniers, 2009a). Nonetheless, the two primary accounting bases ABA and CBA were taken into consideration when developing the IPSASs (Christiaens & Reyniers, 2009a). Palestine, a developing country in the Middle East, has a weak economy and few sources of revenue. Despite the difficult regional landscape it faces, Palestine has made progress in recent years in terms of its administrative conditions. However, development in Palestine will continue to face significant obstacles, such as slow economic growth, high unemployment rates, a huge public debt burden, budget deficits, and current account deficits. The Palestinian Association of Certified Public Accountants (PACPA) has made unremitting efforts to enhance the advantages that Palestine will experience from applying the international accounting standards, and to generalize the experiences of other countries in applying international accounting standards for the public sector in Palestine. Accordingly, PACPA and other institutions in Palestine have held many courses and seminars related to the adoption of these standards. Also, the Ministry of Local Government (MOLG) encourages implementation of International Public Sector Accounting Standards in the municipalities.

Furthermore, Palestine has begun developing an action plan to implement AA based on International Public Sector Accounting Standards with the aim of transitioning from the declared

CA system to the AA system in 2011. The purpose of this action is to increase the transparency of government financial accounts and the level of financial performance. Furthermore, accountability and oversight are expected to be improved while streamlining the decision-making process and making the best possible use of financial resources. Since the transition from CA to AA will be gradual, action plans must be created that support the process. It is also necessary to identify key implementation requirements and challenges, and learn how to apply IPSAS through the Financial Management Information System (FMIS) - which is used in the municipalities.

This has made it necessary to reorganize and amend the Local Government Units (LGUs) in Palestine. Government attempts to modernize the public service and make it more responsive and focused on the needs of the citizenry continue to include Palestinian local government units' (PLGUs) reforms. These units always offer services to meet the requirements of all recipients, whether clients or citizens. To improve performance, these services need to be continuously improved and maintained. According to LGUs changes, initiatives are currently being undertaken more vigorously under a number of headings, including improved governance, transparency, and the efficiency and effectiveness of delivery. As a result, given the rapid changes in the characteristics of governmental transformation—such as decentralization, collaboration with outside parties, and the redefining of government tasks and outputs management—the management of governmental resources was recognized as a crucial issue. Enhancing the efficacy of the services offered is the primary goal of LGU's resource management.

The recent expansion of AA within the Palestinian LGU can be attributed to a number of related factors, such as: (i) the CA's shortcomings in meeting LGU requirements; (ii) LGUs need the professionalization of its cadre; and (iii) the deployment of computerized integrated financial management information systems (IFMISs), which has reduced the costs associated with gathering and compiling transaction data.

1.2 Problem Statement

According to (Suparman, M., Siti-Nabiha, A. K., & Phua, 2015), there may be a significant gap in the adoption of a new accounting system because it is challenging to completely replace the current accounting practices during the development and implementation stages. As a result, it is crucial to address the main elements that are important to the process of switching to the new system (Achilles A. Armenak's, 1993).

In recent years, PACPA has sought to implement International Public Sector Accounting Standards in Palestine, the Municipalities Developing and Lending Fund (MDLF) began with providing training programs for financial staff working in the municipalities with full funding and support from international donors. Moreover, a large number of financial staff in the municipalities in Palestine lack the necessary competence to implement AA quickly. As a result, the MOLG and MDLF continue to work on improving the effectiveness of the staff in the municipalities in order to develop the public sector accountants (PSA) profession and enhance the implementation of AA in particular.

In light of this, this study examined the variables that affect the extent to which financial employees of municipalities are willing to adopt AA. Moreover, to the researcher's knowledge, not many

studies have been conducted in the context of Palestine. Therefore, the study will rely on previous studies conducted in other countries in general and in developing countries in particular. Therefore, this study identified three main factors that influence in the readiness of accountant for adopting accrual basis of accounting in Palestinian Municipalities: (i) human resources (HR), (ii) organizational commitment (OC), and (iii) information technology (IT). I did this by referring to previous studies (Ismail et al., 2018) (Ahmad, 2016; Ahmad et al., 2015; Azmi & Mohamed, 2014; Atan & Yahya, 2015; Indriani et al., 2018; Aswar & Saidin, 2018; Supra, 2016; Suparman et al., 2015; Basri et al., 2015; Negara, 2015; and Maimunah, 2016).

There is still a knowledge gap in this field, despite the fact that numerous earlier research carried out in various developing nations have found a direct correlation between the aforementioned characteristics and the readiness of accountants in the municipalities. Because it could necessitate learning and relearning, the people in the organization may have different opinions, sentiments, and attitudes toward the change (i.e., accrual basis of accounting adoption). For example, AA is a more complex system than CA, and public sector accountants (PSA) staff are not used to dealing with it. As a result, such a learning process could be difficult, which would cause anxiety and fear. Therefore, this study aims to close this gap by concentrating on the needs of individuals that were overlooked in earlier research and that support accountants' commitment to organizations (Palestinian municipalities) as well as their professional development of positive attitudes and behaviors during organizational change (adoption of accrual basis of accounting).

When needs are met, people will be more motivated to participate positively and actively in initiatives for organizational transformation. Furthermore, this study is driven by the observations made in the Palestinian municipalities example, specifically the primary issue facing the municipalities generally and the implementation of AA in relation to the pteridines of accountants.

1.3 The Study Questions

The General Question

What is the availability of the Factors influencing accountants' readiness for adoption accrual basis of accounting in Palestinian Municipalities?

The sub-questions

1. What is the availability of qualified human resources in the Palestinian municipalities that necessary for adopting the accrual basis of accounting?
2. What is the availability of organizational commitment in the Palestinian municipalities that necessary for adopting the accrual basis of accounting?
3. What is the availability of information technology in the Palestinian municipalities that necessary for adopting the accrual basis of accounting?

1.4 The Study Objectives

The General Objective

The main objective of this research is to examine the availability of the factors influencing accountant's readiness for adopting accrual basis of accounting in Palestinian Municipalities.

The sub-objective

1. To determine whether Palestinian municipalities have the competent human resources needed to implement the accrual basis of accounting.
2. To determine if Palestinian municipalities have the organizational commitment required to implement the accrual basis of accounting.
3. To determine whether the information technology required for Palestinian municipalities to use the accrual basis of accounting is available.

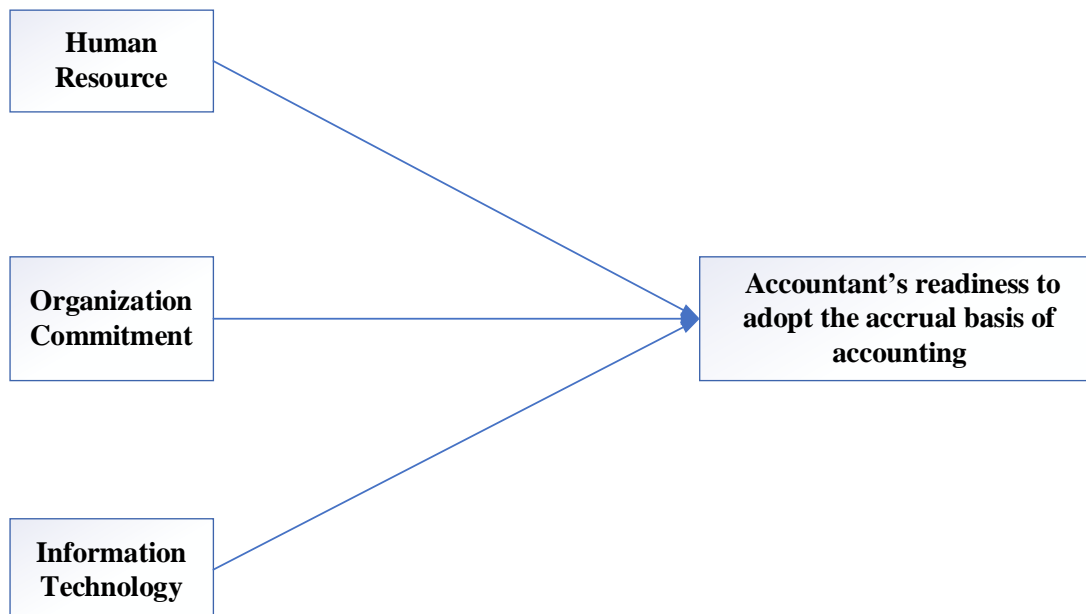
1.5 Hypotheses Study

H1: There is a significant positive relationship between human resource and readiness of accountants in Palestinian municipalities to adopt accrual basis of accounting.

H2: There is a significant positive relationship between organizational commitment and readiness of accountants in Palestinian municipalities to adopt accrual basis of accounting.

H3: There is a significant positive relationship between information technology and readiness of accountants in Palestinian municipalities to adopt accrual basis of accounting.

1.6 Study Model



Dependent variable

Accountant's Readiness for Adopting Accrual Basis of Accounting

Independent variable

Human Resource

Organizational Commitment

Information Technology

1.7 Study Tool

The study population consists of 224 accountants and internal auditors working in 130 communities in the West Bank, and includes all accountants and internal auditors working in Palestinian municipalities, whose responsibilities include preparing financial statements and operating the accounting system. According to the Ministry of Local Government, municipalities in the West Bank are classified into three categories, where each category has a unified organizational structure that includes financial departments, which ensures the standardization of accounting and administrative procedures within these municipalities.

The questionnaire will be used to collect data from accountants working in Palestinian municipalities, and the data will be analyzed using its basic regression analysis and analysis of variance to test hypotheses.

1.8 Significance of the Study

Research into the factors influencing the willingness of accountants to adopt the accrual basis of accounting in Palestinian municipalities will highlight the weaknesses of these factors, enabling the municipalities to identify the causes of these weaknesses and improve them in an appropriate and effective manner. Therefore, this study will help municipalities identify the factors affecting the readiness of accountants to adopt the accrual basis of accounting, which means that the municipalities will be able to manage these factors in a real and effective manner.

Through this, municipalities will be able to correctly adopt the accrual basis of accounting. In addition, if Palestinian municipalities are able to adopt the entitlement basis, this will strengthen the municipalities administration to become more financially stable, transparent and accountable at the central and local levels, as well as improving the level and quality of services provided to citizens.

Due to the lack of studies related to this field in the Middle East region, this study can be used in comparative studies of accounting in the public sector at the general level and in the Middle East region in particular. Finally, the results of this study will be useful to interested parties in the public sector particularly the municipalities for further reforms and development, and for setting standards, as well as for international agencies and investors.

1.9 Operational Definition of Terms

Regarding the study's context, each of the following concepts shall be understood as follows:

1. **Readiness for Change:** as a mindset that indicates openness to altering one's perspective during the process of change, wherein an optimistic mindset about organizational change—in this case, the adoption of accrual basis of accounting—must be fostered (Bernerth, 2004).
2. **Cash Accounting:** An accounting technique that documents accounting actions and transactions based on cash received or paid immediately (IFAC, 2008, p. 926).
3. **Accrual Basis of Accounting:** An accounting procedure that documents accounting operations and transactions as they happen (rather than when money is received). As a result, the financial statements' documentation of accounting records depends on the time periods for which they must be received or paid. (IFAC, 2008, p. 3233).

4. **Human Resource:** HR can be described in the context of this study as the pertinent worry of how specific employees have positive opinions about the organization's need for change (Achilles A. Armenakis, 1993)

5. **Organizational Commitment:** an appeal to the person to take action in favor of the organization's goals and accomplishments (Sulani, 2010). motivating a person to pursue organizational excellence and keep learning.

6. **Information Technology:** Information technology is a generic word used to refer to any technology that facilitates the creation, modification, storage, and exchange of information by people (William et al., 2001). IT is regarded as one of the key components that supports an organization's path by increasing the effectiveness and efficiency of all organizational activities.(Bagus & Negara, 2015)

1.10 Organization of the Study

This study is organized into six chapters as the following:

Chapter One presents an introduction and background on the research in addition to the research problem statement, questions, objectives, significance, justifications and contributions, and organization of the study.

Chapter Two discusses the review literature of the environment of PSOs, theoretical framework, the importance the migration to the accrual basis of accounting basis and the previous studies.

Chapter Three describes the research methodology, the measurement of the study variables, and research design. Moreover, it describes the population and sample selection, data collection, data analysis, model fit analysis, research structure models and how to develop the questionnaire.

Chapter Four presents analysis of survey response, construct measures, data screening, common method bias, and the measurement model. Moreover, this chapter discusses and explains the descriptive statistics.

Chapter Five presents an analysis and explanations of the results of the study through the discussion of the Structural Models-Stage 2 of SEM and the examining direct effect hypotheses-structural model.

Finally, Chapter Six presents the study's primary findings as well as the implications and limits of the study, as well as research accomplishments. This chapter includes suggestions for further research. Lastly, a general conclusion is offered.

1.10 Summary

This chapter has discussed the background of the study, the problem statement, the study questions and objectives. It has explained the significance of this study, as well as its motivations and justifications. This chapter has also presented briefly about the main factors of the accountants' readiness for adoption of the accrual basis of accounting in the Palestinian municipalities, and display the study model. Finally, it includes the organization of the study which provides an overview about the structure of the study.

Chapter Two

Literature Review and previous studies

2.0 Introduction

This chapter explains and discusses the environment of PSOs, including their nature and types, financial reporting systems, laws, and regulations. Moreover, the chapter discusses the municipalities in general and in Palestine and the accounting basis either cash basis of accounting (CBA) or the accrual basis of accounting (ABA) and the study variables either dependent or independent variables, such as accountants' readiness to adopt ABA, human resources, organization commitment, and information technology. Also, the chapter includes summary of related previous empirical studies in the field of the study.

2.1 Nature and the Types of the PSOs

PSOs include all entities of governments, semi-governmental as municipalities, universities, and hospitals. These organizations play an important role in providing the basic services such as electricity, water, health, education, garbage collection and others (Edmonds et al., 2020, Boex, 2010). PSOs are different from business corporations in those goals and governance. While business businesses prioritize making a maximum profit for its owners or shareholders (investors), PSO organizations prioritize the good of the public community (Rashman et al., 2009). In PSOs the governance body is appointed by the higher authority or elected by public election such as mayors and the members of the council of the municipalities which always they have no professional management and technical accounting and finance (Axén et al., 2019). Since PSOs run their operations based on striking a balance between available revenue and expenses over a certain time frame, the aim of public sector organizations is to redistribute wealth by offering public services to the general population (Eulner & Waldbauer, 2018).

2.2 Financial Reporting System in PSOs

Managements in PSOs are responsible for using appropriate financial reporting system according to the agency theory (Dewi et al., 2019). Dewi et al. (2019) stated that the management in the reporting system works as agent who provides valuable information to the stakeholders in order to enable them evaluating of the accountability. Also, the stakeholder's theory determines that the related stakeholders of the entity have right to receive proper information about the performance of the entity that may impact on their decision-making, therefore the management in the governmental units is responsible for issuing the financial statements to the interested users (Anggriawan & Yudianto, 2018). These statements must be proper for decision makers particularly in the accountability (Dewi et al., 2019). Cohen et al. (2013) mentioned two types of the financial statements in the PSOs related with financial position (Balance Sheet) and performance of public (Performance Statement) and these statements are considered as the accountability tools, and they ruled with some regulations in order to be issued in specific period (Cohen et al., 2013), and these regulations may require additional statements depending on the

country polices such as Budget Realization Report, Cash Flows Statements, Changes in Equity, and Disclosure Notes (Dewi et al., 2019, Brusca et al., 2015). As a result, it will be expensive to implement the financial reporting system and issue the financial statements within the timeframe required by the regulation. This is because numerous services are required, including the installation, operation, and management of staff, consultants, controls, internal and external auditors, development of regulatory systems, legal processes, and the use of various tools to present the financial reports (S. Cohen et al., 2013). Accordingly, the quality of the financial report in PSOs will depend on the nature of the government regulations in each country, therefore there is an increase demand for relevant and more uniform and standardization of financial statements to be used in an increasing accountability function in the PSOs, in order to help in good governance, improving the process of decision making, and facing the corruption (Rossi et al., 2016). Since 1996 the IPSAS, as a unique set of high-quality standards, has vital role to support the valuable characteristics of the financial statements as transparency, credibility and comparability which meet the stakeholders' needs of information (Rossi et al., 2016). International Monetary Fund (IMF) and the World Bank (WB) have played significant role in encouraging all countries around the world to adopt IPSAS, and make the application of the IPSAS as a condition for any financial aid or loans (Rossi et al., 2016).

2.3 Municipalities

This study focuses on the municipalities as LGUs with some independence from superior authorities and governed by independent council and use distinct accounting standards in most countries. Moreover, the municipalities interact directly with their residents to meet their basic needs and address their issues (Rua & Alves, 2020). Municipality's traditional duties include maintaining the local registry, collecting trash, protecting and expanding infrastructure (such as roads, parks, bridges, tunnels, water supplies, sewers, and electricity networks), promoting investment, and funding entertainment-related projects. In addition to these services, the municipality may also offer other services including health, education, and transportation (Cohen et al., 2013). Municipalities usually rely on their own money, primarily from taxes, service fees, and government contributions, to fund their services (Cohen et al., 2013).

The mayor, municipal council, and council committees—in particular, the finance committee, which is composed of the mayor, a few council members, and the financial manager—make up a municipality's top management (governance body) (Cohen et al., 2013). Every four years, the residents of the municipality elect the mayor and council members in the majority of countries (Cohen et al., 2013).

According to the literature, some countries still utilize the CBA for their public (municipal) accounting system, while others have switched to ABA according to IPSAS. However, ABA offers greater transparency and makes it possible to gauge the efficacy and efficiency of municipal management, which has led to a decline in the usage of CBA (Christiaens & Reyniers, 2009b). Different accounting bases may occasionally be used by the municipalities, as in Austria (S. Cohen et al., 2019). Generally speaking, the needs of laws and regulations control the use of any accounting system. For instance, accrual basis of accounting is used in the majority of European

nations, and performance assessment is mandated by law (S. Cohen et al., 2019).

2.3.1 Municipalities in Palestine

Despite having a limited population and land area, Palestine has about 519 LGUs in the form of municipalities, local village councils, and local committees (Sabri & Jaber, 2007). The population, area, and government subsidies of these LGUs determine the classes of these units, such as the class A (central of district, and A+ central of area comprises multiple districts), class B, and class C (Sabri & Jaber, 2007).

LGUs are governed by LGUs Act No. 1 of 1997, which outlines 27 responsibilities including town planning, building licensing, water supply, sewage, public health monitoring, solid waste disposal, public parks, cultural activities, transport, social services, cemeteries, natural disaster precautions, budget approval, animal control, advertising, scales, road sales, begging prevention, asset management, and emergency services.

Like many Arab nations, Palestine is striving to enhance its system for government financial reporting in order to produce more transparent and educational reports. These reports meet the public's demand for information on the distribution and usage of tax and non-tax revenue as well as the investment and expenditure of municipality money (Abushamsieh, 2013).

2.4 The Accounting Bases

IFAC Status Report (2018) defines CBA as recognizing the financial transactions when the cash received or paid, while in the ABA the financial transaction is recognized in accounting records when the primary economic event occurs, and the assets and liabilities reported in the financial statements. (Dewi et al., 2019) reported according report of IFAC, (2018) that 25% of governments of 150 jurisdictions in the world in 2018 year report the published financial statements on ABA, while 30% of the government still report in CBA, but the rest of the governments are in the way of switching to ABA, and they report on the modified CBA or modified ABA, on other ward they have several accrual elements in their financial statements. CBA addresses the accountability requirements for public sector earnings and expenditures through producing factual, reliable and comparable information, also it is simple in application and relatively inexpensive and cash-based budgeting is commonly used in PSOs which it considers easy to understand (Eulner & Waldbauer, 2018). But the ABA has many benefits for different users which summarized by the researchers as follows: ABA facilitates and provides more useful (relevant and reliable) information for decision makers, helps in achieving more effective and efficient public administration, provides transparency by issuing balance sheet based on the accruals, provides multiple reporting framework, enables the taxpayers and voters to access to the same information, and provides modern financial reporting suitable for international comparison (Dewi et al., 2019; Eulner & Waldbauer, 2018; ERIN, Olayinka, 2019). In addition to the above benefits, adoption of the ABA or IPSAS it reduces the corruption in PSOs and increases the financial reporting quality (Cuadrado-Ballesteros et al., 2019; ERIN, Olayinka, 2019).

Tabel 2.1 Comparison of Accounting Principles Used in Municipalities

Comparison Criteria	Cash Basis of Accounting	Accrual Basis of Accounting	Modified Accrual Basis of Accounting
Revenue Recognition	When money is received	Regardless of the amount of money received, when revenue is generated	When quantifiable and accessible (during the fiscal period)
Expense Recognition	When money is received	When the obligation is created	When a liability arises, some people employ cash-basis criteria.
Focus	Inflows and outflows of cash	Position and financial performance	Combined emphasis: financial availability and accountability
Financial Statement Detail	Insufficient financial data	thorough financial reporting	Partial accrual: less than full accrual, but more detailed than cash
Usefulness for Planning	Restricted	High—promotes improved long-range planning	Moderate—suitable for budgeting and short-term planning
Complexity	Low	High	Moderate
Transparency and Accountability	Low	High	Moderate
Common Usage in Municipalities	extensively utilized in developing nations	Adopted in nations implementing complete accrual reforms or IPSAS	Frequently used for budget reporting or during transitions

2.4.1 The Advantages of Accrual Accounting

Wynne (2007) enumerated a few benefits of employing the accrual accounting system.

These benefits can be summed up as follows:

- Compared to CBA, ABA contains more data and places more emphasis on outputs than inputs.
- Better information quality is made available to management and decision makers through ABA.
- With the use of an ABA system, managers can assess the expenses of government-provided services against those of private sector and non-profit organizations.
- Because the system incorporates information on assets and liabilities and is not influenced by the timing of cash payments and receipts, it offers a more transparent method of assessing management performance.
- Capital asset costs are dispersed across the assets' useful lives, and since asset values are included in the accounting, capital asset management is encouraged.

- It offers a more thorough and accurate evaluation of the organization's financial standing and the long-term viability of governmental policies.

Besides that, IFAC (2003) summarizes the advantages of reporting on an accrual accounting in public sector as follows:

- It shows how a government has financed its activities and met its cash requirements.
- It allows users to evaluate a governments ongoing ability to finance its activities and to meet its liabilities, and commitments also it shows the financial position of a government and changes in its financial position.
- It provides a government with the opportunity to demonstrate successful management of its resources; and
- It is useful in evaluating a governments performance in terms of its service costs, efficiency, and accomplishments.

2.4.2 The Disadvantages of ABA

The high cost and many difficulties of implementing accrual basis of accounting are the main drawbacks of the switch. (i) Identifying and valuing existing systems, (ii) Identifying and valuing existing assets, (iii) Developing accounting policies, (iv) Establishing accounting systems, including the investment in new automated systems, and (v) Developing the necessary skills and providing training for both the preparers and users of financial information are the costs of introducing ABA, according to IFAC (2003).

The implementation of accrual basis of accounting in the public sector has additional drawbacks. Since excess might occasionally result from the inability to supply agreed-upon services, the concept of profit—which this method is intended to measure—is essentially meaningless in the public sector. It is more crucial to maintain public assets than to disclose their worth.

2.4.3 Accountants' Readiness to Adopt ABA

It is necessary to have a positive attitude toward organizational change, and readiness is defined as a mental state during the change process that shows a willingness or receptiveness to altering one's perspective. that being ready for change is a comprehensive mindset that is impacted by the changes, the environment in which they occur, the characteristics of the people involved, and how the changes are accepted and implemented to enhance the current state of affairs (Moawiah & Abdulraheem, 2020).

An organizational shift introduces uncertainty and anxiety while challenging long-standing practices. As a result, those engaged could worry that they won't be able to adjust to the new environment. Accountants accustomed to the current system may find it challenging to become acquainted with the new one during the transition period (Moawiah & Abdulraheem, 2020). Therefore, it is essential to evaluate the municipalities' ability to successfully implement the changes as well as the opinions of its accountants' regarding the need for change and their willingness to accept it. Effective change implementation can result from organizational initiatives to ensure that people are ready to embrace change. For a change to be successful, accountants' attitudes and perceptions are crucial. Considering this, the change process presents

a number of obstacles that can be surmounted by determining the organizational and personal elements that impact the process (Armenakis et al., 1993).

But when it comes to ABA, Azmi and Mohamed (2014) claimed that the most important element in guaranteeing a successful implementation of ABA is the Readiness of PSOs Accountants. This is consistent with Negara (2015), who stated that PSOs Accountants' Readiness in this area relates to their ability to implement changes in the government's accounting system. In the meantime, Zakiah et al. (2013) asserted that effective management of the shift to ABA is necessary to guarantee the new accounting system's successful implementation.

However, the most important question is: What are the factors influencing accountants' Readiness to adopt ABA? Numerous earlier researches in the context of ABA concentrated on many factors can be affecting the Accountants' Readiness to Adopt ABA (ARAABA): such as the Human Resource (HR), Organizational Commitment (OC) and Information Technology (IT). These factors are used in this study and addressed in the next sections.

2.4.3.1 Human Resource (HR)

The ability of accountants must be ascertained before any accounting system can be appropriately put into place. Without highly developed accounting skills, the transition process may be slowed down. ABA must be managed by qualified and competent accountants (Azmi & Mohamed, 2014). According to Irvine (2011), in order to use the new accounting system, accountants need to have the necessary training. According to Armenakis et al. (1993), human resources must be persuaded and believe that the impending change will benefit them.

Any organization's human resources are essential and a key factor in reaching objectives. These accountants are required to envision and contrast the current state of affairs with the organization's history and prospects. For organizational transformation to be successful, accountants must be open and willing (Hanpachern et al., 1998; Eby et al., 2000; Jansen, 2000; Madsen et al., 2005; Rafferty and Simon, 2006).

One element that is inextricably linked to an organization is its human resources. An organization's development is mostly determined by its human resources (Dewi & Handayani, 2018). Essentially, human resources are people who work for an organization as planners, thinkers, and movers to accomplish the business's objectives. The only resources with sentiments, desires, abilities, knowledge, support, power, and effort (ratio, taste, and intention) are human resources. The organization's attempts to accomplish its objectives are impacted by each of these possibilities (Arif, 2020). One feature of contemporary financial management techniques in the public sector that attempts to deliver more transparent information is the application of the ABA. But in practice, there are still a lot of barriers to the accrual-basis accounting system's adoption in the human resources field (Anto et al., 2022). It takes skilled human resources with knowledge of government accounting to prepare accrual-basis local government financial reports. Competence demonstrates the qualities of each person's knowledge and abilities that allow them to actively fulfill their obligations and responsibilities and improve the caliber of their work. To address the demand for qualified human resources in the field of government accounting, colleges

and professional associations play a critical role (Grandis & Mattei, 2012). Indicators of human resource competency include knowledge, skills, attitudes, and training. According to Arih et al. (2017), competence is the set of skills, knowledge, and abilities in a specific vocational field that enable an individual to carry out activities or duties, such as creating financial statements. According to Suliyantini et al. (2017), human resources' competence is their capacity to perform the tasks assigned to them with the help of education, training, and adequate experience.

2.4.3.2 Organizational Commitment (OC)

Organizational commitment is what motivates people to keep learning and aiming for organizational excellence. The relationship between an organization and its members is significantly influenced by organizational commitment. Any organization that wants to undergo transformation needs dedicated, cooperating people who can grow and change with the organization. These include making sure the shift is successful and implementing the new ABA. Governmental changes must therefore be accompanied by a strong commitment to ensure alignment with the law, as a lack of organizational commitment would lead to a challenging transformation process (Alghizzawi & Masruki, 2019). OC is described as motivating an individual to take action in favor of the organization's goals and success (Sulani, 2009), which pushes them to keep learning and aiming for organizational excellence. This entails implementing the new ABA and making sure the change is successful. But accrual basis of accounting (ABA) is still a relatively new part of the government's financial management and reporting procedure.

The implementation of ABA will be made easier by creating information about the process itself and providing the budget authorities with complete assistance within the parameters of their job in gathering data on various activities. Consequently, a challenging transformation process would arise from a lack of OC (Hasan Basri et al., 2016; Negara, 2015).

The application of ABA to the Palestinian government's financial management and reporting process is fundamentally novel. This may be seen by following the evolution of the process-related information and by providing the budget authorities with complete assistance within the parameters of their work to gather data on the different activities that make accrual-basis of accounting easier to implement. It is challenging to accomplish the intended system transformation in the absence of strong and sound organizational commitment (Hasan Basri et al., 2016).

In the interaction between people and organizations, organizational change is essential (Sharma and Bajpai, 2010). In order to improve skills and efficiency without coercion, organizational change is very important in municipalities. People who are strongly committed to improving their lives will not resist change and will always develop themselves to adapt to these changes. To ensure compliance with public sector organizations standards, departments need to implement reforms with strong commitment (Negara, 2015).

2.4.3.3 Information Technology (IT)

The technology makes use of a group of computers to process data, network systems to link computers based on requirements, and telecommunications technologies to publish and access data .

The (Ansyori & Andesto, 2022) define utilization as follows:

- (1 Electronic work processes.
- (2 Financial data management and storage.
- (3 Information processing through internet networks and management systems.
- (4 Computer device maintenance.
- (5 The use of information technology in question is the application of computer accounting software in financial management.

Any technology that aids people in creating, modifying, storing, and sharing information is referred to as information technology. Information technology is regarded as one of the key components that supports an organization's progress by increasing its efficacy and efficiency. It also helps individuals create, process, and analyze information. Because of its technological features, information technology infrastructure is necessary to facilitate the adoption of an accrual basis of accounting system, despite the fact that it offers a number of hazards. Governments should not implement complete accrual basis of accounting without the assistance of an integrated financial management information system since computerized information systems are an essential part of financial management (Alghizzawi & Masruki, 2020)

One of the key elements sustaining an organization's trajectory is thought to be information technology. Information technology can improve the organization and efficacy of the operation. Any technology that can help people create, process, and turn information into data is referred to as information technology. Information technology is also crucial to communication since it makes information distribution more effective (Bagus & Negara, 2015). Utilizing dependable technology is essential to facilitating the successful processing of data in order to enable ABA. The development of accounting systems is the primary focus of information technology preparations, with IT playing a key role in a business as a facilitator, catalyst, motivator, and enabler of financial and management accounting systems. Information technology plays such a significant role because it may be used both as an input and an output, and it can impact all organizational functions. Information technology can influence the government's preparedness to adopt the accurate accounting system (Indriani et al., 2018).

2.5 Theoretical Framework and Hypotheses Development

It is crucial to present the theoretical framework that directs the development of the research model for this investigation. A theory is developed by looking at the relationships between different components or variables in the form of traits, actions, concepts, or observations in relation to the primary focus (Sekaran & Roger, 2003). A theory can come from one or more sources, such as the empirical findings of previous studies, the conclusions drawn from previous incidences, an examination of actual cases of attitudes, behaviors, or comparable situations, or other theories that lend credence to a certain position (Hair et al., 2010). To evaluate accountants' readiness for

accrual basis of accounting adoption (ARAABA) in Palestinian municipalities, this study specifically considered well-known theories in accounting and other management fields, including Lewin's theory (1951), Blau's social exchange theory (1964), and Maslow's hierarchy of needs (1954).

2.5.1. Lewin's Theory

Lewin's three-step change model clarified the importance of understanding two different forms of force in order to bring about the changes that an organization is seeking (Lewin, 1951). The model also emphasized how these changes were achieved by initiating, controlling, and stabilizing the unfreezing, movement, and refreezing processes. For these changes to occur and become ingrained in the corporate culture, it was considered necessary, in accordance with this model, to eliminate the existing attitude and behavior and to acquire and then impose the new attitude and conduct (Al-Tahitah et al., 2016). In order to properly facilitate these changes, people must acquire pertinent knowledge and principles. Throughout the learning process, the individuals can evaluate and improve their new behavior and attitude. Thus, in order to guarantee the effective implementation of the new accounting system in Palestinian municipalities, Lewin's Theory can be used to explain how accountant's attitudes and behaviors about the new system (ABA acceptance) change concurrently with learning new attitudes and actions.

2.5.2. Theory of Social Exchange Social Exchange

According to theory, reciprocal exchange is the foundation of social interactions. Stated differently, it suggests that resources must be given and received with the expectation of future benefits (Blau, 1964). The reason behind employee behavior and the development of positive employee attitudes have been explained by the idea of social exchange (Etzioni, 1961). Researchers have applied this idea extensively to explain why employees behave in certain ways and how positive employee mindsets evolve (Etzioni, 1961). The OC-based exchange system will deliver an optimal return for both employees and their linked organizations. Accordingly, Social Exchange Theory exploring that, in the case of accountants in Palestinian municipalities have met what they expect from their organization to meet their needs and desires. Thus, the OC among financial employees towards the organization in which they work will be high as a result of job satisfaction and therefore, the OC for ABA adoption in Palestinian municipalities will result in favorable accountants' behavior at work and increasing the level of the readiness.

2.5.3. Maslow's Need Theory

When examining the psychological and financial aspects of employee transition readiness, Maslow's need theory (1954) is validated. Maslow's hierarchy of needs, as outlined in this theoretical framework, describes how human needs evolve in relation to changing attitudes and behaviors. Some employees might be willing to accept lower pay or job happiness in exchange for greater potential career benefits. However, no motivational strategy can solve every issue or provide every answer. The variables help people create positive attitudes and behaviors throughout organizational transformation by influencing their commitment to the organization and their

career. When their needs are met, they will be motivated to participate positively and actively in organizational programs. As a result, the employee achieves self-actualization when all physiological, economical, security, sociability, and esteem demands are met.

2.5.4. Developing the Hypotheses Study

This section develops research hypotheses by examining the relationship between the dependent and independent/moderator variables after presenting the conceptual foundation for the investigation. The following hypotheses, which cover every construct provided in the study theoretical framework, are developed in light of the literature review and theories:

2.5.4.1. Human Resource (HR)

Before any implementation could take place, the capability of accounting workers needed to be determined. ABA must be driven by qualified and competent staff, which may slow down the transition process in the absence of highly developed accounting skills (Azmi & Mohamed, 2014). Irvine (2011) suggested that in order for accounting staff to adapt to the new accounting system, they need to receive enough training. So many studies have shown a positive relationship between HR and readiness for change (Holt et al., 2007; Rafferty and Simons, 2006; Emsza et al., 2016) whether directly or indirectly. For example, Indriani et al. (2018) found that government readiness to implement the ABA system in Indonesian local governments is positively impacted by human resources. Aswar & Saidin (2018) came to the conclusion that the degree of ABA adoption in Indonesia is greatly influenced by appropriate training programs. Furthermore, in the same context in Malaysia, Atan & Yahya (2015) discovered that accounting personnel in various ministries are ready and have positive behavior towards the use of ABA. Therefore, the following hypothesis has been developed as shown below:

H1: There is a significant positive relationship between human resource and readiness of accountants in Palestinian municipalities to adopt accrual basis of accounting.

2.5.4.2. Organizational Commitment (OC)

OC is frequently cited as a crucial element in the interaction between people and organizations (Sharma & Bajpai, 2010). Strong commitment to the organization, inspiring others to take action that will help the organization, and achieve its objectives. For government agencies or departments to implement changes in compliance with the law, such commitment is required (Negara, 2015). According to the Social Exchange Theory, OC toward the change would lead to positive employee behavior at work. Therefore, the OC support the implementation of ABA in Palestinian municipalities, and will lead to more prepared financial staff members and positive workplace behavior. In the context of ABA, a few previous studies reported on the relationship between OC and the ARAABA. Basri et al. (2016) discovered that the OC had a favorable impact on government entities' readiness for ABA implementation in Indonesia. Suparman et al. (2015) and Negara (2015) concluded that, OC has a critical role in adopting ABA process. Therefore, this study has developed the following hypothesis:

H2: There is a significant positive relationship between organizational commitment

and readiness of accountants in Palestinian municipalities to adopt accrual basis of accounting.

2.5.4.3. Information Technology (IT)

IT is regarded as one of the key elements that supports an organization's operations by increasing the effectiveness and efficiency of all organizational activities (Williams et al., 2001). IT is the technology that helps people create, process, and store information. It also plays a significant role in communicating the transmission of information, which promotes efficiency (Negara, 2015). The empirical research that looked into the relationship between IT and change readiness often revealed a positive relationship. Indriani et al. (2018) mentioned that IT positively affects government readiness in implementing ABA system. Aswar & Saidin (2018) discovered that the degree of ABA acceptance in Indonesia is strongly and favorably influenced by the quality of information technology. Supra (2016) said that, the quality of IT gives a significant positive impact on the adoption of ABA Indonesia. Therefore, the following hypothesis has been developed as shown below:

H3: There is a significant positive relationship between information technology and readiness of accountants in Palestinian municipalities to adopt accrual basis of accounting.

2.6 Previous Studies

Previous studies conducted in many countries including developing countries, and used many factors, but this study identified three main factors that influence in the readiness of accountant for adopting ABA in Palestinian Municipalities: (i) human resources (HR), (ii) organizational commitment (OC), and (iii) information technology (IT).

Tabel 2.2 Summary Previous Studies

Study	Independent variables	Evidence	Significance	Dependent variable	Notes
(Moawiah Awad Alghizzawi & Rosnia Masruki, 2024)	Information Technology	+	Sig.	ABA adoption in Jordan's public sector	The study used a quantitative survey method. Based on 331 useable surveys for financial manager in Jordanian Ministry of Finance.
(Anto et al., 2022)	Organizational Commitment	+	Sig.	Competency affect the	The study used 56 respondents

	Information Technology Quality	+	Sig.	effective adoption of ABA	from the accounting and administration divisions of the Regional Finance and Assets Agency of Kendari City using a purposive sampling technique.
	Human Resource	+	Sig.		
(Alghizzawi & Masruki, 2020)	Workplace Social Interactions	+	Sig.	Job satisfaction	This study used the quantitative method, distributing 375 questionnaires to government financial personnel working in the Jordanian Ministry of Finance
	Job Satisfaction	+	Sig.	Jordanian government finance personnel's readiness to respond to the migration to ABA	
(Indriani, M., Mulyany, R., Nadirsyah, N., & Munandar, 2018)	Human Resources	+	Sig.	Indonesian local governments' readiness to implement ABA systems	A basic random sample procedure was used, and 92 respondents completed the questionnaire-based survey
	Information Technology	+	Sig.		
	Organizational Culture	+	Sig.		
(Aswar, K., & Saidin, 2018)	Management Support	+	Sig.	ABA adoption	The study used 80 returned from total of 119 questionnaires were given to the heads of municipal
	Training Programs	+	Sig.		
	Information Technology Quality	+	Sig.		

					accounting departments across the island of Java
Supra, 2016	Educational Level	+	Sig	Adoption of Government Administration Accounting Standards – GAS	A questionnaire was issued to 123 respondents, and the findings revealed that educational level, training, and information technology quality all had a substantial favorable impact on ABA adoption.
	Information Technology Quality	+	Sig		
	Training	+	Sig		
Azmi & Mohamed, 2014	Issues and Difficulties Associated with the Transition	+	Sig	Level of Preparedness for the Adoption of Accrual basis of Accounting	The results of this study demonstrate that accounting staff members are willing to switch to accrual basis of accounting and are prepared for its implementation.

Alghizzawi & Masruki, (2024) study aims to look at the impact of information technology on accrual basis of accounting adoption in Jordan's public sector. The study used a quantitative survey method. Based on 331 useable surveys, the descriptive findings revealed that the use of information technology in the Jordanian public sector is significant to everyday accounting activities in general, and accrual basis of accounting in particular. The regression study revealed a positive and substantial association between IT utilization and accrual basis of accounting approach.

Anto et al., (2022)" Competence of human resources, quality of information technology, organizational commitment and successful implementation of ABA. The purpose of this study is to ascertain how organizational commitment, information technology quality, and human resource competency affect the effective adoption of ABA. 56 respondents made up the study's sample, which was drawn from the accounting and administration divisions of the Regional Finance and Assets Agency of Kendari City using a purposive sampling technique. The findings demonstrated that the effective adoption of ABA in LGUs is positively and significantly impacted by organizational commitment, information technology quality, and human resource competency. This indicates that accrual-basis of accounting will be implemented more successfully in LGUs if human resources, information technology, and organizational commitment are all at a higher level.

Alghizzawi & Masruki, (2020) study analyzes the impact of workplace social interactions and job satisfaction on Jordanian government finance personnel's readiness to respond to the migration to ABA. This study used the quantitative method, distributing 375 questionnaires to government financial personnel working in the Jordanian Ministry of Finance, and the findings show a positive and significant relationship between social relationships at work/job satisfaction and Jordanian government financial personnel's readiness to migrate to accrual basis of accounting.

Indriani et al., (2018) investigated the impact of human resources, information technology, and organizational culture on Indonesian local governments' readiness to implement ABA systems. A basic random sample procedure was used, and 92 respondents completed the questionnaire-based survey. The findings revealed that human resources and information technology have a beneficial effect on government readiness to deploy the ABA system, however organizational culture does not. Indriani et al. (2018) proposed that government entities should increase their human resources and information technology to fully support the successful implementation of the ABA system.

Aswar, K., & Saidin, (2018) did a study in Indonesia, looking into the effect of top management support, training programs, and information technology quality on ABA adoption in Java municipalities. Furthermore, organizational culture was analyzed as a moderator variable between the independent and dependent variables. A total of 119 questionnaires were given to the heads of municipal accounting departments across the island of Java, with 80 returned. (Aswar, K., & Saidin, 2018) study found a positive association between top management support, training programs, and information technology quality with the level of ABA implementation. Organizational culture is a key mediator of the factors.

Supra, (2016) study investigated the effects of educational level, training, and information technology quality on the adoption of administration accounting standards (GAS) on ABA in the Musi Banyuasi administration. A questionnaire was issued to 123 respondents, and the findings

revealed that educational level, training, and information technology quality all had a substantial favorable impact on ABA adoption.

Azmi & Mohamed, (2014) study focused on the readiness of Malaysian Public Sector Employees in Moving towards ABA for Improve Accountability: The Case of Ministry of Education (MOE)"The study's goal is to ascertain the level of preparedness of Malaysian public sector workers in the Ministry of Education (MOE) for the adoption of ABA, as well as the main issues and difficulties associated with the transition. The results of this study demonstrate that accounting staff members are willing to switch to accrual basis of accounting and are prepared for its implementation.

(S. Cohen & Leventis, 2013) The study looks at audit delays for Greek municipalities' financial statements. Greece presents an intriguing situation since, in spite of the strict regulations governing reporting, there are seldom any repercussions for failing to meet deadlines. We look at the specifics suggested by earlier studies as well as political and local aspects. Our findings point to a significant range in audit time that is impacted by the political framework in which local governments function and make choices. We examine additional factors that contribute to non-compliance as well as the traits of non-compliers in isolation. The explanation of audit delay in terms of non-compliance is still influenced by political factors.

Prior research indicates that the adoption of ABA in the public sector is influenced by many factors particularly the following factors which they are chosen in the current study: Organizational Commitment (OC), Human Resources (HR), and Information Technology (IT). Most previous studies were carried out in developed and developing countries, including Jordan, Indonesia, and Malaysia. These studies confirmed that these the chosen factors had beneficial effect on financial employees' desire to switch to ABA, but this conclusion is may has some challenges to extrapolated to the workplace in Palestinian municipalities, which deal with a number of institutional, human, and technical difficulties. The current study will emphasize on the Palestinian context particularly the Palestinian municipalities. Therefore, by concentrating on the Palestinian environment and assessing the readiness of accountants in municipalities to implement ABA, given local characteristics and work context, the current study is significant in bridging the spatial and knowledge gap.

2.7 Summary

This chapter has presented the background of PSOs and the accounting information systems and the accounting basis either cash basis and accrual basis. moreover, the chapter discussed the independent variables of human resources, organization commitment, and information technology, and the dependent variable of the accountant's readiness for adoption of accrual basis of accounting. Also, the chapter ends with a review of some previous empirical studies on accountants' readiness for adoption of accrual basis of accounting.

Chapter Three

Methodology of the Study

3.0 Introduction

This chapter addresses the selection of a suitable approach for evaluating the research's validity. Therefore, it necessitates a thorough and transparent justification of the study's methodology and the rationale behind the use of specific techniques. There are many sub-sections in this chapter, such as; the philosophy of the study, the study design, instrument design, instrument scale (primarily the five-point Likert scale for data collection), instrument verification, content validity, the study's demographic, sample, and sample size, data collection methods and the tactics used to obtain the desired amount of data required to carry out this investigation. Moreover, this chapter covers the chosen data analysis techniques that will be used in this investigation and finally, it provides the chapter summary.

3.1 Philosophy of the Study

A researcher's approach to knowledge development is outlined in their research philosophy. In essence, an understanding of the philosophies of many disciplines would help a researcher to choose the best approach for the study, particularly for the gathering and interpretation of data. Research paradigms can be roughly divided into positivism and phenomenology (Easterby et al., 1991; Hussey & Hussey, 1997), these paradigms have similar goals but provide different results in various domains of inquiry. First of all, positivism is a scientific approach that usually uses quantitative techniques in order to explain how a social phenomenon of interest occurs, a study that uses the positivist approach includes legitimate and trustworthy methods for gathering and evaluating the necessary data (Gilbert, 2001). Conversely, phenomenology demonstrates a non-positivist perspective, or opposing nature. This paradigm uses qualitative methodologies, in contrast to positivism. A thorough grasp of human actions, including their values, interpretive framework, and belief systems, can be gained through a qualitative method (Cavana et al., 2001). This study is quantitative and looked at the connections between independent and dependent variables. After a thorough analysis of earlier research and pertinent theories, a conceptual framework was created, and then testable hypotheses were created according to the positivist paradigm that is a deductive approach in which the foundation of the approach is established by assumptions (Gilbert, 2001). And according to Hussey & Hussey (1997), a positivist paradigm entails developing pertinent ideas and hypotheses based on the literature.

3.2 Design of the Study

According to (Yin 2009), a research design is a significant methodical structure that guarantees the application of suitable techniques for gathering and analyzing the data acquired in order to

answer the research questions. This study used a quantitative approach, which often uses statistically developed procedures to gather and analyze numerical data in order to evaluate a phenomenon of interest (Aliaga & Gunderson, 1999). Moreover, theories based on the examined correlations between quantifiable variables are validated by quantitative research (Creswell, 2009). Therefore, the necessity to quantify concepts and relationships between the variables under study is the main emphasis of data gathering procedures for quantitative research. Additional noteworthy characteristics of quantitative research include the research's objectivity and strong external validity, as well as the generalizability of the conclusions and findings (Saunders et al., 2011). Research uses a questionnaire in order to collect the necessary data from a large number of participants and to quantify responder attitude statically (Cavana et al., 2001; Sekaran, 2014). Therefore, this study prefers to select an instrument that would be effective and to establish a study design that would enable the researcher to collect quantitative data.

3.3 Instrument of the Study

The study questionnaire was created using data acquired via archival research. Because they were intimately involved in the reform process, this study's unit of analysis was Palestinian municipal accountants. The purpose of this study was to determine the factors that influence Palestinian municipalities' readiness to move from cash accounting (CBA) to accrual basis of accounting (ABA).

3.3.1 Instrument Design

A questionnaire survey is one method of gathering thorough information on the target audience's views and attitudes. Lawrence (2007) notes that it is often used in social science research. According to (Creswell, 2013), a questionnaire survey can also be used to assess numerous variables and test hypotheses based on responses to the same questions provided by a large sample of respondents drawn from the same population of interest. The survey data acquired from the chosen respondents (as a representative sample) can be used to provide a statistical description of the population's attitude and outlook (Creswell, 2009). The survey approach was thus deemed appropriate for gathering critical data from accountants' perspectives on the study's objectives (Sekaran & Roger, 2003).

The first section of the instrument designed for this study was an opening statement that described the study's aim, intended respondents, and major questionnaire components. The remaining questions are divided into three groups. Section A covers demographic factors. Section B is organized into three sections: information technology, organizational commitment, and human resources. Section C assesses accountants' readiness to adopt accrual basis of accounting in Palestinian municipalities. The following explanations provide more details on these three main sections of the study questionnaire.

3.3.1.1: Cover Page and Section (A): Profile of the Respondents

A confidentiality notes to foster confidence between the researcher and the respondents is included on the cover page of the electronic questionnaire, along with the title of the study, the name of the connected university, the researcher's name, email address, and mobile number for any questions. The questionnaire's first section asks about the respondents' demographics, including their gender, age, professional certifications, education level, job title, and years of experience.

Section (B): Factors That Contribute to Accountants' Readiness to Adopt Accrual Basis of Accounting.

B1: Human Resource (HR).

The purpose of this component of the questionnaire survey is to assess human resources and their impact on accountants' readiness to implement accrual basis of accounting in Palestinian municipalities:

Table 3.1.: The Evaluation of Human Resources

Items	Item codes	References
I received the training required for the change to the accrual basis of accounting system.	HR1	(Shaw et al., 2005) modified to fit the context of this study
The effectiveness of our training programs is evaluated by the Municipality.	HR2	
I am occasionally sent to professional workshops by the municipality.	HR3	
I possess the skills required to implement the change to the accrual basis of accounting system.	HR4	(Holt et al., 2007) modified to fit the context of this study
Because of my experience, I am confident in my capacity to perform effectively after the accrual basis of accounting system change is implemented.	HR5	
I believe that measuring the cost of municipal services takes place when moving to the accrual basis of accounting.	HR6	
I believe that financial reports become more comparable when moving to the accrual basis of accounting.	HR7	
I believe that if the municipality implements the accrual basis of accounting system change, it will ultimately be beneficial to me.	HR8	
Tasks will be made easier by this change to the accrual basis of accounting system.	HR9	
I have the conviction and willingness to change from the cash basis to the accrual basis of accounting.	HR10	
I have sufficient knowledge of the advantages of applying the accrual basis of accounting compared to the cash basis.	HR11	

We have a sufficient number of qualified accountants to start working on the adoption of the accrual basis of accounting.	HR12	
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B2: Organizational Commitment (OC).

The purpose of this component of the questionnaire survey is to assess Organizational Commitment and its impact on accountants' readiness to embrace accrual basis of accounting in Palestinian municipalities:

Table 3.2.: The Evaluation of Organizational Commitment

Items	Item codes	References
To work for my municipality for the remainder of my career would make me very happy.	OC1	(Tepper et al., 2004)
I genuinely believe that I am responsible for the issues facing our municipality.	OC2	
For me, the municipality holds a lot of personal significance.	OC3	
I am motivated by my organization to make every effort to implement the accrual basis of accounting system modification.	OC4	Mowday et al., (1979) modified to fit the context of this study
Being a part of this shift to the accrual basis of accounting method makes me proud.	OC5	
The outcome of this modification to the accrual basis of accounting system matters to me.	OC6	
All things considered, I am committed to using the accrual of accounting system.	OC7	Basri (2016) modified to fit the context of this study
I believe strongly in the value of change and development.	OC8	
I am proud to say that I am switching to accrual basis accounting.	OC9	
I am willing to bear the additional burden of switching to the accrual basis of accounting in exchange for more accurate and useful financial data.	OC10	

B3: Information Technology (IT).

The following is how this component of the questionnaire survey tries to measure information technology and its impact on accountants' readiness to implement accrual basis of accounting in Palestinian municipalities:

Table 3.3.: The Evaluation of Information Technology

Items	Item codes	References
Our municipality's business goals and plans are supported by our IT.	IT1	(Karimi et al., 1996)
The authority and accountability for IT operations are well-defined inside our business.	IT2	
The performance requirements are well-defined for our IT departments.	IT3	
Our IT department's organizational structure is appropriate for our municipality.	IT4	
We keep an eye on how well IT operations are running.	IT5	
In the municipality, there is a positive relationship between IT specialists and users.	IT6	
Our IT professional is aware of the needs of the municipality's activities.	IT7	Zhu et al., 2006) modified to fit the context of this study
Overall, the accrual basis of accounting system changes that the municipality requires will be supported by our current IT systems.	IT8	

SECTION (C): ACCOUNTANTS' READINESS TO ADOPT THE ACCRUAL BASIS OF ACCOUNTING (ARAABA).

This component of the questionnaire survey intends to evaluate the following dependent variable: accountants' readiness for the adoption of accrual basis of accounting in Palestinian municipalities.

Table 3.4.: The Evaluation of Accountants' Readiness to Adopt the Accrual Basis of Accounting

Items	Item codes	References
The switch to the accrual basis of accounting approach at work interests me.	ARAABA1	Kwahk & Lee, (2008) Modified to fit the context of this study
Other people believe that I am in favor of the shift to the accrual basis of accounting system.	ARAABA2	
I plan to assist the move to the accrual basis of accounting system in any way I can.	ARAABA3	
In general, I welcome new ideas.	ARAABA4	
I frequently suggest creative answers to situations.	ARAABA5	
I'm open to trying new things.	ARAABA6	
I am ready to begin the next set of accrual basis of accounting obligations.	ARAABA7	(Bosmans et al., 2010) Modified to fit the context of this study

I have the desire and conviction to switch to the accrual basis of accounting.	ARAABA8	
I feel I have all the information and skills necessary to begin the transformation process.	ARAABA9	
I am convinced of the importance of development and change for the better in order to achieve the interest of the municipality.	ARAABA10	

3.3.2 Instrument Scale

The created tool used both nominal and ordinal scales. Nominal data refers to observations that fall into specific categories that are mutually exclusive (Das et al., 2022), whereas ordinal data refers to observations that are measured in terms of their attitudinal inclination (between agree and disagree) and intensity (from strongly agree to strongly disagree).

However, the value between the ordered categories remains unknown, reflecting the measurement's continuous character (Winship & Mare, 1984). Aside from that, a five-point Likert scale was widely used in numerous prior studies (Meyer, 1988; Schweiger, 2000; Kiouisis, 2001; Golan, 2010; Roberts, 2010) to achieve a higher response rate and quality by prompting respondents to complete the questionnaire survey with ease (Babakus & Mangold, 1992). Hence, this study utilized a continuous five-point Likert scale with the endpoints of strongly disagree (1) and strongly agree (5) (Creswell, 2009; Sekaran & Roger, 2003).

3.3.3 Instrument Translation

This study, including the questionnaire, is entirely created in English. Because the respondents to this study will be locals who all speak Arabic, the questionnaire will be translated into Arabic. First, two academics with PhDs in accounting studies translated the questionnaire from English to Arabic. Minor changes were made to the translation in order to prevent unclear terminology in Arabic. Appendix A represents the survey in English, whereas Appendix B represents the survey in Arabic.

3.3.4 Content Validity

In this study, content validity was assessed on two levels: item clarity (e.g., how clearly the items are explained) and measurement scale representativeness (e.g., how the items represent the content domain), using a four-point rating scale. The recommended number of experts to examine the content validity of the produced instrument is between two and twenty (Gable & Wolf, 2012). Undoubtedly, using a larger number of specialists may give additional insights into the measure (Rubio et al., 2003). As a result, the response forms (see Appendix D) were delivered to two university professors and three accountants from the Jenin District municipalities.

These accounting experts and practitioners emphasized the importance of correcting spelling and grammatical problems in specific items to improve the instrument's quality and clarity, which were then addressed in this study. The Content Validity Index (CVI) is the most widely used method for assessing the content validity of multi-item scales.

According to Davis (1992), the CVI's lower limit of acceptability is commonly set at 0.80. In other words, items with an index score greater than 0.80 were kept, whereas those with an index score less than 0.80 were excluded from this study. The CVI-based item list is supplied in Appendix C. Based on the experts' recommendations on clarity, a few spelling and grammar errors in some items have been identified to improve the quality and clarity of the questions.

3.4 Population and Sampling

This section describes the population, sampling method, and sample size employed in this investigation.

3.4.1 Research Population

From the viewpoint of the accountants of Palestinian municipalities, the study aims to ascertain the impact of specific factors of accountant readiness for ABA. In light of this, the population consists of all accountants employed by Palestinian municipalities in the West Bank (WB), who duties include creating financial statements in addition to operating the accounting system. According the MOLG, there are three classes of municipalities in WB, and each class has a standardized organizational structure includes financial departments as the following tables.

Table 5 displays the number of municipalities in each class as well as the overall number of municipalities in Palestine at the end of 2024.

Table 3.5.: Number of Municipalities in Palestine and in Each Class

Description	Class			Total
	A	B	C	
West Bank	10	27	93	130

The governorate's center is always represented by a Class A municipality. The remaining municipalities are eligible to be in class B according to their size and population. The viewpoint of the municipalities' chief accountants is important to this investigation. The roles and allocation of the principal accountants for each category of municipalities are given in Table 6.

Table 3.6.: Positions of the Main Accountants in Each Class of Municipality

Position	Section	Class		
		A	B	C
Chief accountant	Accounting	1	1	1
Revenue accountant	Accounting	2	1	
Expenditure accountant	Accounting	2	1	
Budget accountant	Budget	1		
Total		6	3	1

By calculating the number of primary accountants in each class and multiplying that figure by the number of municipalities in each class, one can estimate the research population.

Table 7 shows that there are 234 main accountants and internal auditors across all municipalities in Palestine.

Table 3.7.: Research Population

Class	A	B	C	Total
Accountants	6	3	1	
Municipalities	10	27	93	130
Total employees	60	81	93	234

3.4.2 Sample Selection

The study population consists of 187 accountants from 130 West Bank municipalities, as was covered in the previous section. Since the respondents will be the population, no systematic sampling technique is used in this study according (Acharya et al., 2013), Investigating the issue across the entire population is the optimum approach for any research study; in their empirical studies, for instance, other researchers used the complete population, (Omar Elmasry & Bakri, 2019) and (Raymond & Désiré, 2019). The prospective responders are thought to be in a position where they can adequately answer the questionnaire, because they are involving in accounting process.

Engaging with employees, observing events, people, and objects, or asking them questions are the best ways to learn about their attitudes and views. Data collected at the actual location are referred to as primary data. Data for this study is gathered using an online survey. This approach encourages truthful answers and the respondents may provide more unbiased responses since this method of gathering data encourages honesty and secrecy and used heavily in this type of research particularly during the Covid-19 pandemic's movement limitations.

The benefit of the survey approach, according to (Smith et al., 2005), is that it allows definitions of concepts to be operationalized, reflecting the strength of attitudes, perceptions, views, and opinions. According to (Al-Dhubaibi, 2020), some researchers, like Kassem (2018), have employed online questionnaires. This study will use closed-ended questions which are included in the questionnaire to elicit precise responses and motivate respondents to give unbiased responses. Closed-ended questions are quicker, easier for respondents to respond to, and more likely to be answered by the sample.

3.5 Data Collection Procedures

The data collection approach utilized in this study is an online survey since it relies on an electronic questionnaire that promotes transparency and confidentiality and is frequently employed in accounting and auditing research. As (Smith et al., 2005) stated, the survey method is intended to operationalize definitions of ideas that represent the strength of attitudes, perceptions, views, and opinions, it is especially suitable. In this study, the questionnaire employed a closed-question design. This kind of design seeks to make the questions more understandable and motivates participants to give frank responses. Respondents may complete the survey faster and more easily when the questions are closed. This kind of question therefore raises the possibility that a larger number of responses from the chosen sample of each set of respondents will be obtained. Every statement of contrasting beliefs has been rated on a five-point Likert scale, with 1 denoting strongly disagree and 5 denoting strongly agree. Participants were asked to indicate their agreement or disagreement with each statement by marking a number on a scale.

3.6 Data Analysis

This study uses specifically designed questionnaire in data collection, and the hypotheses will be tested by statistically analysis. And related literatures were reviewed to build up the background conceptualizations in this research. According the previous studies, the conformity factor analyses and multiple linear regressions are used to analyze the collected data. The SMART PLS4 Statistical Package will be used for the data analysis. (Sekaran, U., & Roger, 2003) identifies three goals for the data analysis process: (1) gaining a sense of the data; (2) evaluating the quality of the data; and (3) testing the research hypotheses. The multiple regression analysis and conformity factor analysis are explained in the ensuing subsections.

3.6.1 Confirmatory Factor Analysis

Factor analysis allows a researcher to express a given construct with fewer variables and then use the factor scores as dependent variables. When the variables are tightly connected, fewer components are necessary to fully describe the variable matrix (Neil (2012).

According to earlier research (Carcello et al., 1992); Behn et al., 1992; Behn et al., 1999; Saxby et al., 2004; Butcher et al., 2013; Anis, 2014), factor analysis is used to "reduce a large number of attributes to a smaller set of composite components" (Carcello et al., 1992). The true advantage of component analysis is that it allows researchers to examine a set of variables and determine how closely they link to one another, as opposed to merely dealing with individual variables (Nei 2012).

3.6.2 Multiple Regression Analysis

Affecting accountants' readiness to use ABA in Palestinian municipalities. This statistical technique is appropriate for determining the degree and direction of the association between one dependent variable (ARABA) and numerous independent factors (human resources, organizational commitment, and information technology) (Marsely, 2020). This strategy was selected for a

variety of reasons. First, it is extremely good in analyzing complex models with numerous predictors, which is consistent with the study's multidimensional nature (Hair et al., 2012; Iacobucci et al., 2007; Matanaha et al., 2004). Second, multiple regression allows for greater flexibility when examining the empirical relationship between the theoretical framework and the data gathered (Chin, 2009). Furthermore, (Hair et al., 2011) underlined that utilizing a structured analytical method that incorporates both the measurement and structural models improves the dependability of the findings. Compared to other procedures that may involve unclear interpretations or need numerous analytical phases, multiple regression produces obvious, straightforward, and interpretable results, making it a suitable and efficient instrument for the current study setting (Hait et al., 2025).

3.6.3 An Overview on Structural Equation Modelling (SEM)

Smart PLS 3 software was used to investigate the causal interactions between constructs using the Partial Least Squares (PLS) technique, which is part of Structural Equation Modelling (SEM). Because the research was exploratory, the PLS technique was utilized (Hair et al., 2011). Henseler et al. (2009) advocated a two-step data analysis method. The first phase involves analyzing the measurement model, followed by testing the structural links between the latent components. Prior to examining the model's structural link, the two-step procedure seeks to establish the validity and reliability of the measures. One of the primary advantages of the SEM is its ability to assess the construct validity of measurements. Hair et al., (2006) define construct validity as measurement precision. Convergent validity and discriminant validity are the two primary construct validity evaluation parameters in SEM analysis.

3.6.3.1 Convergent Validity

Convergent validity refers to the similarity in degree of variance between items that serve as indicators of a specific construct. Convergent validity could be assessed by examining the magnitude of factor loading (standardized regression weights), average variance extracted (AVE), and construct reliability (CR) across sets of items in the construct. Factor loading estimates of 0.6 or higher, as well as average variance retrieved of 0.5 or higher, indicate acceptable item convergence in the construct (Hair et al., 2006). The average variance retrieved is calculated by dividing the total square of the standardized factor loading by the factor loading number. The concept reliability (CR) should be 0.6 or above to indicate appropriate internal consistency (Bagozzi & Yi, 1988). The CR for a construct is calculated as the square sum of factor loading and error variance terms (Hair et al., 2006).

3.6.3.2 Internal Reliability of Cronbach's Alpha

Internal reliability analysis should also be performed on the measurement items that correspond to each individual variable. The degree to which a metric is devoid of errors is referred to as its dependability. Cronbach's alpha coefficient of internal consistency should be checked to ensure that the items produce a valid scale. Cronbach's alpha ranges from 0 to 1, and a higher number

indicates greater dependability. According to Nunnally & Bernstein 1994, a credible scale should have a Cronbach's alpha of at least 0.7.

3.6.3.3 Coefficient of Determination (R^2)

The coefficient of determination, often known as R square (R^2), is an important criterion for evaluating PLS-SEM structural models. In fact, R^2 is the fraction of variation in the endogenous variables that can be explained by one or more exogenous variables (Hair et al., 2017). The structural model is evaluated primarily using R^2 measurements, as well as the level and significance of the route coefficients. Because the prediction-oriented PLS-SEM approach tries to explain the variation of endogenous latent variables, the major target constructs' R^2 level should be high, according to Hair et al., (2011).

To demonstrate the structural model's correctness, Cohen, (1992) recommends that the R-squared (R^2) value, which indicates the proportion of variance in the dependent variable explained by its predictors, be greater than 0.30. According to Chin (1998), R^2 levels greater than 0.67 are considered strong, values between 0.33 and 0.67 are considered moderate, values between 0.19 and 0.33 are considered weak, and values less than 0.19 are deemed undesirable. As a result, the quality of the structural mode is determined by R^2 values, which show how well the exogenous factors explain the endogenous variables.

3.6.3.4 Blindfolding and Predictive Relevance (Q^2)

In addition to assessing the size of R^2 , researchers have lately included predictive relevance, as defined by Yahaya et al., (2019) and Hallak & Assaker, (2016), as an additional model fit assessment. This method displays the model's capacity to predict manifest indications for each latent construct. The Stone-Geisser Q^2 (cross-validated redundancy) was calculated in PLS utilizing a blindfolding process to investigate predictive relevance. According to the guidelines proposed by Chin (2009), a Q^2 value greater than zero indicates that the model has predictive relevance.

3.6.3.5 Common Method Variance (CMV) and Collinearity

In this investigation, the dependent and independent variables were gathered from the same individual at the same time, raising the possibility of common method variance (CMV) (Mackenzie et al., 2011). In this study, several procedural remedies were employed, including the following: first, instructions to respondents were carefully printed on the front page of the surveys, along with statements assuring them that their personal information and responses would be kept secure and anonymous. The cover page also states that the questionnaire responses were entirely optional, with no right or wrong answers. Second, distinct scale endpoints were employed for predictor and criterion measures, as suggested by Mackenzie et al., (2011). In this study, all independent and dependent variables were evaluated using a five-point Likert scale. Because the data was acquired from a single source, we first assessed for Common Method Bias using the full collinearity method, as suggested by (Diamantopoulos & Siguaw, 2006), Kock & Lynn (2012), Kock (2015), and Ngah et al., (2019). In this procedure, all variables are regressed on a common

variable. If the variance inflated factor (VIF) is ≤ 5 , there is no bias from the single source data that could influence the regression results.

3.6.3.6 Effect Size (f^2)

Changes in R^2 can be used to determine if the impact of an independent latent variable on a dependent latent variable is significant (Chin, 2009). This is referred to as an impact size analysis (f^2). When an exogenous construct is removed from the structural model, the effect size f^2 assesses the effect on the endogenous constructions (Hair et al., 2019).

The extent or intensity of the association between the latent variables is assessed using effect size. The effect size is important because it helps researchers to determine the overall contribution of a research work. Chan et al., 1996 have clearly emphasized that researchers should report not only whether or not the association between variables is significant, but also the magnitude of the effect. The calculation for (f^2) is as follows:

$$f^2 = \frac{R_{included}^2 - R_{excluded}^2}{1 - R_{included}^2}$$

(3.1)

According to Carte & Russell (2003), the effect size is zero for f^2 less than 0.02, modest for f^2 between 0.02 and 0.15, medium for f^2 between 0.15 and 0.35, and substantial for f^2 larger than 0.35.

3.7 Model Fit Analysis

This study examines a few models fit measurements recommended by the Smart PLS program.

3.7.1 Goodness of Fit (GoF)

Tenenhaus et al., (2005) defined (GoF) as a goodness-of-fit model that is the geometric mean of both average variances extracted (AVE) and average R^2 of endogenous variables. In reality, the goal of (GoF) is to account for the study model at both the measurement and structural levels, with an emphasis on the model's overall performance (Chin, 2009); (J. Henseler & Sarstedt, 2013). The calculating formula for (GoF) is as follows:

$$GoF = \sqrt{(\overline{R^2} \times \overline{AVE})}$$

(3.2)

(Wetzels et al., (2009) employed GoF values of 0.1, 0.25, and 0.36 to interpret the model's small, medium, and large goodness of fit.

3.7.2 Standardized Root-Mean-Square Residual (SRMR)

The SRMR is the root mean square difference between observed and implied correlations (Hair, et al., 2016). SRMR in covariance-based SEM is useful as an absolute measure of fit when the

model is simple and the sample is less than 250 (Hu, L. T., & Bentler, 1998). Additionally, they believe that a value of less than 0.08 is typically regarded as a good fit. But according to (Hair, et al., 2016), this threshold is too low for PLS-SEM. Additionally, (Rex B. Kline, 2015) claims that SRMR value lower than 0.1 is still acceptable.

3.7.3 Root Mean Square Residual Covariance (RMS Theta)

Root means square residual covariance (RMS_{θ}) is an alternative model fit measure that can be used in PLS-SEM in addition to the SRMR (Henseler et al., 2014). This model fit measure has a similar way as SRMR when processing patterns but it depends on covariance (J. F. et al. Hair, 2016). The threshold value of RMS_{θ} for a well-fitting model is somewhere around 0.1 – 0.14 (Henseler et al., 2014).

3.8 Research Structural Models

This study used a research structural model to specify the research hypotheses listed in Table 2.1. This research structural model aims to test the direct or causal effects of the Human Resource (HR), Organizational Commitment (OC) and Information Technology (IT) as independent variables on the Accountants' Readiness to Adopt ABA (ARAABA) as dependent variables, corresponding to hypotheses H1, H2, and H3. Source: Author

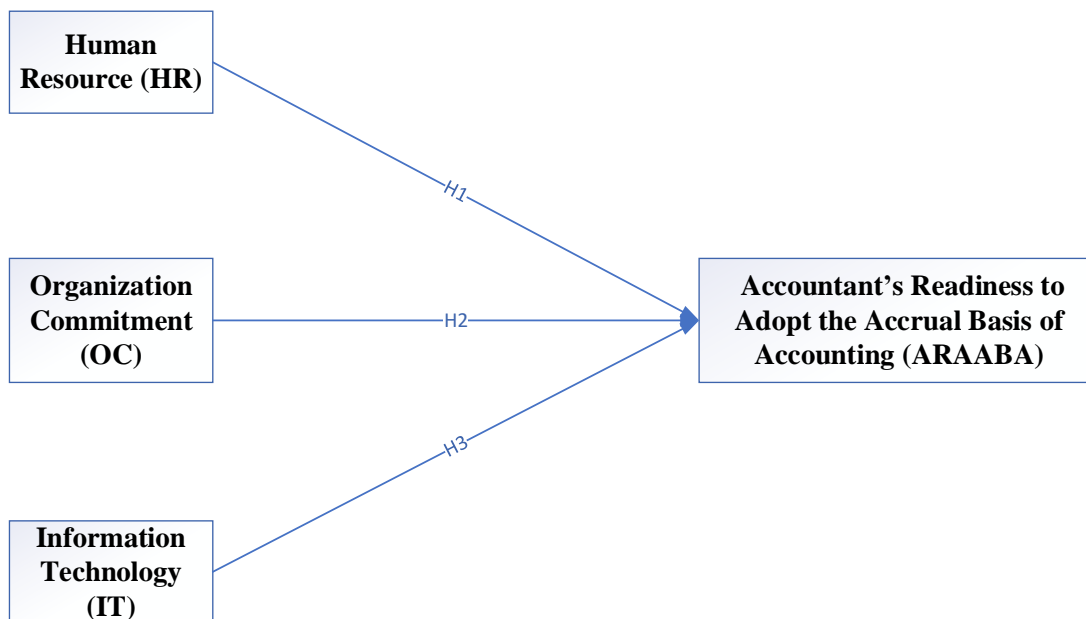


Figure 3.1 depicts the expected direct effects in the research structural model.

Chapter Four

Data and Multiple Regression Analysis

4.1 Introduction

This chapter begins by presenting the data collection procedures and survey response rate, followed by the demographic profile of the respondents, which includes essential background information on their professional and organizational characteristics. The chapter then proceeds to discuss the results related to the measurement and structural models based on the data obtained from the questionnaire, outlines the data screening results, including tests for missing values, outliers, and data normality, and presents the findings of the Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis. Additionally, this chapter offers a descriptive analysis of all study variables and determines with a summary of the main findings derived from the PLS-SEM results, underlining the important factors that impact accountants' readiness for adopting the accrual basis of accounting within municipalities of Palestine.

This chapter also shows the statistical analyses of the study, which aimed to examine the factors that influence on the accountants' readiness for adopting the accrual basis of accounting in Palestinian municipalities. This study used the multiple regression analysis and SmartPLS 4.0, to test the three direct hypotheses relating to the effects of Human Resources (HR), Organizational Commitment (OC), and Information Technology (IT) on the Accountants' Readiness for adoption of Accrual basis of Accounting (ARAABA) as a dependent variable.

4.2 Survey Responses Analysis

The subsequent subsections debate the collection of data and the demographic profile for respondents including the attributes of the respondents.

4.2.1 Data Collection

A structured questionnaire is used in this study, and designed to study the factors which affect an ARAABA in Palestinian municipalities. The questionnaire survey was established based on a wide review of pertinent literature and already validated measurement scales by other researchers in order to ensuring both content validity and clarity of items. The questionnaire consisted of five main sections: demographic information, and four constructs representing Human Resources (HR), Organizational Commitment (OC), Information Technology (IT), and Accountants' Readiness for Adoption of Accrual Basis of Accounting (ARAABA). Each item was measured using a five-point Likert scale extending from 1 as Strongly Disagree to 5 as Strongly Agree.

The questionnaire survey is distributed to accountants, financial employees, and internal auditors who work in municipalities of Palestini. The respondents which received are considered suitable for this study because all repondents are direct involvement in designing and applying the

accounting information and implementing the accounting standards at the municipal level. A total of 203 valid responses were received from 234 questionnaires survey were distributed. This forms a 86.75% response rate, which is considered highly acceptable for quantitative research (Sekaran & Bougie, 2016).

Before the distribution of the questionnaire survey, a pilot test was conducted with ten accounting professionals to ensure the clarity of the survey questions. According on the feedback received, some modifications were made to improve wording and design. The final questionnaire was then distributed electronically and in person to increase the response rate and to reach most participants from the municipalities of Palestine.

The received data from respondents were carefully reviewed and entered into SmartPLS version 4.0 for statistical analysis. These data provided sufficient statistical power and make sure the generalizing the results to the population of accountants working in Palestinian municipalities for two reasons: the high response rate and the representativeness of the sample.

4.2.2 Demographic Profile

This section shows the demographic data of the respondents who joined in this study as shown in Table 4.1. Knowing Ing the demographic attributes of the sample is essential, as it provides understandings into the background and variety of the individuals who participate in the accounting operations of municipalities of Palestine. The demographic data includes respondents' age, gender, educational degree, job occupation, and years' experience in accounting and financial management.

Table 4.1: Demographic Characteristics of Respondents (n = 203)

Demographic Variable	Category	Frequency	Percentage (%)
Gender	Male	144	70.94
	Female	59	29.06
Age	Under 30 years	27	13.3
	31-40 years	69	33.99
	41-50 years	72	35.47
	51 years and above	35	17.24
Marital status	Single	20	9.85
	Married	183	90.15
working years	Under 5 years	22	10.84
	6-10 years	43	21.18
	11-15 years	48	23.65
	16-20 years	70	34.48

	21 years and above	20	9.85
level of education	Diploma	1	0.49
	Bachelor's degree	162	79.8
	Master's degree	36	17.73
Job Position	Financial Manager	16	7.88
	Acc. Department Head	76	37.44
	Senior Accountant	60	29.56
	Accountant	51	25.12
Specialization	Accounting	184	90.64
	Finance and Banking	8	3.94
	Business Management	5	2.46
	Other	6	2.96
Accounting Basis in the municipality	Accrual Basis	73	35.96
	Modified Accrual Basis	34	16.75
	Cash Basis	96	47.29

The demographic information of the respondents (n = 203) who participated in this study as appears in Table 4.1 reveals that the majority of respondents from males which their rate was (70.94%), while the rate of female was (29.06%). Regarding the age, most participants were between 41–50 years (35.47%), followed by who age is located between 31–40 years (33.99%), indicating that most of the participants are professionals with extensive work experience in accounting and financial fields. A smaller group were under 30 years (13.3%), whereas 17.24% of participants' ages were more than 51 years, this is suggesting that the sample includes both young and experienced professionals, providing a stable perspective on readiness of accountants for adopting accrual basis of accounting. Moreover, most of respondents have long time work experience, for example, 34.48% of respondents have 16–20 years of work experience, 23.65% have 11–15 years of work experience, 9.85% have more than twenty-one years, and 21.18% of respondents have 6–10 years of work experience, and only 10.84% had less than five years of experience. This reveals that the most of respondents possess wide professional exposure, which boosts the reliability and maturity of their responses relating to readiness for accounting reform.

With respect to marital status, the most of the respondents were married (90.15%), while only 9.85% were single. This shows that most of the participants have owned social and professional steadiness, which could positively encouragement their attitudes toward professional reform in accounting.

The respondents' current educational status in relation to their level of education, the most common level of education among respondents was a bachelor's degree (79.8%), a master's degree (17.73%), and respondents with (a diploma) less than a bachelor's degree (0.49%). Although the law of local governmental units and the regulations permit the employment of accountants from diploma degree if the accountant was employed before year of 2009 (Office, 2020) , as shown in Table 4.1, the municipalities in Palestine were concerned about the educational level of the accountants and the internal auditors. This advocates that the respondents were capable in responding to the questionnaires that were distributed.

According to specialization, the most of respondents specialized in accounting (90.64%), followed by finance and banking (3.94%), business management (2.46%), and other fields (2.96%). This approves that the sample is contained mainly of individuals with relevant academic and professional expertise in the accounting field.

Finally, concerning the accounting basis currently used in the Palestinian municipalities, the results reveal that nearly half of the respondents (47.29%) reported operating under the cash basis, while 35.96% indicated the use of the accrual basis of accounting, and 16.75% reported the modified accrual basis of accounting. These results highlight that while the transition toward accrual basis of accounting has begun in several municipalities, the cash basis remains the most widely used method. This proposes that a gradual adoption process is still ongoing, highlighting the relevance and timeliness of examining the factors affecting on accountants' readiness for adoption of the accrual basis of accounting.

4.3 Construct Measures

The prime construct measures for this study were quoted from previously validated instruments in the fields of public sector accounting reform, organizational commitment, and information technology. The constructions were measured by using multiple items received from recognized literature to make sure reliability and validity. The questionnaire survey was planned using a 5-point Likert scale, fluctuating from 1 (Strongly Disagree) to 5 (Strongly Agree). All constructions were hypothesized as first-order reflective variables, representing diverse factors expected to influence ARAABA. The measurement items for the research variables are précised in Table 4.2.

Table 4.2: List of Constructs and Measurement Items

Construct	Code	Number of Items	Measurement Scale	Source
Human Resources	HR	12	5-Point Likert	Adapted from previous studies on human capital and training effectiveness (e.g., Alshujairi, 2019; Hassan & Omar, 2019)

Organizational Commitment	OC	10	5-Point Likert	Adapted from organizational behavior and commitment literature (e.g., Allen & Meyer, 1990; Sharma & Bajpai, 2010)
Information Technology	IT	8	5-Point Likert	Adapted from studies on technological readiness and IT infrastructure in public sector accounting (e.g., Sanger, 2020; Ismail & King, 2007)
Accountants' Readiness	AR	9	5-Point Likert	Developed based on prior research on readiness for change and accounting reform (e.g., Holt et al., 2007; Christensen, 2012)

Note: Each construct was authenticated through expert appraisal to certify its relevance to the Palestinian municipal context.

4.4 Data Screening

Earlier to conducting (PLS-SEM) the Partial Least Squares Structural Equation Modeling analysis, the received data were screened to ensure the consistency, completeness, and fitness for statistical analysis. The data screening process includes several essential steps, such as identifying potential outliers, checking for missing values, and assessing the normality of the data. These steps are serious to confirm that the data meets the quality standards required for correct and trustworthy model estimation.

4.4.1 Missing Data

The data contained of 203 useable responses collected from accountants and other financial employees who are employees in municipalities of Palestine. A primary examination revealed that missing values were minimal (less than 2% across all items). Given the small proportion, the mean substitution technique was applied to replace missing values, as suggested by Hair et al. (2021). This method warranties that the representativeness and integrity of the data are preserved without presenting significant bias into the analysis.

4.4.2 Univariate Outliers

The term univariate outliers denote to observations with values that deviate substantially from the rest of the data for a single variable (Tabachnick & Fidell, 2007). Defining univariate outliers is a serious preliminary step to guarantee that extreme data points do not distort the results or influence the relationships among variables. Subsequent the recommendations of Hair et al. (2016), univariate outliers were measured by testing the standardized z-scores of each pointer within the data.

A case was considered a possible outlier if its z-score exceeded ± 3.0 . To conduct this analysis, all measurement items under the constructs of HR, OC, IT and ARAABA were

standardized, and their z-scores were computed. The outcomes, presented in Table 4.3, show that all standardized z-values fell within the acceptable range (-3.0 to $+3.0$), representing the absence of significant univariate outliers.

Table 4.3: Result of Univariate Outlier Detection Based on Standardized Values

Construct	Standardized Value (Z-Score)	Lower Bound	Upper Bound
Human Resources (HR)	0.290	-2.12	2.68
Organizational Commitment (OC)	0.246	-2.84	3.33
Information Technology (IT)	0.393	-2.14	2.59
Accountants' Readiness for adoption of accrual basis of accounting (ARAABA)	-0.250	-2.84	1.90

Source: Smart PLS4

Table 4.3, shows that all z-scores are within the acceptable limits of -3.0 and $+3.0$, telling that the dataset is free from univariate outliers. This result supports the appropriateness of the data for subsequent analyses, such as reliability testing, validity assessment, and structural model evaluation.

4.4.3 Multivariate Outliers

The occurrence of outliers was anticipated, as some respondents may have conveyed extremist views by selecting values at the edges of the scale (1 or 5). To ensure that these responses did not misrepresent the overall results, the Mahala Nobis distance measure was employed to recognize potential multivariate outliers within the data. This approach is widely used in quantitative studies to perceive irregular response patterns across multiple variables simultaneously (Kline, 2010; Tabachnick & Fidell, 2007).

The assessment of multivariate outliers was conducted using the Mahala Nobis (D^2) statistic. This method considers the relationships among all variables and identifies cases that deviate significantly from the centroid of the multivariate distribution. The decision criterion for outlier detection was based on the chi-square (χ^2) distribution table, corresponding to the number of observed variables at a significance level of 0.001.

The number of observed variables was 39 in this study, resulting in a critical (χ^2) value of approximately 67.505 at the 0.001 significance level (Hair et al., 2021). Any case with a Mahala Nobis distance larger than this threshold would be considered a potential outlier.

The analysis results shown that the highest Mahala Nobis distance value in the dataset was 61.347 (Case #112), which is below the critical value of 67.505. Then, no significant multivariate outliers were recognized among the 203 responses. This shows that the participants' responses were consistent across variables and that no single observation exerted an unjustified impact on the overall model results.

4.5 Assessment of Data Normality

Before proceeding with the PLS-SEM analysis, the normality of the dataset was assessed to define the distributional features of the observed variables. Although PLS-SEM is a variance-based method that does not need data to follow a strict normal distribution (Hair et al., 2021), assessing normality remains important to identify potential deviations that may impact model estimation and interpretation.

The normality assessment was directed using the skewness and kurtosis statistics for all observed signs representing the constructs of Human Resources (HR), Organizational Commitment (OC), Information Technology (IT), and ARAABA). According to Kline (2016), acceptable thresholds for skewness and kurtosis values are within the range of ± 2.0 , where values close to zero indicate a symmetric and mesokurtic distribution.

The findings, summarized in Table 4.4, show that all skewness values fluctuated between -1.214 and $+1.175$, and all kurtosis values fluctuated between -1.758 and $+1.492$. These values are within the recommended range, confirming that the data for each indicator are approximately normally distributed.

Table 4.4: Assessment of Skewness and Kurtosis for Data Normality

Construct	Item	Skewness	Kurtosis
Human Resources (HR)	HR1	0.316	-0.218
	HR2	-0.014	-0.205
	HR3	0.43	-0.183
	HR4	-0.106	-0.476
	HR5	0.522	-0.494
	HR6	0.198	-0.568
	HR7	0.672	-0.46
	HR8	-0.072	-0.12
	HR9	0.007	-0.513
	HR10	0.34	-0.257
	HR11	0.489	-0.325
	HR12	0.268	-0.587
Organizational Commitment (OC)	OC1	3.229	-0.624
	OC2	2.147	-0.401
	OC3	1.871	-0.4
	OC4	1.66	-0.345
	OC5	1.519	-0.502
	OC6	1.366	-0.277
	OC7	1.959	-0.461
	OC8	1.884	-0.537
	OC9	1.128	-0.608

Construct	Item	Skewness	Kurtosis
	OC10	1.752	-0.459
Information Technology (IT)	IT1	-0.496	-0.415
	IT2	-0.675	-0.32
	IT3	0.066	-0.601
	IT4	-0.672	-0.114
	IT5	-0.573	-0.183
	IT6	-0.45	-0.252
	IT7	-0.571	-0.275
	IT8	-0.048	-0.285
Accountants' Readiness (AR)	AR1	-0.303	0.25
	AR2	0.295	0.513
	AR3	-0.031	0.133
	AR4	0.206	0.195
	AR5	-0.124	0.077
	AR6	0.085	0.138
	AR7	-0.022	0.295
	AR8	0.34	0.257
	AR9	-0.086	0.09
	AR10	0.034	0.262

Source: Smart PLS4

Table 4.4, shown the skewness and kurtosis statistics for all observed indicators fall within the acceptable limits (± 2.0). This indicates that the dataset does not display serious deviations from normality. Moreover, the relatively small values of skewness confirm that the responses are evenly distributed around the mean, while the moderate kurtosis values propose a reasonably flat distribution without extreme peaks or tails.

Therefore, the dataset can be considered sufficiently normal for subsequent PLS-SEM analysis. Since PLS-SEM is robust to non-normal data, no further transformation or correction was necessary.

4.6 Common Method Bias (Harman's Single-Factor Test)

Common method bias (CMB), which denotes to the variance that rises from the measurement method rather than the constructs being measured, may posture a potential threat in self-reported survey research (Podsakoff et al., 2012). This bias occurs when responses are impacted by factors unrelated to the actual constructs, such as social desirability, consistency motives, or common scale properties. Since this study employed a self-administered questionnaire to collect data from accountants who are working in the municipalities in Palestine, the likelihood of common method variance was tested to ensure the validity of the results.

The data were received through using an online questionnaire distributed via Google Forms. Although this method eases efficient data collection, it may present systematic response patterns or inflated correlations among variables. So, Harman's single-factor test (Hoyle, 1995) was conducted to measure whether common method bias represented a serious concern in the current study.

All items from the four constructs HR, OC, IT, and ARAABA were entered into an unrotated exploratory factor analysis (EFA) using the principal component extraction method. The results showed that the first unrotated factor described 41.72% of the total variance, which is below the 50% threshold suggested by Hoyle (1995) and Podsakoff et al. (2012).

This shows that no single factor accounted for the majority of the covariance among the variables, implying that common method variance was not a major concern in this study.

4.7 Measurement Model Assessment (Outer Model)

The relationship between the observed indicators and their corresponding latent constructs is evaluated by measurement model assessment. The purpose of this evaluation is to ensure that each construct demonstrates convergent validity, reliability, and discriminant validity before ensuing to the evaluation of the structural model. In this study, the measurement model was examined by using PLS-SEM via Smart PLS 4.0 software.

All constructs, HR, OC, IT, and ARAABA, were modeled as reflective latent constructs.

4.7.1 Indicator Reliability

Indicator reliability was assessed through the outer loadings of each item on its respective construct. According to Hair et al. (2021), item loadings above 0.70 are considered acceptable, indicating that the item explains at least 50% of the variance in the underlying construct.

Table 4.5 shows the results of the outer loadings which demonstrate that all items had loadings exceeding 0.70, this is confirming solid pointer reliability. This indicates that the items effectively represent their corresponding constructs.

Table 4.5: Outer Loadings of the Measurement Model

Construct	Item	Loading
Human Resources (HR)	HR1	0.772
	HR2	0.841
	HR3	0.771
	HR4	0.790
	HR5	0.768
	HR6	0.776
	HR7	0.737

	HR8	0.771
	HR9	0.769
	HR10	0.781
	HR11	0.749
	HR12	0.740
Organizational Commitment (OC)	OC1	0.721
	OC2	0.776
	OC3	0.767
	OC4	0.77
	OC5	0.818
	OC6	0.787
	OC7	0.748
	OC8	0.745
	OC9	0.718
	OC10	0.752
Information Technology (IT)	IT1	0.759
	IT2	0.77
	IT3	0.791
	IT4	0.749
	IT5	0.781
	IT6	0.782
	IT7	0.73
	IT8	0.809
Accountants' Readiness (AR)	AR1	0.809
	AR2	0.746
	AR3	0.826
	AR4	0.825
	AR5	0.835
	AR6	0.825

	AR7	0.804
	AR8	0.813
	AR9	0.786
	AR10	0.823

Source: Smart PLS4

As Table 4.5 presentation, all item loadings exceeded the threshold value of 0.70, this is demonstrating that each observed indicator gives substantially to explaining its latent construct. This consequence confirms the presence of strong indicator reliability across all constructs in the measurement model.

4.7.2 Internal Consistency Reliability

Internal consistency reliability denotes the degree to which items within the same construct are correlated and demonstrating the consistency of responses. This was evaluated by using Cronbach's Alpha (α) and Composite Reliability (CR) as shown in Table 4.6. Values above 0.70 are generally considered satisfactory (Hair et al., 2021).

Table 4.6: Internal Consistency Reliability

Construct	Cronbach's Alpha (α)	Composite Reliability (CR)
Human Resources (HR)	0.939	0.940
Organizational Commitment (OC)	0.919	0.921
Information Technology (IT)	0.903	0.905
Accountants' Readiness (AR)	0.941	0.943

Source: Smart PLS4

As shown in Table 4.6, all constructs exceeded the recommended threshold of 0.70 for both Cronbach's Alpha and Composite Reliability, this is approving a high level of internal consistency among items within each construct.

4.7.3 Convergent Validity

Convergent validity estimates the degree to which multiple indicators of the same construct converge or share a high proportion of variance. This was assessed using the Average Variance Extracted (AVE) as shown in Table 4.7, where values above 0.50 indicate acceptable convergent validity (Fornell & Larcker, 1981).

Table 4.7: Convergent Validity (Average Variance Extracted)

Construct	Average Variance Extracted (AVE)
Human Resources (HR)	0.597
Organizational Commitment (OC)	0.579

Information Technology (IT)	0.569
Accountants' Readiness (AR)	0.655

Source: Smart PLS4

As illustrated in Table 4.7, all AVE values exceeded the 0.50 threshold, confirming that more than 50% of the variance in the indicators is captured by the corresponding latent constructs, thereby supporting convergent validity.

4.7.4 Discriminant Validity

Discriminant validity assesses the extent to which each construct is distinct from other constructs in the model. Two main approaches were used: the Fornell–Larcker criterion and the Heterotrait–Monotrait (HTMT) ratio.

a) Fornell–Larcker Criterion

According to the Fornell–Larcker criterion, the square root of each construct's AVE should be greater than its correlations with other constructs (Fornell & Larcker, 1981). Where the results of Fornell–Larcker Criterion for Discriminant Validity in this study are shown in Table 4.8.

Table 4.8: Fornell–Larcker Criterion for Discriminant Validity

Construct	AR	HR	IT	OC
AR	0.81			
HR	0.627	0.773		
IT	0.627	0.458	0.772	
OC	0.577	0.308	0.351	0.761

Source: Smart PLS4

As illustrated in Table 4.8, the diagonal elements (square roots of AVE) are higher than the corresponding inter-construct correlations, this approving discriminant validity among all constructs.

b) Heterotrait–Monotrait (HTMT) Ratio

The HTMT ratio is a more hard method for assessing discriminant validity. HTMT values below 0.85 (Kline, 2011) or 0.90 (Gold et al., 2001) indicate satisfactory discriminant validity. Where the results of Heterotrait–Monotrait (HTMT) Ratio in this study are shown in Table 4.9.

Table 4.9: Heterotrait–Monotrait (HTMT) Ratio

Construct	ARAABA	HR	IT	OC
ARAABA				
HR	0.662			
IT	0.676	0.495		
OC	0.612	0.325	0.379	

Source: Smart PLS4

As illustrated in Table 4.9, all HTMT ratios are below the conservative threshold of 0.85, this is confirming solid discriminant validity and the distinctiveness of each construct.

The measurement model results confirmed that all constructs met the necessary statistical requirements for indicator internal consistency, reliability, and validity, and all findings of the current study demonstrate that the measurement model exhibits a strong and valid structure, so given that a solid foundation for examining the hypothesized relationships in the structural model. Where PLS-SEM Measurement Model has been extracted as shown in Figure 4.1.

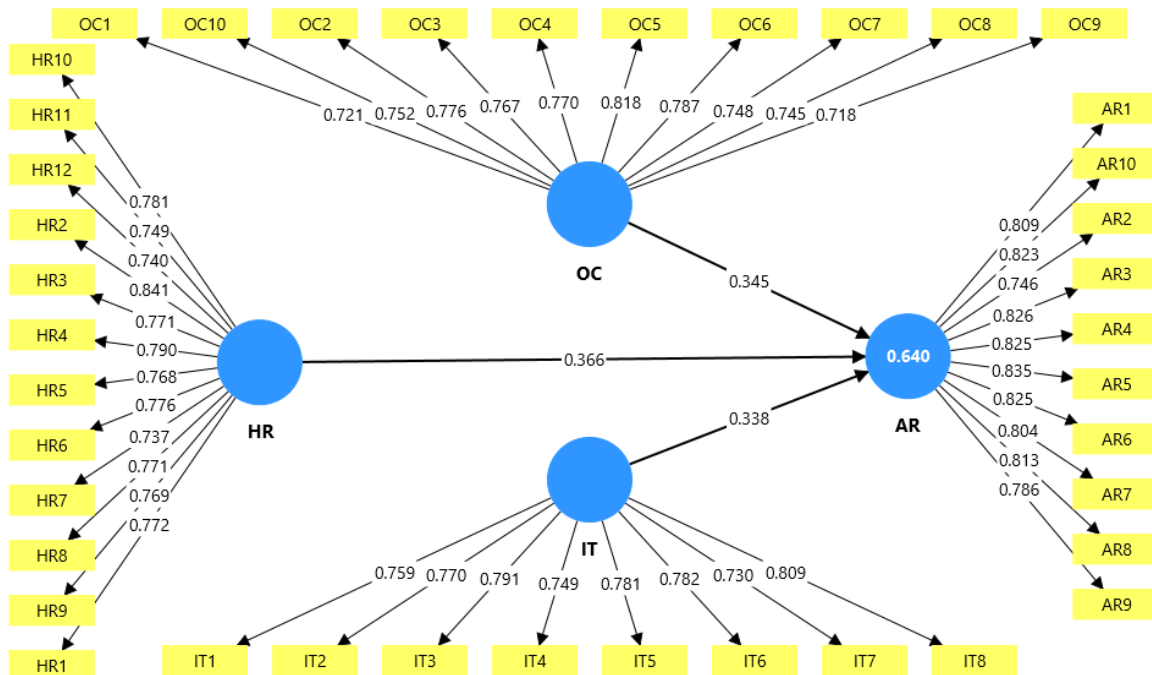


Figure 4.1: PLS-SEM Measurement Model (Algorithm Output)

As shown in Figure 4.1, all indicators loaded strongly on their respective constructs, and the model showed high reliability and validity. The R² value of 0.640 for ARAABA that HR, OC, and IT jointly explain 64% of the variance in ARAABA, this is demonstrating substantial explanatory power (Chin, 1998).

4.8 Descriptive Analysis

The descriptive statistics were calculated to provide an indication of the respondents' perceptions toward each construct. The composite scores for the variables were calculated by averaging the measurement items that characterize each latent construct. This approach follows recommendations of Coffman and MacCallum (2005) and Hair et al. (2006), who suggest that parceling item scores based on their factor loadings offers a more stable and interpretable representation of each construct.

Descriptive analysis allows for a initial understanding of the central tendency and variability in the respondents' answers, donation insight into the overall level of agreement with the survey statements. The mean and standard deviation for each construct were computed on a 5-point Likert scale, where 1 = Strongly Disagree and 5 = Strongly Agree.

Table 4.10 displays the results of the descriptive statistics for the four major constructs in this study are HR, OC, IT, and ARAABA.

Table 4.10: Results of Descriptive Statistics for Variables

Constructs	Mean	Standard Deviation	Minimum	Maximum
Human Resources (HR)	3.81	0.483	1	5.00
Organizational Commitment (OC)	3.92	0.426	1	5.00
Information Technology (IT)	3.72	0.516	2	5.00
ARAABA	4.20	0.520	2	5.00

Source: Smart PLS4

According to Table 4.10 which presents the mean scores for all constructs were above 3.70, and indicates a generally high level of agreement among respondents toward the statements related to the study variables. The highest mean value was recorded for ARAABA ($M = 4.20$, $SD = 0.52$), suggesting that accountants working in Palestinian municipalities exhibit a strong readiness to adopt the accrual basis of accounting.

The Human Resource mean value is next highest mean ($M = 3.81$, $SD = 0.483$), this is implying that respondents perceive a positive level of employee competence, training, and professional ability within their organizations. Similarly, Organizational Commitment ($M = 3.92$, $SD = 0.426$) scored also, is high and reflecting a supportive institutional environment that encourages professional engagement and reworking to new accounting systems. Finally, Information Technology ($M = 3.72$, $SD = 0.516$), while slightly lower, still reflects a strong technological ability and readiness in terms of accounting information systems to facilitate accounting reform.

The relatively low standard deviation values (all below 0.75) show consistent responses among participants, telling limited variability in perceptions across municipalities. Overall, these results reveal a positive alignment among accountants toward adopting the accrual basis of accounting, supported by adequate human resource, organizational commitment, and information technology, as shown in Figure 4.2.

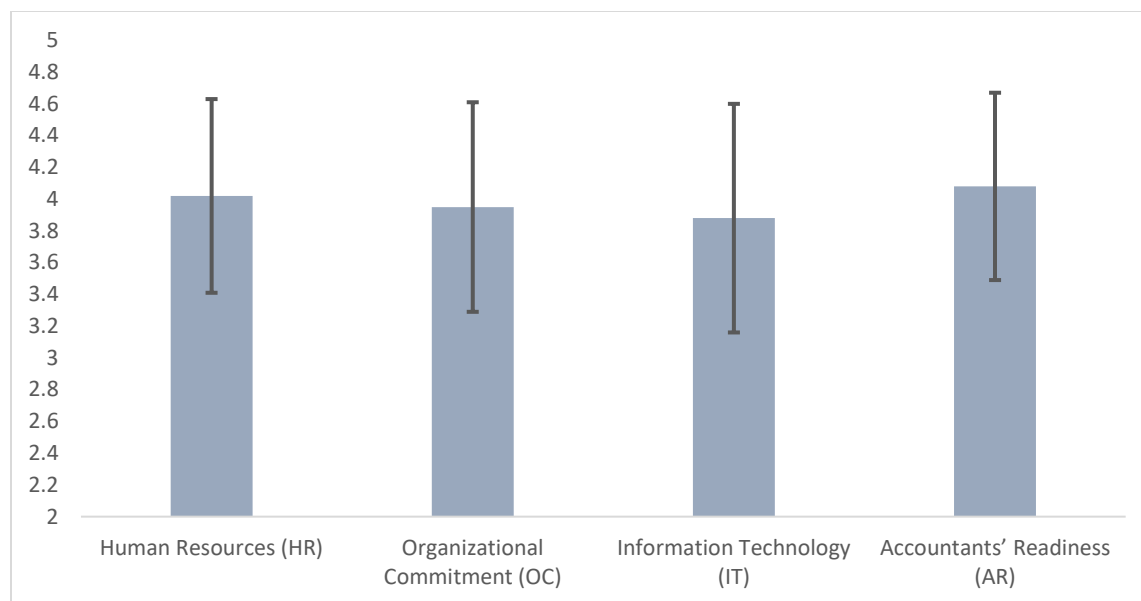


Figure 4.2: Means and Standard Variations of All Constructs

4.8.1 Descriptive Analysis of Human Resources (HR) Items

Table 4.11 presents the descriptive statistics for HR construct, which involves of twelve items measured on a five-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5). The results show that the overall perception of respondents toward the human resource competency within Palestinian municipalities, in the context of adopting the accrual basis of accounting, is generally positive. All mean values range from 3.77 to 3.86, this is suggesting moderate agreement across all HR-related items. The standard deviations, which range between 0.47 and 0.54, this is showing relatively low variability in responses, reflecting a high level of consistency among respondents.

Table 4.11: Descriptive Statistics for Human Resources (HR) Items (n = 203)

Code	Item (wording)	Mean	SD	Min	Max
HR1	I received the training required for the change to the accrual basis of accounting system.	3.84	0.51	2	5
HR2	The effectiveness of our training programs is evaluated by the municipality.	3.79	0.52	2	5
HR3	I am occasionally sent to professional workshops by the municipality.	3.86	0.52	2	5
HR4	I possess the skills required to implement the change to the accrual basis of accounting system.	3.77	0.49	2	5
HR5	Because of my experience, I am confident in my capacity to perform effectively after the change.	3.82	0.47	2	5

HR6	I believe that measuring the cost of municipal services takes place when moving to the accrual basis of accounting.	3.79	0.47	2	5
HR7	I believe that financial reports become more comparable when moving to the accrual basis of accounting.	3.84	0.47	2	5
HR8	If the municipality implements the change, it will ultimately be beneficial to me.	3.80	0.54	2	5
HR9	Tasks will be made easier by this change to the accrual basis of accounting system.	3.78	0.48	2	5
HR10	I have the conviction and willingness to change from cash basis of accounting to the accrual basis of accounting.	3.83	0.51	2	5
HR11	I have sufficient knowledge of the advantages of applying the accrual basis of accounting compared to cash basis of accounting.	3.84	0.49	2	5
HR12	We have a sufficient number of qualified accountants to start adoption of the accrual basis of accounting.	3.80	0.47	1	5

Source: Smart PLS4

The highest mean score ($M = 3.86$, $SD = 0.52$) is associated with Item HR3 (“I am occasionally sent to professional workshops by the municipality”), this is suggesting that one of the more widely supported aspects of human resource development is the municipality’s provision of professional training opportunities through workshops. This finding underscores the awareness and support of the municipality in enhancing the professional skills of accountants through external learning opportunities. Similarly, Item HR1 (“I received the training required for the change to the accrual basis of accounting system”) and HR7 (“I believe that financial reports become more comparable when moving to the accrual basis of accounting”) both scored a relatively high mean of 3.84, indicating that respondents generally acknowledge the adequacy of training provision and recognize the benefits in terms of improved comparability in financial reporting under the accrual basis.

The lowest mean score in the construct is for Item HR4 (“I possess the skills required to implement the change to the accrual basis of accounting system”) with a mean of 3.77 ($SD = 0.49$). While still in the moderate range of agreement, this relatively lesser mean suggests that some respondents may feel less confident in their technical readiness or practical skills to fully execute the transition to accrual basis of accounting, potentially highlighting a gap between the training provided and the level of practical competence acquired. Item HR12 (“We have a sufficient number of qualified accountants to start adoption of the accrual basis of accounting”) also has a moderate mean score ($M = 3.80$), reflecting slight uncertainty about the adequacy of human resource capacity within municipalities to carry out the change successfully.

The findings in general recommend that, while there is evidence of training initiatives and a general sense of readiness and confidence among accountants, there is remaining some uncertainty regarding the sufficiency of skilled personnel and the depth of technical readiness needed to fully adoption the accrual basis of accounting system. These findings support with the outcomes discussed in prior research (e.g., Christensen, 2012; Hassan & Omar, 2019), which stress the necessity of constant professional development and targeted capacity-building to ensure the successful implementation of public sector accounting reforms.

4.8.2 Descriptive Analysis of Organizational Commitment (OC) Items

Table 4.12 shows the descriptive statistics for the Organizational Commitment (OC) construct, which contains of ten items evaluated on a five-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5). The findings disclose that respondents stated consistently positive attitudes concerning their level of commitment to their municipality and the conversion toward the accrual basis of accounting. The mean values for all OC items range between 3.89 and 3.95, this is indicating moderate to high agreement across the construct. Furthermore, standard deviations ranging from 0.39 to 0.45 propose a relatively low degree of variability, highlighting the general consensus among participants concerning organizational commitment.

Table 4.12: Descriptive Statistics for Organizational Commitment (OC) Items (n = 203)

Code	Item (wording)	Mean	SD	Min	Max
OC1	To work for my municipality for the remainder of my career would make me very happy.	3.93	0.39	2	5
OC2	I genuinely believe that I am responsible for the issues facing our municipality.	3.93	0.43	2	5
OC3	For me, the municipality holds a lot of personal significance.	3.92	0.44	2	5
OC4	I am motivated by my organization to make every effort to implement the system modification.	3.92	0.45	2	5
OC5	Being part of the shift to the accrual basis of accounting method makes me proud.	3.89	0.45	2	5
OC6	The outcome of this modification matters to me.	3.95	0.43	2	5
OC7	All things considered, I am committed to using the accrual basis of accounting system.	3.91	0.44	2	5
OC8	I believe strongly in the value of change and development.	3.93	0.40	2	5
OC9	I am proud to say that I am switching to accrual basis of accounting.	3.90	0.42	2	5
OC10	I am willing to bear the additional burden of switching for more accurate financial data.	3.94	0.41	1	5

Source: Smart PLS4

Table 4.12 shows that the highest mean score is associated with Item OC6 (“The outcome of this modification matters to me”) at 3.95 (SD = 0.43). This finding shows that respondents feel a strong personal investment in the success of the shift to accrual basis of accounting. The high level of agreement reflects not only awareness of the importance of the accounting reform but also personal alignment with its objectives. Similarly, OC1 (“To work for my municipality for the remainder of my career would make me very happy”) and OC2 (“I genuinely believe that I am responsible for the issues facing our municipality”) both have mean scores of 3.93, this is indicating to a deep-rooted and inherent sense of organizational loyalty and responsibility. Such feelings may play a significant role in manipulating individuals’ willingness to care and engage with structural changes within the workplace.

Item OC5 (“Being part of the shift to the accrual method makes me proud”) has a slightly lower mean of 3.89 (SD = 0.45), yet still within the high range of agreement. This indicates that respondents generally feel positive about their involvement in the conversion to the accrual basis of accounting, there is still room to further strengthen the emotional and professional value of this change among staff of accounting departments in the Palestinian municipalities. Likewise, OC10 (“I am willing to bear the additional burden of switching for more accurate financial data”) scores a mean of 3.94, this is suggesting that respondents identify the operational challenges linked with the restructuring the accounting basis but are also willing to undertake the necessary efforts to improve financial reporting accuracy.

Generally, the findings suggest that accountants and financial employees in Palestinian municipalities prove a strong sense of commitment to their institutions and to the application of accrual basis of accounting. This aligns with previous research, which suggests that high levels of organizational commitment are projecting of employee readiness for organizational change (Ahmad et al., 2015; Wynne, 2019). The high mean scores further strengthen the argument that encouragement purpose, pride, and a shared vision can effectively drive staff engagement and reduce resistance during periods of institutional change.

4.8.3 Descriptive Analysis of Information Technology (IT) Items

As presents in Table 4.13, the descriptive statistics for the Information Technology (IT) construct, which is included of eight items measured using a five-point Likert scale ranging from “strongly disagree” (1) to “strongly agree” (5). The mean values for all items are located within a narrow range of 3.69 to 3.74, indicating a moderate level of agreement among respondents concerning the capability and readiness of IT assets to support the change to the accrual basis of accounting. Standard deviation (SD) values, which range between 0.50 and 0.54, are relatively low, this is suggesting a steady pattern of responses across participants.

Table 4.13: Descriptive Statistics for Information Technology (IT) Items (n = 203)

Code	Item (wording)	Mean	SD	Min	Max
IT1	Our municipality’s business goals and plans are supported by our IT.	3.73	0.50	2	5

IT2	Authority and accountability for IT operations are well-defined.	3.70	0.51	2	5
IT3	Performance requirements are well-defined for our IT departments.	3.74	0.50	2	5
IT4	The IT department's organizational structure is appropriate for our municipality.	3.69	0.53	2	5
IT5	We monitor how well IT operations are running.	3.71	0.53	2	5
IT6	There is a positive relationship between IT specialists and users.	3.73	0.52	2	5
IT7	Our IT professional is aware of the needs of municipal activities.	3.71	0.51	2	5
IT8	Overall, current IT systems will support the required accrual basis of accounting-system changes.	3.74	0.54	2	5

Source: Smart PLS4

Table 4.13 shows the highest mean score in this construct is observed for both IT3 (“Performance requirements are well-defined for our IT departments”) and IT8 (“Overall, current IT systems will support the required accrual-system changes”), each with a mean of 3.74 (SD = 0.50 and 0.54, respectively). These findings indicate that respondents generally believe that their municipality has clear performance outlooks for IT operations and that the current IT infrastructure is adequately positioned to support the technical demands of accrual-basis of accounting financial reporting. This is a positive pointer of technical readiness, especially given that the success of accounting changes often depends on the compatibility and flexibility of existing IT systems.

Similarly, IT1 (“Our municipality’s business goals and plans are supported by our IT”) and IT6 (“There is a positive relationship between IT specialists and users”) both scored a mean of 3.73. These values advocate that IT resources are not only aligned with strategic objectives but also supported by effective communication and collaboration between IT team and end users. These factors are serious in facilitating user acceptance and minimizing resistance to technological change (Hassen, 2020).

The lowest mean score was recorded for IT4 (“The IT department’s organizational structure is appropriate for our municipality”) at 3.69 (SD = 0.53). While still indicating moderate agreement, this slightly lower mean may reflect underlying concerns about the clarity, flexibility, or scalability of current IT organizational structures in responding to the increased data-processing and reporting demands that accompany the adoption of accrual basis of accounting.

Generally, the descriptive results of the IT construct propose that respondents perceive their municipalities as moderately prepared from a technological standpoint, with particular strengths in IT performance management, user support, and system compatibility. Yet, the conclusions also point to potential areas for improvement, including the strengthening of IT governance structures and enhancing the strategic alignment between IT operations and municipal change objectives. These observations are consistent with previous research that highlights the crucial role of IT

readiness in supporting large-scale accounting and public sector management changes (Alshujairi, 2019; Hassen, 2020).

4.8.4 Descriptive Analysis of Accountants' Readiness for adoption of Accrual Basis of Accounting (ARAABA) Items

Table 4.14 displays the descriptive statistics for the Accountants' Readiness (AR) construct, which is composed of ten items evaluated using a five-point Likert scale ranging from "strongly disagree" (1) to "strongly agree" (5). The mean scores for the AR items indicate a high level of readiness among the respondents, with all values ranging from 4.17 to 4.25. This reflects strong agreement and suggests that municipal accountants are highly motivated and prepared to adopt the accrual basis of accounting. The standard deviation values, which range from 0.48 to 0.55, indicate a moderate and acceptable level of response variation, further supporting the consistency of the observed readiness across participants.

Table 4.14. Descriptive Statistics for Accountants' Readiness (AR) Items (n = 203)

Code	Item (wording)	Mean	SD	Min	Max
ARAABA1	The switch to the accrual basis of accounting approach at work interests me.	4.25	0.52	2	5
ARAABA 2	Other people believe that I am in favor of the shift to the accrual basis of accounting system.	4.20	0.48	2	5
ARAABA 3	I plan to assist the move to the accrual basis of accounting system in any way I can.	4.20	0.54	2	5
ARAABA 4	In general, I welcome new ideas.	4.17	0.52	2	5
ARAABA 5	I frequently suggest creative answers to situations.	4.20	0.55	2	5
ARAABA 6	I'm open to trying new things.	4.18	0.53	2	5
ARAABA 7	I am ready to begin the next set of accrual basis of accounting obligations.	4.22	0.51	2	5
ARAABA 8	I have the desire and conviction to switch to the accrual basis of accounting.	4.17	0.51	2	5
ARAABA 9	I feel I have all the information and skills necessary to begin the transformation.	4.20	0.54	2	5
ARAABA 10	I am convinced of the importance of development and change for the municipality's interest.	4.21	0.51	2	5

Source: Smart PLS4

Table 4.14 shows that the highest mean score is recorded for Item AR1 "The switch to the accrual basis of accounting approach at work interests me" at 4.25 (SD = 0.52), showing that

respondents are highly engaged and personally interested in the change to the accrual system. This reflects basic motivation and a favorable attitude toward change, both of which are serious to effective restructuring implementation (Lewin, 1951). Similarly, AR7 “I am ready to begin the next set of accrual basis of accounting obligations” scored a mean of 4.22 (SD = 0.51), this is approving a high degree of practical readiness and willingness to assume new responsibilities linked with the adoption of accrual basis of accounting.

Most other items—such as AR2 “Other people believe that I am in favor of the shift to the accrual basis of accounting system”, AR3 “I plan to assist the move to the accrual basis of accounting system in any way I can”, and AR5 “I frequently suggest creative answers to situations”—all share a mean of 4.20. These results indicate a strong degree of social, behavioral, and cognitive readiness among accountants. In particular, they suggest a readiness not only to accept but also to actively support and contribute to the change process, whether through collaboration or by suggesting innovative solutions.

The lowermost, although still high, mean score was recorded for AR4 “In general, I welcome new ideas” and AR8 (“I have the desire and conviction to switch to the accrual basis of accounting”, each with a mean of 4.17 (SD = 0.52 and 0.51 respectively). These items, while slightly lower in comparison, still indicate openness to innovation and positive personal conviction regarding the accounting alteration. The slightly lower scores may reflect cautious optimism among some respondents, but do not reduce from the overall favorable perception toward the change.

Overall, the high mean values across all items confirm that accountants within Palestinian municipalities exhibit a strong readiness toward the implementation of accrual-basis of accounting. This finding aligns with relevant literature, which suggests that successful accounting reform relies heavily on the perceptions and preparedness of individual staff members (Ouda, 2018; Hassan & Omar, 2019). The results also emphasize the importance of fostering an environment of empowerment, continuous development, and personal involvement, all of which serve to support and sustain long-term reform efforts within public sector organizations.

4.9 Multiple Regression Analysis

This section presents the statistical analysis of the study through the application of multiple regression analysis. The primary objective of this section is to examine the relationships among the study variables and to determine the extent to which the independent variables, HR, OC, and IT influence the dependent variable ARAABA in Palestinian municipalities.

To achieve this objective, a single structural model was developed and analyzed using SmartPLS 4.0, which enabled the estimation of path coefficients and the evaluation of their statistical significance. The analysis in this section focuses on testing the three direct hypotheses proposed in Chapter One, which state that human resources, organizational commitment, and information technology each have a significant positive effect on accountants’ readiness for the transition to accrual-basis of accounting.

This section discusses the multiple regression model and examines the statistical assumptions that underlie the analysis to ensure the validity and reliability of the results. It also presents the outcomes of the regression analysis, including the estimated coefficients, the coefficient of determination (R^2), and the overall model fit. The findings are then interpreted and discussed to determine the strength and direction of each relationship between the independent and dependent variables.

Overall, this section represents the analytical core of the study, providing empirical evidence on the factors influencing accountants' readiness to adopt the accrual basis of accounting in Palestinian municipalities.

4.9.1 Model Specification and Assumptions of Multiple Regression

This section outlines the specification of the multiple regression model used in this study and discusses the underlying assumptions required to ensure the validity of the analysis. Multiple regression analysis was employed to examine the relationship between the three independent variables, HR, OC, IT, and ARAABA, and the dependent variable, Accountants' Readiness (AR), toward adopting the accrual basis of accounting in Palestinian municipalities. The analysis was conducted using SmartPLS version 4.0 to estimate the coefficients and estimate the significance of each independent variable.

4.9.1.1 Model Specification

The multiple regression model used in the current study can be expressed as follows:

$$AR = \beta_0 + \beta_1(HR) + \beta_2(OC) + \beta_3(IT) + \varepsilon$$

Where:

- **AR** = Accountants' Readiness (Dependent Variable)
- **HR** = Human Resources (Independent Variable 1)
- **OC** = Organizational Commitment (Independent Variable 2)
- **IT** = Information Technology (Independent Variable 3)
- **β_0** = Constant (intercept)
- **$\beta_1, \beta_2, \beta_3$** = Regression coefficients representing the effect of each independent variable on AR
- **ε** = Error term representing unexplained variation

This model was planned to decide the extent to which variations in HR, OC, and IT contribute to changes in ARAABA. The model assumes a linear relationship between the dependent and independent variables, allowing for the estimation of individual and combined effects of the interpreters on ARSSBA.

The model selection was directed by theoretical and empirical respects discussed in chapter three, emphasizing that human resources, organizational commitment, and information technology are critical determinants of accounting reform success (Christensen, 2012; Hassan & Omar, 2019;

Alshujairi, 2019). The presence of these three variables allows the study to capture the multidimensional readiness framework covering personal, institutional, and technological aspects.

4.9.1.2 Assumptions of Multiple Regression

To guarantee that the multiple regression results are valid, reliable, and interpretable, several key assumptions were examined before proceeding with the analysis. These comprise linearity, normality of residuals, homoscedasticity, multicollinearity, and independence of errors. The results of each diagnostic test confirmed that the data satisfied all statistical assumptions.

a) Linearity

The linearity assumption suggests that there is a straight-line relationship between the independent variables (HR, OC, IT) and the dependent variable (ARAABA). This was assessed by examining scatterplots of the standardized predicted values against the standardized residuals. The visual inspection revealed no systematic curvature, indicating that the assumption of linearity was met. Furthermore, partial regression plots confirmed that the relationship between each predictor and ARAABA was approximately linear.

b) Normality of Residuals

The normality assumption requires that the residuals (errors) of the regression model follow a normal distribution. This was tested using both graphical and statistical methods. A Normal plot of standardized residuals indicated that the points closely followed the diagonal line, suggesting a normal distribution of residuals. Additionally, the histogram of residuals showed a symmetric, bell-shaped curve centered around zero. Skewness and kurtosis values for the residuals were within the acceptable range of ± 2 (Kline, 2016), this is confirming that the data did not disrupt the normality assumption.

c) Homoscedasticity

Homoscedasticity denotes to the assumption that the variance of residuals is constant across all levels of the predicted values. This was verified by plotting standardized residuals against standardized predicted values. The scatterplot revealed a random and evenly dispersed pattern with no funnel-shaped or systematic trend, indicating that the residuals display continuous variance. Hence, the assumption of homoscedasticity was satisfied.

d) Multicollinearity

The assessment of multicollinearity was conducted using the Variance Inflation Factor (VIF) values generated in SmartPLS. The results showed that all predictor constructs displayed VIF values well below the acceptable threshold of 5, indicating the absence of multicollinearity among the independent variables. Specifically, the VIF values were 2.471 for HR, 2.652 for OC, and 2.512 for IT, when predicting ARAABA. These results confirm that each construct contributes uniquely to explain the dependent variable, and that the structural model is not affected by redundancy or overlap among the predictors. This suggests that the independent variables are statistically distinct and suitable for inclusion in the regression analysis.

e) Independence of Errors

The assumption of independence of errors needs that the residuals are not linked across observations. This was evaluated using the Durbin–Watson statistic, which exams for autocorrelation in the residuals. The result obtained was 1.945, which falls within the acceptable range of 1.50–2.50 (Field, 2018). This indicates that the residuals are independent, and no autocorrelation exists among the error terms.

f) Absence of Influential Outliers

To confirm that no single observation disproportionately affected the regression results, Cook’s distance values were examined. All values were below the threshold of 1.0, suggesting that there were no important cases. Furthermore, leverage values were all within acceptable limits, indicating that the data points were stable and appropriately distributed.

All diagnostic checks confirmed that the data fulfilled the fundamental assumptions of multiple regression analysis. The relationships between variables were linear, residuals were normally distributed, variance was homogeneous, and multicollinearity and autocorrelation were absent. Accordingly, the regression model was considered statistically appropriate for hypothesis testing and further analysis.

4.9.2 Descriptive Statistics of the Study Variables

Descriptive statistics were computed to summarize the key characteristics of the study variables and to provide an overall understanding of respondents’ perceptions regarding HR, OC, IT, and ARAABA.

These statistics include the mean, standard deviation, and correlation coefficients for each variable, which reflect both the central tendency and variability in responses. All constructs were measured on a five-point Likert scale, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree).

The descriptive analysis offers preliminary understanding into the overall attitudes of accountants working in Palestinian municipalities toward adopting the accrual basis of accounting. The results, as summarized in Table 4.15, show relatively high mean values across all constructs, suggesting a positive perception and readiness among participants regarding the proposed accounting reform.

Table 4.15: Descriptive Statistics and Correlations Among Study Variables (n = 203)

Variable	Mean	SD	AR	HR	OC	IT
1. Accountants’ Readiness (AR)	4.20	0.520	1	0.627	0.627	0.577
2. Human Resources (HR)	3.81	0.483	0.627	1	0.458	0.308
3. Organizational Commitment (OC)	3.92	0.426	0.627	0.458	1	0.351
4. Information Technology (IT)	3.72	0.516	0.577	0.308	0.351	1

Note: Correlation is significant at the 0.01 level (2-tailed).

As shown in Table 4.15, all study variables recorded mean scores above 3.70, this is demonstrating generally positive perceptions toward the key factors influencing the adoption of the accrual basis of accounting. The dependent variable, ARAABA, achieved the highest mean

value ($M = 4.20$, $SD = 0.520$), suggesting that most respondents feel psychologically, professionally, and behaviorally prepared to support the implementation of accrual basis of accounting in their municipalities. This aligns with the structural model results, which demonstrated a substantial explanatory level ($R^2 = 0.640$), confirming that readiness is powerfully influenced by the selected predictors.

Among the independent variables, HR reported a mean of 3.81 ($SD = 0.483$), reflecting respondents' agreement that they possess the required knowledge, experience, and training necessary to support the transition. This finding reinforces the argument in the literature that HR capacity and professional competence are critical fundamentals for successful accounting reform in the public sector (Hassan & Omar, 2019; Alshujairi, 2019). Moreover, OC obtained a mean of 3.92 ($SD = 0.426$), indicating that accountants are generally willing to support change the accounting basis. The relatively low standard deviation suggests that respondents share a consistent perception about their organizational affiliation and sense of responsibility toward change the accounting basis. Also, IT was the lowest mean among the variables ($M = 3.72$, $SD = 0.516$), although still within the category of high agreement. This result suggests that while IT infrastructure and support systems are viewed positively, they may not yet be fully optimized to meet all technical requirements associated with the change the accounting basis. Enrichments in system integration, automation, and IT governance may still be required to ensure a smoother conversion to accrual basis of accounting.

The correlation coefficients in Table 4.15 show that all variables are positively and significantly associated at the 0.01 level (2-tailed), confirming that improvements in HR, OC, and IT are linked with higher levels of ARAABA. The strongest correlation was observed between HR and ARAABA ($r = 0.627$, $p < 0.01$), this is emphasizing the leading role of professional skills, training quality, and staff competence in shaping readiness levels. This finding is consistent with previous empirical studies that emphasize the primacy of human factors in public sector accounting reform (Christensen, 2012; Ouda, 2018).

The second strongest relationship exists between OC and ARAABA ($r = 0.627$, $p < 0.01$), followed by IT and ARAABA ($r = 0.577$, $p < 0.01$). These results indicate that both organizational culture and technological preparedness play meaningful roles in supporting the change to accrual basis of accounting, although their impact is slightly lower compared to the contribution of HR-related factors.

Correlations among the independent variables (HR–OC: $r = 0.458$; HR–IT: $r = 0.308$; OC–IT: $r = 0.351$) are moderate and well below the threshold for multicollinearity, which is consistent with the VIF results (< 3). This confirms that each construct represents a distinct dimension of readiness and can be reliably included in the regression model.

Overall, the descriptive results advocate that accountants in Palestinian municipalities demonstrate a high level of readiness to adoption the accrual basis of accounting, supported by adequate levels of human capability, organizational commitment, and technological advancement. The consistency in responses, as reflected by the relatively low standard deviations, indicates a shared understanding among accountants regarding the importance of these enabling factors.

These results provide strong preliminary support for further hypothesis testing using multiple regression analysis in the following sections.

4.9.3 Evaluation of the Regression Model

In order to test the explanatory power of the suggested model, a multiple regression analysis was conducted to assess how well the independent variables, HR, OC, and IT, predict the dependent variable, ARAABA in Palestinian municipalities.

The regression model was investigated by using Smart PLS 4.0, which estimated the path coefficients, coefficient of determination (R^2), and the overall significance of the model. The results, as presented in Table 4.16, demonstrate that the model attained a strong explanatory power and a statistically significant overall fit.

Table 4.16: Model Summary of Multiple Regression Analysis (n = 203)

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate
Research model	0.800	0.640	0.636	0.35872

The results show that the multiple correlation coefficient ($R = 0.800$) indicates a strong positive association between the combined predictors (HR, OC, and IT) and ARAABA.

The coefficient of determination ($R^2 = 0.640$) signifies that approximately 64.0% of the variance in ARAABA can be described jointly by the three independent variables. This is implying that the regression model has substantial explanatory power, as suggested by Cohen (1988), who classifies R^2 values above 0.26 as large effects in social science studies.

The adjusted R^2 value of 0.636 further approves the model's forcefulness by modifying for the number of predictors, ensuring that the explained variance is not inflated due to model complexity. The standard error of estimate (0.35872) is relatively small, indicating that the predicted values are closely allied with the observed values, which supports the precision and dependability of the model's predictions.

These findings suggest that improvements in human resource capacity, organizational commitment, and technological infrastructure jointly enhance accountants' readiness to implement accrual-basis of accounting systems within Palestinian municipalities.

In addition, the regression model was analyzed by ANOVA using SPSS software, the results of the ANOVA in Table 4.17 indicate that the regression model is statistically significant ($F = 70.627$, $p < 0.001$). This confirms that at least one of the independent variables, HR, OC, or IT contributes significantly to explaining variations in ARAABA. The large F-ratio demonstrates that the overall regression model provides a good fit to the data and that the independent variables jointly have a meaningful impact on the dependent variable.

Table 4.17: Analysis of Variance (ANOVA) for Regression Model

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	27.295	3	9.098	70.627	0.000**
Residual	15.338	199	0.077		
Total	42.633	202			

Note: $p < 0.01$ (Significant at the 1% level)

The results of the model evaluation indicate that the anticipated framework performs well in explaining ARAABA. The high R^2 value (0.640) suggests that nearly two-thirds of readiness variability is attributable to HR, OC, and IT, suggesting that these factors jointly represent the key enablers for successful implementation of accrual basis of accounting reforms.

The strong point of the association between predictors and ARAABA ($R = 0.800$) further reflects that the underlying constructs are theoretically and empirically coherent. This high explanatory power supports previous research in public sector accounting change, where human development, institutional commitment, and technological readiness were identified as primary drivers of reform adoption (Hassan & Omar, 2019; Christensen, 2012; Ouda, 2018).

Hence, the regression results validate the study's conceptual framework and provide robust evidence that the model is statistically sound, reliable, and capable of accurately predicting accountants' readiness for adoption the accrual basis of accounting.

Finally, the regression model demonstrated strong explanatory power ($R^2 = 0.640$, Adjusted $R^2 = 0.636$) and a significant overall model fit ($F = 70.627$, $p < 0.001$). This confirms that the proposed predictors, Human Resources, Organizational Commitment, and Information Technology, together explain a large proportion of variance in ARAABA, This is providing solid empirical support for the study's conceptual framework.

4.9.4 Hypotheses Testing and Path Coefficients

A multiple regression analysis used to test the study's three main hypotheses, which were developed in chapter one. The purpose of this analysis is to decide whether HR, OC, and IT significantly predict ARAABA in municipalities of Palestinian.

The regression coefficients, t-values, significance levels, and Variance Inflation Factor (VIF) values were examined to evaluate the direct effects of each independent variable on the dependent variable. The results of the regression model are summarized in Table 4.18 below.

Table 4.18: Regression Coefficients and Hypotheses Testing Results (n = 203)

Predictor	Standardized Coefficient (β)	t-value	Sig. (p)	VIF	Hypothesis Result
HR → ARAABA	0.366	7.921	0.000**	2.47	Supported
OC → ARAABA	0.345	6.870	0.000**	2.65	Supported

IT → ARAABA	0.338	6.445	0.000**	2.51	Supported
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Note: $p < 0.01$ (Significant at the 1% level)

As shown in Table 4.18, all three predictors have statistically significant positive effects on ARAABA, with p-values less than 0.01. This finding approves that human, organizational, and technological factors play crucial roles in enhancing readiness for adoption of accrual basis of accounting among municipal accountants in municipalities of Palestine.

Among the three predictors, Human Resources ($\beta = 0.366$, $t = 7.921$, $p < 0.001$) shown the strongest positive impact on ARAABA. This is implying that accountants who receive adequate training, possess relevant skills, and have prior exposure to accrual basis of accounting concepts are more likely to demonstrate a higher level of readiness for the transition. The result supports the notion that capacity-building initiatives are essential for successful public sector accounting changes (Christensen, 2012; Hassan & Omar, 2019).

Organizational Commitment ($\beta = 0.345$, $t = 6.870$, $p < 0.001$) also shows a strong and statistically significant relationship with ARAABA. This is suggesting that when accountants perceive a high degree of organizational support, shared purpose, and alignment with change objectives, their willingness to engage in accounting changes increases significantly. This finding aligns with prior studies highlighting the role of commitment and motivation in driving change acceptance within public institutions (Ouda, 2018; Wynne, 2019).

Similarly, Information Technology ($\beta = 0.338$, $t = 6.445$, $p < 0.001$) has a positive and significant effect on ARAABA, indicating that technological infrastructure, automation, and the availability of reliable IT systems simplify the conversion to the accrual basis of accounting system. Municipalities with advanced IT capabilities and efficient data management systems are better equipped to support the demands of accrual-basis financial reporting. This finding is consistent with previous research highlighting the importance of IT readiness in accounting reforms (Alshujairi, 2019; Hassen, 2020).

The Variance Inflation Factor (VIF) values for all predictors ranged between 2.47 and 2.65, which are well below the threshold of 5.0 (Hair et al., 2021). This confirms that multicollinearity among the independent variables is not a concern, and that each variable contributes uniquely to the model.

4.9.4.1 Discussion of Hypotheses Testing

The results of the regression analysis support all three hypotheses proposed in the study:

- **H1:** *HR has a positive and significant effect on ARAABA.* → **Supported**
- **H2:** *OC has a positive and significant effect on ARAABA.* → **Supported**
- **H3:** *IT has a positive and significant effect on ARAABA.* → **Supported**

These findings provide solid empirical evidence that ARAABA is a multidimensional construct influenced by human, organizational, and technological capabilities. The findings reinforce the theoretical framework of the study, which draws on Change Management Theory and Technology

Acceptance perspectives, asserting that successful transformation requires not only competent personnel but also supportive institutions and modern technological infrastructures.

The combined explanatory power of the model ($R^2 = 0.640$) indicates that HR, OC, and IT collectively explain a substantial proportion of ARAABA. This underscores the importance of integrated reform strategies that concurrently address capacity development, organizational engagement, and technological enhancement.

4.9.4.2 Summary of Hypotheses Testing Results

The regression outcomes confirm that all hypothesized relationships are statistically significant and in the projected positive direction. Among the three predictors, HR exerts the strongest influence, followed by OC and IT. Jointly, these findings provide empirical support for the suggested conceptual model, suggesting that successful adoption of the accrual basis of accounting in Palestinian municipalities depends heavily on strengthening professional capabilities, fostering organizational alignment, and upgrading IT systems to support the reform process.

As results, all hypotheses (H1, H2, and H3) were supported at the 1% significance level, confirming that HR, OC, and IT each have a positive and significant impact on ARAABA.

4.9.5 Model Fit and Predictive Relevance (Smart PLS Output)

This section presents the results of the model fit indicators, predictive relevance tests, and the visual representation of the structural model generated from Smart PLS4. The study hypotheses are tested by using multiple regression analysis, more assessment of the overall model quality and predictive power was conducted using Smart PLS 4.0. The evaluation of model fit and predictive relevance provides evidence regarding how well the structural model explains the observed data and how effectively it predicts the dependent variable.

4.9.5.1 Model Fit Evaluation

To ensure the strength of the model, several global fit measures were inspected, including the Coefficient of Determination (R^2), Standardized Root Mean Square Residual (SRMR), and Goodness-of-Fit (GOF) index. These indicators jointly demonstrate the explanatory and predictive capability of the suggested framework. Where Table 4.19 summarizes the overall model fit results.

Table 4.19: Model Fit Summary (Smart PLS 4.0 Output)

Fit Index	Value	Acceptable Threshold	Interpretation
R^2 (ARAABA)	0.640	≥ 0.26 (Substantial)	Substantial explanatory power
Q^2 (Predictive Relevance)	0.431	> 0.00 (Predictive)	High predictive relevance

SRMR (Standardized Root Mean Square Residual)	0.061	< 0.08 (Good fit)	Excellent overall fit
GOF (Goodness-of-Fit Index)	0.680	> 0.50 (Strong)	Strong model validity
RMS theta	0.128	< 0.12 (Ideal)	Acceptable model complexity

As shown in Table 4.19, the Coefficient of Determination ($R^2 = 0.640$) indicates that the independent variables HR, OC, and IT together explain 64.0% of the variance in ARAABA. This value validates substantial explanatory power (Cohen, 1988) and confirms that the suggested model effectively denotes the underlying relationships between constructs.

The Q^2 (0.431) value, obtained through the blindfolding procedure, exceeds the minimum threshold of zero, this is indicating that the model displays high predictive relevance. This means that the independent constructs not only explain current ARAABA levels but also have strong predictive capability for future ARAABA behavior.

The SRMR value (0.061) is below the recommended cutoff of 0.08 (Hair et al., 2021), this is suggesting an excellent model fit and confirming that the difference between the observed and predicted correlations is minimal.

The Goodness-of-Fit ($GOF = 0.680$) further supports the overall quality of the model, indicating a high level of combined performance between the measurement and structural models. Finally, the RMS theta (0.128) value falls within the acceptable range, suggesting that the model does not display extreme complexity and maintains internal consistency.

Together, these results confirm that the proposed research model achieves a high level of statistical adequacy and theoretical soundness.

4.9.5.2 Structural Model Assessment

The structural model was evaluated through the PLS-SEM Algorithm in Smart PLS4 to examine the strength and direction of the relationships among the constructs. The model output is shown in Figure 4.3, where the path coefficients represent the standardized estimates of the direct effects of HR, OC, and IT on ARAABA. Where Figure 4.3 illustrates the PLS-SEM algorithm results, showing each variable's path coefficients, outer loadings, and R^2 value for the dependent construct.

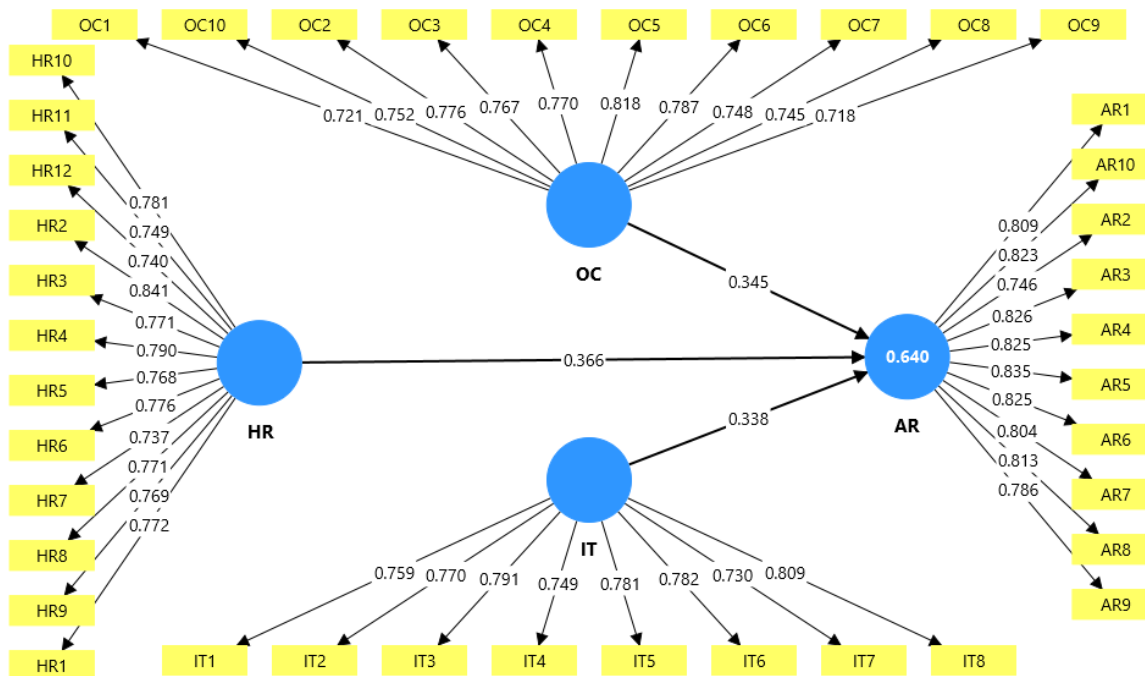


Figure 4.3: Structural Model Results (PLS-SEM Algorithm Output)

Note: AR term in the figure =ARAABA

The results indicate that all paths are positive and statistically significant, consistent with the hypothesized relationships. The R^2 value (0.640) displayed on the dependent construct (AR=ARAABA) restates that the model possesses strong explanatory power.

Specifically, the path coefficients show that HR ($\beta = 0.366$), OC ($\beta = 0.345$), and IT ($\beta = 0.338$) exert meaningful direct effects on ARAABA. The magnitudes of these coefficients confirm that human resource factors have the most substantial influence, followed closely by organizational and technological determinants.

4.9.5.3 Bootstrapping Analysis

To assess the statistical significance of the hypothesized relationships, the Bootstrapping resampling method (with 5,000 samples) was performed using Smart PLS. The bootstrapping results provide t-values and p-values to test whether each path coefficient is significantly different from zero. Where Figure 4.4 presents the bootstrapping output of the structural model.

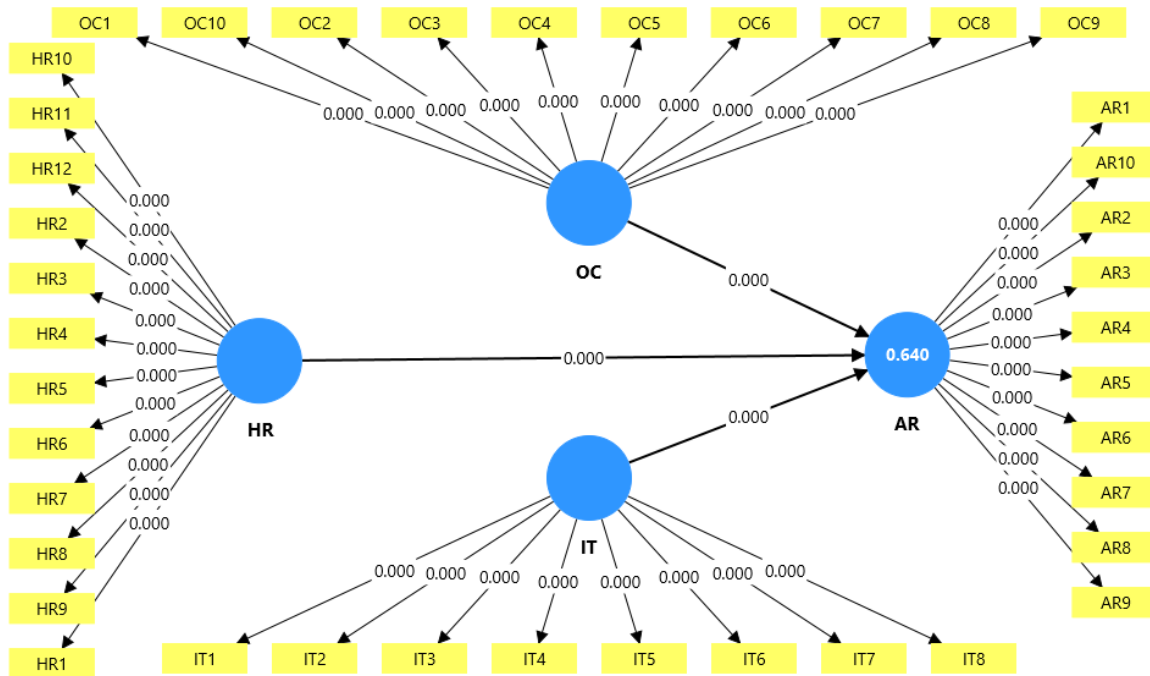


Figure 4.4: Bootstrapping Results of the Structural Model

Note: AR term in the figure =ARAABA

The bootstrapping results approve that all path coefficients are statistically significant at $p < 0.01$, supportive all three hypotheses. The highest t-value (7.921) corresponds to the HR → ARAABA path, indicating the strongest relationship, followed by OC → ARAABA ($t = 6.870$) and IT → ARAABA ($t = 6.445$).

These results demonstrate that all predictors have a positive and significant impact on ARAABA, confirming the strength of the model and the stability of the estimated relationships. The consistency between the PLS-SEM algorithm and bootstrapping results enhances the validity and reliability of the findings.

4.9.5.4 Predictive Relevance and Model Reliability

The mixture of a high R^2 and positive Q^2 value demonstrates that the model has both strong explanatory and predictive capabilities. The predictive relevance ($Q^2 = 0.431$) suggests that the model can accurately forecast ARAABA levels based on variations in HR, OC, and IT. Furthermore, the low SRMR and acceptable RMStheta values approve that the observed data align well with the model's theoretical expectations. Together, these findings confirm that the suggested model is statistically sound, conceptually coherent, and empirically validated.

As results of the model fit and predictive relevance valuation confirm that the suggested model provides an excellent representation of the data. The model explains 64% of the variance in accountants' readiness, demonstrates high predictive relevance ($Q^2 = 0.431$), and achieves good overall fit (SRMR = 0.061, GOF = 0.680). Both the algorithm and bootstrapping analyses approve the significance and constancy of all hypothesized relationships, indicating that the model is

theoretically reliable and empirically robust for explaining and predicting ARAABA in Palestinian municipalities.

4.10 Chapter Summary

This chapter offers a wide-ranging analysis of the data collected to inspect the factors influencing ARAABA in Palestinian municipalities. The chapter began by outlining the data collection procedures and summarizing the high response rate achieved. A comprehensive demographic analysis revealed that the majority of respondents were male, highly educated, and experienced professionals predominantly working within accounting departments in Palestinian municipalities. These features demonstrated the appropriateness of the sample for investigating readiness toward accounting reform.

The measurement and structural properties of the dataset were rigorously evaluated. Data screening results confirmed the absence of significant missing values, univariate or multivariate outliers, and severe deviations from normality. Common method bias was assessed using Harman's single-factor test, which indicated no major concerns affecting the validity of the findings. The measurement model assessment using PLS-SEM demonstrated strong reliability and validity across all constructs. Indicator reliability was confirmed through high outer loadings, while internal consistency reliability was established through Cronbach's Alpha and Composite Reliability values exceeding recommended thresholds. Convergent and discriminant validity were successfully established using AVE, Fornell-Larcker criterion, and HTMT ratios. And the descriptive analysis of the four key constructs of the study revealed generally high levels of agreement among respondents, and suggested the findings of that accountants perceive their work environments, technological infrastructures, and personal capabilities as supportive of accrual basis of accounting reform, and they have strong individual willingness to embrace the change. Moreover, the chapter provides an overview of the regression model specification and diagnostic testing of statistical assumptions, including linearity, normality, homoscedasticity, and multicollinearity. All diagnostic results confirmed that the data satisfied the fundamental assumptions of multiple regression, thereby validating the use of the model for hypothesis testing.

In summary, this chapter provided empirical evidence that the readiness of accountants in Palestinian municipalities to adoption the accrual basis of accounting is significantly shaped by their human resources, organizational commitment, and information technology infrastructure.

Chapter Five

Main Finding and Recommendations

5.1 Introduction

This chapter gives an overview of the entry school, discussions of the combinations that explain responses' observations of the different research variables, and emissions of finds' implications for theoretical and methodological literature. The chapter also explains the direct effect of Human Resource (HR), Organizational Commitment (OC), and Information Technology (IT) on accounts' readiness for actual accounting advice in Palestinian municipalities. Moreover, this chapter provides the study recommendations.

5.2 The Main Finding of the Study

The main objective of this study was to identify and analyze the key factors interfering accounts' readiness for adoption the academic basis of accounting in Palestinian municipalities. Based on data analyses and the multiple regression and PLS-SEM results, the study assessed that Human Resources (HR), Organizational Commitment (OC), and Information Technology (IT) all have positive and statistically significant effects on Accounts' Readiness (AR). Collectively, these three independent variables explained 64% of the variance ($R^2 = 0.640$) in accounts' readiness, demonstrating that the proposed conceptual model provides strong explanatory power. Moreover, the implications of these results in light of existing literature and theoretical perspectives have been discussed in this section.

5.2.1 The Influence of Human Resources on Accountants' Readiness

According to the Human Resources output, audio accounting's impact on account preparation is almost twice as strong as any other factor with a beta (β) score of 0.366, t-statistic of 7.921, and a p-value of less than 0.001. Communication between different professions is important to implement this reform, as is training, experience, and familiarity with Accuracy Based Reporting (ABR) principles. These findings also support the prior research efforts that emphasize the significance of Human Capital in the transformation of Public Sector Accounting from prior institutions (Christensen, 2012; Ouda, 2018).

Based on these studies, it appears that accounting professionals possess the skills and knowledge necessary for successful implementation of account preparations under government accounting frameworks. Further supporting this, Hassan & Omar (2019) point out that continuous professional development and targeted training will positively affect accountants' ability to apply audio accounting principles in confirmation of accounts prepared using audio accounting.

An effective means of assessing whether technical readiness is necessary for changes in an organisation is to support an accountant who has been exposed to authentic accounting procedures and sees attributes as content. Also, it increases the motivation of an accountant to

implement the new system. It is necessary to develop the capacity of human resource (HR) individuals through training, certification, and experiential learning. This is essential for success in reforming the HR profession in Palestine, where local governments have been progressively implementing authentic accounting methods, as part of the reforms to improve public financial management.

The findings of this study support the basic tenets of Lewin's Change Management Theory (Lewin, 1951); Specifically, that Human elements such as Awareness, Skills Development and Motivation are the key factors driving change in an organization. To achieve both Individual and Institutional Sustainability in the transition to an Academic Based System, investment should be made in the professional growth of Academic Staff.

5.2.2 The Influence of Organizational Commitment on Accountants' Readiness

The finds also demonstrate that Organizational Commitment ($\beta = 0.345$, $t = 6.870$, $p < 0.001$) significant and positive influences accounts' readiness to adaption the actual basis of accounting. These issues that when accounts receive their organization as supportive, encouraging, and aligned with the objects of the reform, their motivation and willingness to engage in the change process increment automatically.

This finding aligns with several imperial studies. Ahmad et al. (2015) and Wynne (2019) observed that organizational commitment founders a shared vision and emotional attachment among employees, which improves their acceptance of new systems and reduces resistance to change. In the context of Palestinian communities, strong leadership engagement, clear communication, and collective responsibility looking to be vital elements that promote commitment to the reform agenda.

The positive impact of Organizational Commitment can also be interrupted through the lens of Social Exchange Theory (Blau, 1964), which posts that employees receive received organizational support with positive allegations and perpetrators. When municipalities demonstrate concern for their staff's professional development, provide adequate resources, and involve employees in decision-making, accounts are more likely to consider with loyalty, motivation, and reading to implement change.

So, municipal leaders can build a culture within their municipalities that facilitates commitment, participation, trust and transparency through encouraging participation and sharing of responsibility among staff. Reform can be technical but, as such, it is also affected by the internal culture of the organization and people working within it, i.e., behaviors and attitudes.

5.2.3 The Influence of Information Technology on Accountants' Readiness

The study further found that information technology ($\beta = 0.338$, $t = 6.445$, $p < 0.001$) has a significant and positive effect on the readiness of accounts. These suggestions are for access to reliable IT infrastructure, adequate software systems, and technical support improvements accounts' capacity to process, analyze, and report financial information in accounting with audio-based standards.

This result is in line with the finds of Alshujairi (2019) and Hasen (2020), who reported that IT readiness plays a critical role in supporting accounting forms by improving the efficiency,

accountability, and reliability of financial data processing. In public sector accounting corrections, the availability of modern information systems reduces manual errors, investigations data reliability, and facilities real-time reporting all of which are essential for successful accuracy implementation.

From a theoretical perspective, this result supports the Technology Acceptance Model (TAM), which requests that received usefulness and ease of use of technological systems directly influence user readiness and behavioral intent to adopt new technologies. When accounts receive the municipality's IT infrastructure as effective and supportive of reform requirements, they are more likely to verify and readiness to engage in the academic transition process.

Municipalities in Palestine are in various states of digital transformation; therefore, the function of IT is greatly affected by this variable. Developing and improving the municipal digital infrastructure and municipal integration systems, as well as providing municipal training programs related to IT have increased the municipal capacity to implement Accounting Records and have enhanced the ability of municipalities to implement the Academic Accounting Framework in a timely manner.

5.2.4 Combined Effect and Model Implications

Together, HR, OC, and IT make up 64% of the account readiness variance explains the ability to explain the readiness for the actual accounting adoption through the HR, OC, and IT Models, which are multiclass, human capabilities and technical. Additionally, the research confirms that the degree of a school's capacity to adopt an accounting model is a multidimensional construct through its human capabilities must also include technical capabilities and organizational capabilities and organizational readiness.

The conceptual framework of the school is validated by the model's high exploratory power and significant relationships between the variables. The significant relationships between the variables demonstrate the importance of integrated capacity-building strategies for reform-ready organizations. Therefore, it is abusive to create human competence without proper organizational alignment and the appropriate technical support required to do so. Therefore, municipalities must implement a comprehensive framework for accounting readiness, which addresses training, commitment and IT Modernization.

According to the findings from several international experiences in providing actual accounting advice—including Malaysia, New Zealand, and Jordan—the findings demonstrate that there is significant opportunity for growth in the investment of human capital, processes, and technology (Christensen, 2012; Ouda, 2018). In particular, these findings provide a roadmap to aid Palestinian municipalities with effective planning for reform—the degree of coordination between development uses of resources and benefits across accounting personnel, administration, and information technology staffs illustrate the requisite need for coordinated effort.

5.3 Study recommendations

Several suggestions arising from the findings and discussions of this study point to possible ways to improve accounting readiness and allow for a seamless transition for accounting in Palestinian municipalities. municipal leaders, training providers, and its departments are the intended recipients of these recommendations.

5.3.1 Strengthening Human Resource Capacity

Municipalities should prioritize continuous professional development since Human Resources has no immediate impact on accounts' readiness.

- Arrange specialized workshops and certification programs that are targeted at accounting standards, financial reporting, and budgeting based on performance.
- Encourage municipalities that have successfully experienced something and those that are still in the early stages to share knowledge and learn from each other.
- Incorporate academic accounting models into academic curriculum and professional training programs to ensure that future account holders have the necessary skills for required competitions.
- Construct systems that are based on performance and reward enhancement of skills and participation in reform-related activities.

5.3.2 Enhancing Organizational Commitment and Leadership Engagement

A positive organizational commitment means that organizations need supportive leadership and a collaborative environment to support the following:

- By providing an environment of transparency, trust and open communication, municipal management is able to reduce uncertainty with respect to the reform process.
- By actively engaging staff and requiring their participation in the planning, decision-making, and implementing the reforms, senior leaders create a shared sense of ownership and accountability.
- Municipal Councils need to establish ongoing structure, such as a reward system for recognizing accomplishments and creating promotion opportunities, that will reinforce positive prospects towards reform.
- Municipal Councils need to enhance collaboration amongst their departments to ensure they are assigning duties of accounting personnel and financial managers to achieve the reform objectives.

5.3.3 Improving Information Technology Infrastructure

Information technology emerged as a key enabler of readiness, emphasizing the importance of digital transformation in the public sector accordingly.

- Municipalities should upgrade their accounting software to fully compare with audio-based reporting requirements and international public sector accounting standards (IPSAS).
- Strengthen IT governance frameworks to ensure system reliability, data integrity, and cybersecurity.
- Provide continuous IT training for accounts to improve their family with financial management systems and enhance digital literacy.

- Encourage integration between accounting information systems and other municipal databases to enable real-time reporting and decision support.

5.3.4 Policy and Institutional Framework Development

National authorities such as the Ministry of Local Government and the Palestinian Association of Accountants should take measures to ensure the sustainability of reform benefits.

- Establish a unified roadmap for actual accounting implementation across municipalities, setting clear milestones and accounting mechanisms.
- Develop standardized reporting templates and auditing procedures to assess comparability and reliability in financial disclosures.
- Secure financial and technical assistance from international development partners to support infrastructure upgrades and staff training.

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Appendices



Arab American University-Jenin

Faculty of Graduate Studies

“Factors Influencing Accountant's Readiness for Adoption of the Accrual Basis of Accounting in Palestinian Municipalities”

Questionnaire Survey

Dear - Respondent,

This survey's goal is to investigate the variables that affect accountants' readiness to adoption of accrual accounting in Palestinian municipalities. The purpose of this survey is to gather extremely useful data and utilize it to comprehend the relationship between information technology, organizational commitment, human resources, and accountants' readiness to adoption of accrual accounting.

There are three components in this questionnaire survey. Please select one of the five options for each question to answer all of the questions as quickly as possible. The information gathered from this questionnaire survey will be examined, and the results of this research will offer recommendations that should aid the Ministry of Local Government in implementing accrual basis of accounting.

Anonymity is always preserved because to The Arab American University's stringent ethical standards. Names are therefore not necessary. No specific responder will be mentioned, either directly or implicitly, in the analysis of this survey or in the results that are published.

I appreciate your time and effort. Your assistance and collaboration will help ensure that this study is a success.

Sincerely Yours,

PhD Candidate:

Israa Husni Ibraheem Rabaiah

Faculty of Economic and Muamalat Administration

E-mail: e.rabayah1@student.aaup.edu

Section (A): Demographic

Please tick (x) in the appropriate and fill in the blanks where applicable.

<p>1- The gender</p> <p><input type="checkbox"/> Male</p> <p><input type="checkbox"/> Female</p> <p>2- The Marital status</p> <p><input type="checkbox"/> Single</p> <p><input type="checkbox"/> Married</p> <p><input type="checkbox"/></p>	<p>The age</p> <p><input type="checkbox"/> Under 30 years</p> <p><input type="checkbox"/> 31-40 years</p> <p><input type="checkbox"/> 41-50 years</p> <p><input type="checkbox"/> 51 years and above</p>
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<p>4- The working years.</p> <p><input type="checkbox"/> Under 5 years</p> <p><input type="checkbox"/> 6-10 years</p> <p><input type="checkbox"/> 11-15 years</p> <p><input type="checkbox"/> 16-20 years</p> <p><input type="checkbox"/> 21 years and above</p>	<p>5- The level of education</p> <p><input type="checkbox"/> Diploma</p> <p><input type="checkbox"/> Bachelor Degree</p> <p><input type="checkbox"/> Master Degree</p>
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<p>6- Job Position</p> <p><input type="checkbox"/> Financial Manager</p> <p><input type="checkbox"/> Accounting Department</p> <p><input type="checkbox"/> Senior Accountant</p> <p><input type="checkbox"/> Accountant</p>	<p>7- Specialization</p> <p><input type="checkbox"/> Accounting</p> <p><input type="checkbox"/> Finance and Banking</p> <p><input type="checkbox"/> Business Management</p> <p><input type="checkbox"/> Other</p>
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<p>8- Accounting Basis in the municipality</p> <p><input type="checkbox"/> Accrual Basis</p> <p><input type="checkbox"/> Modified Accrual Basis</p> <p><input type="checkbox"/> Cash Basis</p>

Section (B): Factors That Contribute to Accountants' Readiness to Adopt Accrual Accounting.

B1: Human Resource

This section aims to investigate the connection between the human resources and the readiness of accountants for adoption of the accrual basis of accounting in the Palestinian municipality.

How much do you think you agree or disagree with each of the following statements?

Item	Statement	SDA	DA	NR	A	SA
1.	I received the training required for the change to the accrual accounting system.					
2.	The effectiveness of our training programs is evaluated by the Municipality.					
3.	I am occasionally sent to professional workshops by the municipality.					
4.	I possess the skills required to implement the change to the accrual accounting system.					
5.	Because of my experience, I am confident in my capacity to perform effectively after the accrual accounting system change is implemented.					
6.	I believe that measuring the cost of municipal services takes place when moving to the accrual basis of accounting.					
7.	I believe that financial reports become more comparable when moving to the accrual basis of accounting.					
8.	I believe that if the municipality implements the accrual accounting system change, it will ultimately be beneficial to me.					
9.	Tasks will be made easier by this change to the accrual accounting system.					
10	I have the conviction and willingness to shift from the cash basis to the accrual basis.					
11	I have sufficient knowledge of the advantages of applying the accrual basis compared to the cash basis.					
12	We have a sufficient number of qualified accountants to start working on the adoption of the accrual basis.					

B2: Organizational Commitment

Examining the connection between organizational commitment and the accountants' readiness for adoption of accrual basis of accounting in the Palestinian municipality is the aim of this section.

How much do you think you agree or disagree with each of the following statements?

Item	Statement	SDA	DA	NR	A	SA
1.	To work for my municipality for the remainder of my career would make me very happy.					
2.	I genuinely believe that I am responsible for the issues facing our municipality.					
3.	For me, the municipality holds a lot of personal significance.					
4.	I am motivated by my organization to make every effort to implement the accrual accounting system modification.					
5.	Being a part of this shift to the accrual accounting method makes me proud.					
6.	The outcome of this modification to the accrual accounting system matters to me.					
7.	All things considered, I am committed to using the accrual accounting system.					
8.	I have great faith in the importance of change and development.					
9.	I am proud to say that I am switching to accrual basis accounting.					
10	I am willing to bear the additional burden of switching to the accrual basis in exchange for more accurate and useful financial data.					

B3: Information Technology

Examining the connection between information technology and the accountants' readiness for adoption of the accrual basis of accounting in the Palestinian municipality is the aim of this section.

How much do you think you agree or disagree with each of the following statements?

Item	Statement	SDA	DA	NR	A	SA
1.	Our municipality's business goals and plans are supported by our IT.					
2.	The authority and accountability for IT operations are well-defined inside our business.					
3.	The performance requirements are well-defined for our IT departments.					
4.	Our IT department's organizational structure is appropriate for our municipality.					
5.	We keep an eye on how well IT operations are running.					
6.	In the municipality, there is a positive relationship between IT specialists and users.					
7.	Our IT professional is aware of the needs of the municipality's activities.					
8.	Overall, the accrual accounting system changes that the municipality requires will be supported by our current IT systems.					

Section (C): Accountants' Readiness for Adoption of the Accrual Basis of Accounting (ARAABA).

This section of the questionnaire survey's primary goal is to gauge how prepared accountants are for the Palestinian municipality's readiness for adoption of the accrual basis of accounting (a dependent variable). How much do you think you agree or disagree with each of the following statements?

Item	Statement	SDA	DA	NR	A	SA
1.	The switch to the accrual accounting approach at work interests me.					
2.	Other people believe that I am in favor of the shift to the accrual accounting system.					
3.	I plan to assist the move to the accrual accounting system in any way I can.					
4.	In general, I welcome new ideas.					
5.	I frequently suggest creative answers to situations.					
6.	I'm open to trying new things.					
7.	I am ready to begin the next set of accrual accounting obligations.					
8.	I have the desire and conviction to switch to the merit basis.					
9.	I feel I have all the information and skills necessary to begin the transformation process.					
10	I am convinced of the importance of development and change for the better in order to achieve the interests of the municipality.					



Arab American University-Jenin

Faculty of Graduate Studies

“Factors Influencing Accountant's Readiness for Adoption of the Accrual Basis of Accounting in Palestinian Municipalities”

العوامل التي تؤثر على استعداد المحاسبين على تبني اساس الاستحقاق المحاسبي في البلديات الفلسطينية

المحاسب الكريم / المحاسبة الكريمة

تهدف هذه الدراسة الى التعرف على العوامل المؤثرة على جاهزية المحاسبين نحو تبني اساس الاستحقاق المحاسبي في البلديات الفلسطينية. حيث تم تصميم هذه الاستبانة للحصول على بيانات ذات قيمة عالية لاستخدامها في فهم العلاقة بين الموارد البشرية، الالتزام بالبلدية (الولاء للبلدية)، تكنولوجيا المعلومات وبين جاهزية المحاسبين نحو تبني اساس الاستحقاق المحاسبي، لذلك، فان مشاركتكم في تقديم التصورات والآراء الحقيقية الخاصة بكم ستكون ذات أهمية كبيرة لنجاح هذه الدراسة البحثية. تتكون هذا الاستبانة من ثلاثة اقسام، يرجى الإجابة على جميع الأسئلة والرد في أقرب وقت ممكن من خلال اختيار إجابة واحدة من خمسة إجابات لكل سؤال. حيث سيتم تحليل البيانات التي سيتم جمعها من خلال هذه الاستبانة ونأمل ان توفر نتائج هذه الدراسة توجيهات تساعد وزارة الحكم المحلي في عملية تبني اساس الاستحقاق المحاسبي في البلديات الفلسطينية. مع الأخذ بعين الاعتبار بأن المبادئ التوجيهية الأخلاقية الصارمة في الجامعة العربية الامريكية تضمن الحفاظ على عدم الكشف عن هوية المستجيب. لذلك لا يوجد أسماء مطلوبة في الاستبانة. وسيتم تجميع وتحليل هذه الاستبانة والنتائج وعرضها بدون ذكر ضمني او صريح عن أي فرد مستجيب.

شاكرا لكم حسن تعاونكم.

اسراء حسني ابراهيم ربابعة

كلية الدراسات العليا – الجامعة العربية الامريكية

بريد الكتروني e.rabayah1@student.aaup.edu

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القسم الأول: العوامل الديموغرافية

يرجى وضع علامة (×) في مربع المناسب وملء الفراغات حيث يمكن ذلك.

3. العمر <input type="checkbox"/> 30 سنة فأقل <input type="checkbox"/> 31 – 40 سنة <input type="checkbox"/> 41 – 50 سنة <input type="checkbox"/> 51 سنة فأكثر	1. الجنس <input type="checkbox"/> ذكر <input type="checkbox"/> انثى 2. الحالة الاجتماعية <input type="checkbox"/> أعزب <input type="checkbox"/> متزوج <input type="checkbox"/> مطلق/ة
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5. المستوى العلمي <input type="checkbox"/> الدبلوم <input type="checkbox"/> البكالوريوس <input type="checkbox"/> ماجستير فأعلى	4. سنوات الخبرة <input type="checkbox"/> 5 سنوات فأقل <input type="checkbox"/> 6 – 10 سنوات <input type="checkbox"/> 11 – 15 سنة <input type="checkbox"/> 16 – 20 سنة <input type="checkbox"/> 21 سنة فأكثر
--	---

7. المركز الوظيفي <input type="checkbox"/> مدير مالي <input type="checkbox"/> رئيس قسم المحاسبة <input type="checkbox"/> محاسب رئيسي <input type="checkbox"/> محاسب	6. التخصص <input type="checkbox"/> محاسبة <input type="checkbox"/> علوم مالية ومصرفية <input type="checkbox"/> ادارة اعمال <input type="checkbox"/> اخرى
--	---

8. الاساس المحاسبي في البلدية <input type="checkbox"/> اساس الاستحقاق <input type="checkbox"/> اساس الاستحقاق المعدل <input type="checkbox"/> الاساس النقدي

القسم الثاني: العوامل التي تؤثر على جاهزية محاسبي البلديات نحو تبني أساس الاستحقاق المحاسبي
1. الموارد البشرية

إن الهدف من هذا الجزء هو دراسة العلاقة بين الموارد البشرية كوظيفة يتم من خلالها توظيف وتدريب وتأهيل الموظفين في البلدية - وجاهزية المحاسبين نحو تبني أساس الاستحقاق المحاسبي في البلديات الفلسطينية. برأيك، الى أي مدى توافق على كل من العبارات المذكورة ادناه.

البيان	غير موافق بشدة	غير موافق	محايد	موافق	موافق بشدة
1. حصلت على التدريب اللازم من اجل الانتقال الى أساس الاستحقاق المحاسبي.					
2. تقوم البلدية بقياس مدى نجاح برنامج التدريب الذي حصلنا عليه من خلال نموذج التقييم.					
3. تقوم البلدية بإرسالنا الى ورش عمل مهنية لتعزيز قدرتنا المهنية.					
4. حصلت على المهارات اللازمة لجعل الانتقال الى أساس الاستحقاق المحاسبي فعال.					
5. خبرتي تجعلني واثقا من انني سوف أكون قادرا على أداء المهام بنجاح بعد الانتقال الى أساس الاستحقاق المحاسبي.					
6. اعتقد ان قياس تكلفة خدمات البلدية يكون عند الانتقال الى أساس الاستحقاق المحاسبي.					
7. اعتقد ان التقارير المالية تكون أكثر قابلية للمقارنة عند الانتقال الى أساس الاستحقاق المحاسبي.					
8. على المدى الطويل، اشعر أنه سيكون من المفيد بالنسبة لي إذا تبنت البلدية أساس الاستحقاق المحاسبي.					
9. من شأن الانتقال الى أساس الاستحقاق المحاسبي ان يجعل المهام الوظيفية أكثر سهولة.					
10. لدي القناعة والرغبة في التغيير من الأساس النقدي الى أساس الاستحقاق.					
11. لدي المعرفة الكافية بمزايا تطبيق أساس الاستحقاق مقارنة مع الأساس النقدي.					
12. لدينا العدد الكافي من المحاسبين المؤهلين لغرض مباشرة العمل على تبني أساس الاستحقاق.					

2. الالتزام التنظيمي

إن الهدف من هذا الجزء هو دراسة العلاقة بين الالتزام التنظيمي (ولاء الموظف للبلدية) وجاهزية المحاسبين نحو تبني أساس الاستحقاق المحاسبي في البلديات الفلسطينية. برأيك، الى أي مدى توافق او لا توافق على كل من العبارات المذكورة ادناه.

البيان	غير موافق بشدة	غير موافق	محايد	موافق	موافق بشدة
1. سأكون سعيدا جدا لقضاء بقية حياتي المهنية مع البلدية.					
2. أشعر حقا ان المشاكل التي تواجه البلدية كأنها مشاكل تواجهني بشكل شخصي.					
3. أقدر البلدية غالبا في نفسي.					
4. تلهمني بلديتي لبذل قصارى جهدي لتبني الانتقال الى أساس الاستحقاق المحاسبي.					
5. انا فخور بان أخبر الاخرين بأنني مشارك رئيس في عملية الانتقال الى أساس الاستحقاق المحاسبي.					
6. انا مهتم بنجاح عملية الانتقال الى أساس الاستحقاق المحاسبي.					
7. لدي التزام شخصي لإنجاح عملية الانتقال الى أساس الاستحقاق المحاسبي.					
8. لدي ايمان كبير بأهمية التغيير والتطوير.					
9. افتخر انني أقوم بالتحول الى أساس الاستحقاق المحاسبي.					
10. لدي الاستعداد ان اتحمل العبء الإضافي الناتج عن التحول الى أساس الاستحقاق مقابل الحصول على بيانات مالية أكثر دقة وفائدة.					

3. تكنولوجيا المعلومات

إن الهدف من هذا الجزء هو دراسة العلاقة بين تكنولوجيا المعلومات (قسم يوفر حواسيب وبرامج محاسبة وموظفين مختصين في تكنولوجيا المعلومات) وجاهزية المحاسبين نحو تبني أساس الاستحقاق المحاسبي في البلديات الفلسطينية.

برأيك، الى أي مدى توافق او لا توافق على كل من العبارات المذكورة ادناه.

البند	البيان	غير موافق بشدة	غير موافق	محايد	موافق	موافق بشدة
1.	تكنولوجيا المعلومات في البلدية كافية لدعم اهداف العمل في البلدية.					
2.	في بلديتنا، سلطات ومسؤوليات تكنولوجيا المعلومات واضحة.					
3.	وظائف تكنولوجيا المعلومات لدينا واضحة من حيث معايير الأداء.					
4.	يعتبر الهيكل الوظيفي في قسم تكنولوجيا المعلومات مناسب لبلديتنا.					
5.	البلدية تراقب باستمرار أداء تكنولوجيا المعلومات.					
6.	العلاقة بين المستخدمين للبرامج المحوسبة والمختصين في تكنولوجيا المعلومات في بلديتنا ايجابية.					
7.	لدينا مختصين في تكنولوجيا المعلومات يعلمون احتياجات اعمال البلدية.					
8.	فان نظم تكنولوجيا المعلومات الحالية لدينا تدعم عمليات الانتقال الى أساس الاستحقاق المحاسبي التي تحتاجها بلديتنا.					

القسم الثالث: جاهزية المحاسبين نحو تبني أساس الاستحقاق المحاسبي

ويهدف هذا الجزء من الاستبيان الى قياس مدى جاهزية المحاسبين نحو تبني أساس الاستحقاق المحاسبي (المتغير التابع) في البلديات الفلسطينية.

برأيك، الى أي مدى توافق او لا توافق على كل من العبارات المذكورة ادناه.

البند	البيان	غير موافق بشدة	غير موافق	محايد	موافق	موافق بشدة
1.	أطلع باهتمام الى الانتقال الى أساس الاستحقاق المحاسبي في عملي في قسم المحاسبة.					
2.	يعتقد الأشخاص الاخرين من حولي انني قادر على الانتقال الى أساس الاستحقاق المحاسبي.					
3.	اعتزم القيام بكل ما هو ممكن لدعم الانتقال الى أساس الاستحقاق المحاسبي.					

					4. عادة ما أؤيد الأفكار الجديدة، مثل استخدام اساس الاستحقاق المحاسبي.
					5. غالبا ما اقترح اجابات خلاقة للمسائل التي تواجهني.
					6. انا منفتح على تجربة وسائل جديدة.
					7. اشعر بالجاهزية لبدء العمل على مهام أساس الاستحقاق المقبلة.
					8. لدي رغبة وقناعة التحول الى أساس الاستحقاق.
					9. اشعر انني امتلك كافة المعلومات والمهارات اللازمة للبدء بعملية التحول.
					10. لدي القناعة بأهمية التطوير والتغيير نحو الأفضل لما يحقق مصلحة البلدية.

(انتهت الأسئلة – شكرا لكم)

المخلص

في الأونة الاخيرة قامت وزارة الحكم المحلي في دولة فلسطين بتطبيق المعايير المحاسبة الدولية للقطاع العام سواء بتبني الاساس النقدي او الانتقال الى اساس الاستحقاق الذي شجعت عليه الهيئات المحلية واعلنت عن حوافز كثيرة من اجل تبني اساس الاستحقاق المحاسبي. على اية حال، قد لا يكون تنفيذ نظام محاسبة جديد قابلا للتنفيذ بسهولة؛ حيث توجد فجوة كبيرة بسبب صعوبة تغيير ممارسات المحاسبة الحالية الى ممارسات محاسبية جديدة تماماً. يحتاج أساس الاستحقاق إلى خلق الاستعداد بين الموظفين الماليين في الهيئات المحلية لضمان النجاح في تبني المحاسبة على اساس الاستحقاق الجديد. على هذا النحو، هذه الدراسة بحثت في العوامل المؤثرة على استعداد المحاسبين نحو تبني أساس الاستحقاق في الهيئات المحلية الفلسطينية. وقد حددت هذه الدراسة عدة عوامل مهمة تؤثر على الاستعداد لتبني أساس الاستحقاق وهي: الموارد البشرية والالتزام التنظيمي وتكنولوجيا المعلومات. وستستخدم هذه الدراسة النهج الكمي من خلال توزيع الاستبانات على المحاسبين في الهيئات المحلية وسيتم تحليل البيانات استخدام برنامج SMART PLS4 للتحقق من العلاقات بين المتغيرات. لقد أظهرت النتائج وجود علاقات ايجابية هامة بين الموارد البشرية، الالتزام التنظيمي وتكنولوجيا المعلومات من جهة واستعداد الموظفين الماليين لتبني أساس الاستحقاق. لقد اسهمت هذه الدراسة في توسيع نطاق الادبيات المتعلقة بتبني المحاسبة على اساس الاستحقاق في سياق الهيئات المحلية الفلسطينية، كما توفر أيضاً دليلاً مفيداً لوزارة الحكم المحلي لتبني المحاسبة على اساس الاستحقاق في كافة الهيئات المحلية، فضلاً عن تقديم رؤى حول عوامل النجاح الحاسمة لضمان نجاح عملية التبني المذكورة. وستوفر هذه الدراسة ارضية لدراسة متغيرات اخرى ذات علاقة مثل أثر الرضى الوظيفي والعلاقات الاجتماعية في بيئة العمل.