



The Effect of International Standards on Capability Development of Innovative Thinking towards International Financial Reports

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The aim of this study is to examine the international accounting standards, its concept, benefits of its implementation and the reason for its adoption and its purpose. This study also investigated the objectives of the international accounting standards, its goals, and the concept of the educated organisation, its characteristics and the accounting methods that support its performance. The impact of international standards in the educated organisation on developing the capabilities of innovative thinking in preparing international financial reports, along with an indication of the importance, was also studied. Through the distribution of questionnaires to a number of relevant academics, the evaluation method in this research employed the analytical method by statistically analysing the result using the deviation diagnostic tool and using scientific source for discussion. This study found that international accounting standards are in accordance with their preparation on international accounting rules, standards and implementation with confidence, credibility and comparability with respect to the foreign investor more than the accounting rules, standards and implementation. This is as a result of foreign investors owning investments in several countries and the unification of financial reports in accordance with international accounting standards that makes provision for foreigners to know the results of the branches' work in different countries. This led to the need to provide continuous training and education to accountants in the field of international accounting standards in order to renew their knowledge, skills and experience. This is due to dynamic nature of modern organisations and the rapid developments in the current century which dictates the management of organisations on this matter and reveals the

implementation of international accounting standards for its positive impact in supporting the performance of organisations and creating value.

Key words: *Learning Organisation, capacity development, innovative thinking, International Standards.*

Introduction

The technological revolution, especially in electronics and the transfer of financial information that our world is experiencing, is the decisive and largest factor behind the shift in the organisation regarding the revolution of contemporary information used in securing data and information in institutions operating in an organisation. Thus, the purpose of this study is to shed light on the contribution and role of international accounting standards in all its aspects in developing innovative atonement in learning organisations as the accounting standards have specific roles in the dissemination, development and stability of the organisation. Corporate financial bodies and its institutions are provided international accounting standards with great services, which are the production of information that represents appropriate inputs in making their own decisions. This information can fall into two main classifications in terms of the type of decision that use this information such as:

1. Administrative accounting information: this information belongs to decision-makers who operate inside the organisation.
2. Financial accounting information: this information belongs to decision-makers who operate outside the organisation such as the buyers and the creditors and those who dealing with financial markets.

In the beginning of the 1970s, the idea of the educated organisation began, as it was derived from the concept of organisational learning. The concept of organisational learning was previously mentioned by many studies and researches carried out by a group of researchers; among the pioneers is Peter Senge (Qawasmeh & Al-Omari, 2013). The author defined organisational learning as the organisation in which individuals work to continually increase their capabilities to achieve the results they desire where there is support and encouragement of the existence of new and comprehensive models of collective thinking.

Furthermore, in demonstrating the real investment situation in a learning organisation, international accounting standards are an effective and important tool given that the production process and its inputs must be translated into numbers. The standards are reflected in fixed and sound digital indications that constitute a fair framework for the financial situation. Many organisations have become victims and losers in the capital market due to



loss of standards and ignorance of accounting matters and the inability to read correct budgets and financial statements for listed companies.

Literature Review

The Concept of International Accounting Standards

Recently, many countries in the world were interested in organising accounting policies by issuing accounting standards that reflect the accounting policy as applied in the field of measuring and communicating accounting information related to the activities of an organisation. According to Belkaoui (2004), standard is defined as the general rules derived from the goals and concepts of accounting theory used in the development of accounting methods or techniques.

In other word, standards are defined as the guiding rules that users refer to in supporting their economic decisions. It is also referred to as a high-level professional description of acceptable professional practices with the aim to reduce the degree of difference in expression or practice in similar circumstances. According to Carmona (2008) standard is adopted as a general framework to assess the quality and efficiency of the artwork and to determine the nature and depth of professional responsibility.

The Advantages of Applying International Accounting Standards

The following are the advantages of implementing International Accounting Standards:

1. Keeping pace with the requirements of globalisation: as a result of the development of means of communication, the increase in exchanges between countries, the expansion of the size of political and economic blocs, and the dependence on economies of a large size, the world we live in today has become globally small. Globalisation has extended the accounting profession as a result of all these by establishing professional organisations concerned with accounting affairs on a global level, in order to take advantage of the benefits of globalisation and to avoid its risks.
2. The ability to understand the possibility of a unified and common perception of the financial statements: Further clarification and disclosure are required as the financial statements that are prepared on different bases cannot be understood and read. This led to ambiguity of the financial statements and their inability to take decisions.
3. Comparability: The financial ability of the financial statements prepared is the direct result of unifying the principles and methods of accounting treatments in this way for comparison by the stakeholders. The comparison is on clear basis but far from diligent.



4. Uniformity in methods to deal with common global issues: Financial statements cannot be translated based on local laws and standards such as currency exchange rates, as they lose the comparative advantage, but this must be in accordance with a unified global trend expressed in accounting standards.
5. Access to international financial markets: At the moment, companies are competing for access to international financial markets to get their shares quickly listed on an international level and trade. Except by adhering to certain and necessary conditions, companies cannot achieve this access, otherwise these markets will continue to live in isolation from the international finance markets.
6. Low cost of processing accounting information: For decision-makers, standardisation of the basis for preparing financial statements is necessary. The decision-maker needs to have a specific method for standardising the basis for their numbers, if the financial statements are prepared according to different and multiple foundations. This will cost the decision-maker an additional cost to process the list. If international accounting standards are applied, then it can be dispensed.

Objectives of International Accounting Standards

From the general purpose, the objectives of IPSAS are listed as follow (Financial Accounting Standards Board):

- To provide useful financial information about the reporting unit in order to make decisions about providing resources for an organisation. Buying, selling or maintaining shares and debt securities, and providing or repaying loans and other forms of credit are examples of these decisions.
- To provide information in estimating the amount and timing of probabilities of future unit net cash inflows.
- To provide information about the resources and the obligations of an organisation and how the board of directors and governance of the unit perform its responsibilities in using these resources efficiently and effectively.
- To provide information that meets the needs of the largest possible number of key users. However, the reporting unit is not prevented from focusing on shared information needs from including additional information that is highly beneficial to a specific subset of key users.
- To provide useful information on the financial performance of the reporting unit in order to help them in recognising the unit's revenue on its economic resources. This is an indication of how well the department has fulfilled its responsibilities in achieving efficient and effective use of the economic resources of the organisation. It also helps in the estimation of potential future cash flows and in predicting the future returns on its economic resources.



The Relationship between Accounting Standards and Learning Organisation Performance

The Learning Organisation is an open work environment for creative thought and the most appropriate method for contemporary management in a direction for more modern management. By benefiting from the knowledge acquired from the learning organisation, adopting its concept will pave way towards finding solutions to the ongoing and work-related problems that exist in each organisation. Thus, it gives us the ability to think creatively and the ability to communicate ideas and concepts to cooperate with others. Knowledge and the ability to manage it in such a type of organisation is one of the most important factors affecting the strengthening of the pillars and foundations of the performance of the learning organisation. Therefore, it has become necessary for knowledge management to pay attention to the skills and experience of working individuals with accounting knowledge in the context of organisational learning.

International Accounting Standards in the Organisation

There are two dimensions to be addressed under these accounting standards:

1. The first dimension: It is the primary dimension represented by the ability to activity
2. The second dimension: this dimension is related to support and it is represented in the software, databases and technology mechanisms

Rapid adaptation to the development of information and communication technologies is required for the success of this model. Also, the effective recruitment of experiences, skills and capabilities that may be from various performances, is required as they united in vision and strategic goals. These organisations paid great attention to international accounting standards in order to position themselves in the global competition and maintain their position. In the learning process, the requirements for the economic knowledge that makes the organisation a learning organisation throughout its existence, must be taken into account.

The Relationship between Accounting Standards and Learning Organisation Performance International Accounting Standards as One of the Requirements of the Learning Organisation

The aim of the international accounting standards is to support the strategies practiced by the organisation by activating the best accounting practices. Then, the organisation works with the maximum possible effectiveness when dealing with clients and stakeholders, and all other challenges to correctly implement the organisation's strategy from practice.



The Role of International Accounting Standards on the Characteristics of the Learning Organisation

Departments and individuals usually specialise in one of the following functions in traditional organisations: re-engineering of the business process or project management, and technology, support for process improvement on the part of quality management and individual issues within human resources available within the Department of Information Systems. In most cases, the professionals within these jobs are able and qualified in their fields to tackle the difficulty for business in general. To collect the jobs of individuals, business and technology in order to support continuous learning and increase organisational performance, is the opportunity presented to standards' management practitioners.

Therefore, by benefiting from the organisation's culture, resources and capabilities, international accounting standards contribute to organisational learning. In order to support and consolidate effective performance, educated organisations can adopt IPSAS systems by analysing the relationship between parent companies and their subsidiaries to adapt to their environment (Gorelick, 2005).

According to Salleh et al. (2012), learning within international accounting standards is defined as the acquisition of standards or skill through study, experience, education, and social interactions. The management of accounting standards can enable employees to learn from each other accordingly and through the use of standards management mechanisms, they can learn from each other.

In addition, the core international accounting standards' activities involve promotion of growth and learning by acquiring relevant knowledge, arranging and sorting information, storing and transferring knowledge and to ensure there is availability of required data and standards. The activities also involve using standards in the decision-making process in all production processes and in commercial operations and the protection of knowledge and information in order to promote learning organisation performance through its knowledge. Organisations should have the ability to continuously search for new information in order to enable the organisations to learn and benefit from the experiences they are going through and integrate the experience into the structure of the organisation. The new standards contribute to enriching and strengthening the organisation's performance. Additionally, the balance of knowledge by the organisation affects its ability to acquire new standards and benefit from them in future situations.



The Role of International Accounting Standards in Innovative Thinking

Notably, the accountant can be creative in his mission and provide meaningful and objective solutions as the accounting has a continuous cognitive development on the basis of making right decisions along with creativity in other tasks and functions.

Generally, in linguistic terms, creativity is defined as the creation of something new, composition or innovation. Sometime, creativity may be confused with innovation. Creativity is an individual or personal behaviour that comes from the mind of the individual, while innovation is a collective process in which a number of dealers interfere. That means the first is a cognitive and mental process, and the second one is an interactive process. According to Peter Cook, creativity is thinking with unfamiliar knowledge that includes ideas, individuals and finance and it is considered the inputs of the creative processes, while innovation is the successful application of creative ideas which includes creativity, growth and return on investment. Innovation is considered as the outputs of a creative process. Innovation is defined as skills, production capacity and innovation (Oxford, 2006).

Furthermore, innovation is nothing but a view of a phenomenon in a new way by an individual. Therefore, it can be said that creativity requires the ability to feel the existence of a problem that requires treatment and then the ability to think differently and creatively in finding the appropriate solution. In the acquisition of new skills, there is also an innovative creativity that indicates the continuous development of ideas and results.

In the development of accounting and its profession, there is no doubt that there is continuous creativity. The diversity and development of accounting branches is only a result of following scientific methods and approaches. The evidence is from the diversity of accounting branches. Therefore, accounting innovation is the use of new methods, procedures, concepts, standards, or theories that are not familiar to explain, analyse, or solve an accounting problem facing management, while the creative accountant has distinctive capabilities of discovering problems, identifying their difficulty and clarifying their nature. The accountant equally searches for solutions and making guesses or assumptions about defects, choice of hypotheses, formulating and testing of results and communicating to the beneficiaries.

Additionally, accounting innovation is the ability to find new things that may be useful, such as ideas, solutions, products, services, or working methods through the use of the accountant's skills. It is creation of personal experience by devising new accounting methods or arriving at accounting solutions facing the accounting organisation based on systematic analysis and purposeful logic.



In another vein, some see innovation as a new and unique idea, performance or goal while others view it as a process or implementation. Moreover, management accounting innovations is defined as a set of methods, tools, systems or entrances and new managerial accounting models that provide information both financial and non-financial (internal and external) for organised management in order to achieve its goals and consolidate its position. According to Massingham (2015) for an organisation, human capital is the most important asset as it is the source of innovation; hence, financial results are affected by creativity, change and improvement, and the employee's capabilities. These have led to a direct relationship between human capital and organisational performance. The focus on the individual is then justified as a source of knowledge.

Furthermore, innovation may be seen as a counterpart to creative accounting from an accounting point of view, as it is represented in the use of international accounting standards that can achieve a prominent level of discrimination in performance within the organisation. In other words, the ability to use accounting principles and treatments in proportion to the activity of the organisation or in accordance with the desire of its management, is the international accounting standards. International accounting standards are found through finding unfamiliar accounting solutions and procedures that help in making decisions. It can also provide high-quality accounting information that is useful and meaningful to its users, and works to renew and develop methods or procedures.

The Role of International Accounting Standards in Accounting Skill

Accountancy skill is the mixture of knowledge and skills that the accountant possesses which he employs to perform the work with the highest level of efficiency (Flayyih, Mohammed & Talab, 2019). The skills involve acquiring, maintaining, organising and maintaining files, evaluating and interpreting data, communicating and using computing information, understanding social, organisational and technological systems, and monitoring and correcting performance. The development of the workforce is stimulated by skills such as design or improvement systems (Mohamed et al., 2003). The skills and knowledge of accountants are constantly developed by the International Accounting Standards while enhancing the accounting professionalism of the organisation, which is an essential component of success in the accounting function. Specifically, the skill of an accountant is improved through continuous improvement of international accounting standards (Salakjit & Phaprueke, 2011).

The accountant of the management develops his professional skills through leadership in standards, working with people who have standards and skills, providing and listening to opinions, and assessing and seeking ideas in order to generate accounting information for the skills needed for the organisation in the future (Bozdogan, 2013).



The Role of International Accounting Standards in Accounting

Experience in knowledge of a particular area of affairs is the ability to observe, and a person usually acquires experience through participation in a specific work or event. The repetition of works in an event often leads to deepening of experience and gives it more depth and spontaneity. The international accounting standards represent the experience as generated by the accountant as a result of the practice and the variety of activities he performs with a lot of repetition. In the main task, the implementation reveals the ability of an expert in accounting over those of beginners. The application involves the ability of experts to differ in the results of their work, from organising standards and developing more effective procedures to apply those standards for the task. Anany (2011) reported that the performance of an accountant in his assignments is affected by the differences in standards as indicated by some studies.

Since accounting knowledge is the primary determinant of quality decision-making and organisational performance improvement, the implicit accounting knowledge must also be documented and exchanged in international accounting standards, which is particularly critical to the tacit or critical knowledge of accounting practices. Although information systems can play a role in transferring tacit and explicit knowledge, however, the best way to impart tacit knowledge is not through databases but rather through interaction in accounting practices within the framework of international accounting standards (Chong, 2011).

The Role of International Accounting Standards in a Continuous Accounting Learning

Learning is a continuous process and it has a great impact and influence when it becomes a regular and interesting process. Therefore, learning and rebuilding the organisational knowledge in restructuring and adapting to the organisation are all important administrative tasks. Thus, there is need for organisations to use learning intentionally as an enabling mechanism necessary to achieve a shift towards organisational learning.

International accounting standards include the academic qualifications, ongoing training and continuous educational courses supervised by the organisation that the accountant must possess in the field of accounting to enhance the performance of its accountancy, in order to meet all the variables that the organisation may face. This shows that accountants must be provided with continuous training to develop the role of international accounting standards in order to enrich their knowledge and improve their capabilities (Chong et al., 2011).

Research Methodology

In the current century, rapid developments represent a major challenge for organisations where organisations compete to attract minds and make them the basis for reaching

leadership in the age of knowledge. One of these starting points is the international accounting standards and their management as they are based on important elements and technologies that enable them to break the deadlock of traditional organisations. In response to any developments or international changes, explicit knowledge is linked with tacit knowledge to achieve the desired development and growth, and making the sophisticated organisations adaptable to change.

In all sectors, the standards are also an important and influencing factor with the inclusion of the business sector, as it has become a new trend in accounting knowledge management as an information system. The standards help in resolving many situations and crises in light of a mix of available information with the unique experiences and capabilities of the decision-maker. This provides a degree of wisdom and innovation that ultimately enables decision-makers to draw conclusions for optimal solutions to the situations and crises facing the organisation.

This study contributes in respect to the importance of accounting standards as it represents a vital topic that helps in building and formulating most strategic plans for decision makers. Accounting standards contribute effectively to enhancing and supporting the performance of business organisations especially the ones in the education sector. As a result of this, it is necessary to stand at the joints of this performance and determine the mechanisms of its achievement and accessibility. Also, the primary motivation for the development of organisations is one of the contributions that come with this study as knowledge based on achieving competitive advantage. International accounting standards with their implicit and explicit elements, can achieve efficient optimal use of resources through their integration with the characteristics of the learning organisation. Therefore, the following are the objectives of this study:

1. To introduce the concepts of international accounting standards, the benefits of their application, and the motives for their adoption and their goals.
2. To evaluate the concept of the educated organisation, its historical development, its distinction from traditional organisations and the accounting methods that support its performance.
3. To examine the role of international accounting standards in developing innovative thinking.

From the research objectives, the research hypotheses are stated as follow:

“International accounting standards have an impact on the performance of organisational learning”



Result and Analysis

This section covers the statistical and descriptive analysis of the impact of international standards in the learning organisation on developing the capabilities of innovative thinking. The study examined the results of a sample group's response and analysed the data in order to determine the impact ratio in preparing international financial reports using both the arithmetic mean and the standard deviation to know the level of agreement or disagreement, and the relativity of factors affecting the variables.

The Impact of International Accounting Standards on the Learning Organisation

The results from the responses are shown in Table 1. It is clear that there is correlation between the factors related to international standards and the learning organisation with an arithmetic mean of 4.337 and a standard deviation 0.819. Item 2 is the most agreed item with an arithmetic mean 4.86 and Standard deviation 1.201, which indicates that there is a relationship between the concepts, assumptions and principles of international accounting standards. It shows that the financial statements are appropriate and there is sincere representation in the learning organisation. This is followed by item 9 which states that "international accounting standards contribute to enhancing confidence between financial organisations which support in granting cross-border loans internationally". The result shows an average arithmetic of 4.67 and a standard deviation 0.526.

This is followed by item 7 which states that "International Accounting Standards contribute to strengthening of the financial situation in the learning organisation". This increases the confidence of sellers and consequently increases the long-term transactions. The result shows average arithmetic of 4.48 and a standard deviation of 0.74. Additionally, the results of the statistical analysis of the questionnaire data directed to the sample of the research showed an increase in the arithmetic mean of the other items at a higher rate than the average mean of 3. This shows that there is agreement between the selected members of the sample and the factors related to the impact of international standards as all the items are positive and ranged from the relative importance of the items between 0.78 and 0.97 all of which are relatively high.

The Impact of International Accounting Standards on Innovative Thinking

In the Table 2, it is clear from the analysis that the item 2 that appeared in the second section of the questionnaire includes an agreement with the other items with a total mathematical average of 4,535 and a standard deviation of 0.647. The most agreed item is item 11 which states that "International accounting standards contribute to the continuous development of the skills and knowledge of accountants and enhance the accounting professionalism of the

organisation, which is an essential element for success in the accounting function”. The result shows a weighted mean 4.76 and a standard deviation of 0.431. This is followed by item 15 with an arithmetic mean of 4.74 and a standard deviation of 0.445, which states that “empowering International Accounting Standards provides information to solve non-routine problems”.

Item 5 came as the fourth position which states that “international accounting standards contribute to the possibility of a unified and common perception of the financial statements” with an arithmetic average of 4.67 and a standard deviation of 0.57. The results of the statistical analysis of the sample of academics showed an increase in the arithmetic mean of the other items and at a higher rate than the hypothetical mean of 3. The result shows that the academic members in connection with the items agree to the impact of international accounting standards on innovative thinking as the items under this variable are all positive and the t-value of the items ranged from 83% to 95% which is a relatively high percentage.

Table 1: Analyses of the responses to the items related to factors of the impact of international standards in the learning organisation

Variables	Question No.	Five-point scale for the total sample answers level *					Arithmetic mean	standard deviation	Percentage %	Extent of agreement or disagreement	Relative importance arrangement
		1	2	3	4	5					
First: The international accounting standards aim to support the strategies practiced by the organisation by activating the best accounting practices											
	1	-	-	8	10	24	4.38	0.795	0.876	agreement	7
	2	-	-	6	8	28	4.86	1.201	0.972	agreement	1
	3	-	1	4	12	25	4.45	0.772	0.89	agreement	5
	4	-	1	5	21	15	4.17	0.824	0.834	agreement	10
	5	-	-	6	13	23	4.4	0.734	0.88	agreement	6
	6	-	2	4	16	20	4.29	0.835	0.858	agreement	8
Second: IPSAS contributes to organisational learning that benefits from the organisation's culture, resources and capabilities											
	7	-	1	3	13	25	4.48	0.74	0.896	agreement	3
	8	1	2	4	20	15	4.1	0.932	0.82	agreement	13
	9	-	-	1	12	29	4.67	0.526	0.934	agreement	2
	10	-	2	6	18	16	4.14	0.843	0.828	agreement	11
	11	-	3	3	21	15	4.14	0.843	0.828	agreement	12
Third: International accounting standards contribute to organisations positioning themselves in the global competition arena, and maintaining the place in which they											

occupy them. Therefore, great attention has been paid by the organisations.											
	12	-	2	6	12	22	4.29	0.891	0.858	agreement	9
	13	-	2	-	17	23	4.45	0.739	0.89	agreement	4
	14	-	3	6	25	8	3.9	0.79	0.78	agreement	14
The mean, the standard deviation, and the relative importance of the axis							4.337	0.819	0.869		

From the figure, Likert scale of 5 is used to know the level of answers indicated as: (1) completely disagree, (2) disagree, (3) somewhat agree, (4) agree and (5) totally agree.

Table 2: Analyses of the responses to the items related to the factors of the role of international accounting standards on innovative thinking

Variables	Question No.	Five-point scale for the total sample answers level *					Arithmetic mean	standard deviation	Percentage %	Extent of agreement or disagreement	Relative importance arrangement
		1	2	3	4	5					
Fourth: International accounting standards contribute to the continuous development of the skills and knowledge of accountants and enhance the organisation's accounting professionalism, which is an essential element for success in the accounting function											
	1	-	2	3	7	30	4.55	0.832	0.91	agreement	8
	2	-	-	6	9	27	4.5	0.741	0.90	agreement	10
	3	-	1	3	16	22	4.4	0.734	0.88	agreement	11
	4	-	-	6	16	20	4.33	0.721	0.866	agreement	14
Fifth: Experience is a component of the international accounting standards that, if used productively, and employs them to achieve a prescribed goal. It is an important factor in the success of organisations and can be sold and used in developing the organisation's management accounting method											
	5	-	-	2	10	30	4.67	0.57	0.934	agreement	3
	6	-	-	2	8	32	4.71	0.554	0.942	agreement	4
	7	-	-	-	10	32	4.76	0.431	0.952	agreement	1
	8	-	-	5	16	21	4.38	0.697	0.876	agreement	13
	9	-	2	4	11	25	4.4	0.857	0.88	agreement	12
Sixth: International accounting standards include the academic qualifications that the accountant must possess, as well as ongoing training and the continuous educational courses supervised by the organisation in order to develop the performance of accountants											
	10	-	-	10	15	17	4.17	0.794	0.834	agreement	15
	11	-	-	2	14	26	4.57	0.59	0.914	agreement	7
	12	-	-	2	12	28	4.62	0.582	0.924	agreement	6

	13	-	-	-	12	30	4.71	0.457	0.942	agreement	5
	14			5	10	27	4.52	0.707	0.904	agreement	9
	15	-	-	-	11	31	4.74	0.445	0.948	agreement	2
The mean, the standard deviation, and the relative importance of the axis							4.535	0.647	0.907		

Table 3: In which the author clarifies the ratios and type of answers to the questionnaire forms for all the questions mentioned above:

Answer	Totally agree	Agreed	Somewhat agreed	I do not agree	I do not completely agree	Total
Percentage	52.7	35.2	9.9	2	0.2	100

Conclusion and Recommendation

Conclusion

The following conclusions are reached from the result and analyses of the study:

1. The international accounting standards are based on the preparation of international accounting rules, standards and implementation with confidence, credibility and comparability for the foreign investor more than the average accounting rules, standards and applications. This is because the foreign investor owns investments in several countries and the unification of financial reports in accordance with international accounting standards, which give provision for foreign investors the ability to identify results of the works in different branches across the countries.
2. Foreign investments are easily attracted by the International accounting standards as they generate confidence among investors and allow them to enter external markets and international competition. Additionally, foreign investment provides more convenience and fairness through the ability of financial statements to understand that they have kept pace with international environmental developments and changes.
3. In the planning, implementation and follow-up of the management of organisations, the international accounting standards, with their various components, are among the basic foundations. Thus, they are an accounting asset while managerial accountant is the maker.
4. The international accounting standards have a statistically significant effect on the performance of learning organisations. The experience of the accountant can be used by the organisation for investment purposes and future plans and to support its performance.
5. The international accounting standards have a statistically significant effect on the innovative thinking as the accountant, who is continuously related to practical

development, will be able to analyse, offer criticism and have dialogue in order to achieve continuous improvement.

Recommendation

From the conclusion, the following suggestions are recommended:

1. There is need for implementing accounting standards in organisations for their positive impact in creating value and supporting the performance of organisations. This will create an appropriate framework for effective participation in attracting foreign investment.
2. It is necessary for economic phenomenon to be adopted including the phenomenon of foreign investment in such a way that serves the Iraqi economy. This will enhance its capabilities and advance its economic growth through taking into account the political, economic and social situations.
3. There is need for providing continuous training and education to accountants in the field of international accounting standards in order for them to have their knowledge, skills and experience renewed as a result of rapid developments in the present century and the dynamic nature of modern organisations, which dictate how an organisation should be operated.
4. Also, there is need to apply a method of accounting knowledge i.e. creating a knowledge in the field of international accounting standards in an organisation for its positive impact in creating value and supporting the organisational performance.
5. Human capital should be given great importance by the departments in business organisations, especially for learning organisations, by providing mechanisms for the process of training workers and raising their level of knowledge through conferences' and courses' participation. They also need to focus on the young workers as they are the future of the organisation.



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