MASTERARBEIT / MASTER'S THESIS

Titel der Masterarbeit / Title of the Master's Thesis

„Organizational culture and its effects on accounting procedures in Post-Soviet Georgia"

verfasst von / submitted by

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angestrebter akademischer Grad / in partial fulfilment of the requirements for the degree of

Master of Science (MS)

Wien, 2023 / Vienna 2023

Studienkennzahl lt. Studienblatt / degree programme code as it appears on the student record sheet:	A 066 915
Studienrichtung lt. Studienblatt / degree programme as it appears on the student record sheet:	Masterstudium Betriebswirtschaft
Betreut von / Supervisor:	ao. Univ. Prof. Mag. Dr. Michaela Schaffhauser-Linzatti

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III. List of Abbreviations

BIA	Business Information Agency
COF	Cultural Orientations Framework
CPI	Corruption Perceptions Index
CRRC	Caucasus Research Resource Center
FASB	Financial Accounting Standards Board
IASB	International Accounting Rules Board
NAPR	National Registry of Public Registry
OGP	Open Government Partnership
USSR	Union of Soviet Socialist Republics
USD	United States Dollar
USSR	Union of Soviet Socialist Republics

Keywords

Organizational culture, Accounting Procedures, Post-Soviet development, Organizational Effectiveness, Quality of accounting procedures

1. Introduction

1.1 Problem

People in any organization follow certain rules, share set of common beliefs as well as values despite the large magnitude of differences arising from individualities among employees, their demographics, distinctive educational backgrounds, religious beliefs, experience level, and so on. Creating so-called "common ground" for all of the stakeholders within an organization is a challenging process, which in turn determines the effectiveness of the organization (Denison and Mishra, 1995). Before going further into details of organizational culture, it's important to shortly elaborate on the culture itself, which has been studied by many researchers representing different fields of studies over a long time. But the question is how to define such a broad term in a concise manner? According to Herath (2017), the culture incorporates conventional beliefs, social norms, customs and contemplates everything from the way individuals interact with each other to the attributes of everyday life. It can be shaped by a number of factors like for example geography, religion, economic situations, etc. This particular explanation of culture can be considered when discussing organizational culture, as well as national culture, which is more of a broader perspective.

The concept of culture in general has been debated by a number of scholars all over the world with somewhat distinctive interpretations. As the initial literature research has shown the majority of researchers referenced the Hofstede-Gray (1988) framework in their studies and to some extent explored the proposed dimensions of culture. Therefore, Hofstede (1980) and Gray (1988) are practically the most widely used in business research and are going to be the significant focus of this particular paper as well. The mentioned framework displays a strong connection between culture and workplace behavior in general.

Hofstede et. al (2010, p. 318-319) argue that cultural values underlie the existing symbols, heroism, and rituals observed in accounting procedures. Moreover, Gray (1988) emphasizes more of a broader perspective and states that the cultural values are very well mediated in the development of attitudes in terms of accounting, as well as accounting systems. It can be said that culture is a very influential factor on accounting practices and it should not be underestimated. Based on Mueller et al. (1994, p. 1) accounting is formed by the environment in which it "takes place".

Research on issues in developing countries has grown immensely over the past twenty years, which covers topics such as academic studies and the practices of professional accounting organizations etc. (Ahmed and Nicholls, 1994, 30). It has been argued upon that the industrialization, religious practices, political systems, and cultural aspects of most developing countries are heavily influenced by the socio-political traditions and philosophies of the colonial powers that once were in charge of this or that country (Perera, 1989). As an example of an emerging free market economy, this research paper focuses on the economy of Georgia, the country that became an independent state in 1991 after being annexed by Russia for 190 years and then "forcibly united" into the Soviet Union (Jandieri, 2016). As far as it is concerned, after the collapse of the Soviet Union, Georgia, like any other member country, has experienced a very drastic downturn in its economy. For a country this was a signal to restrain stability in a timely manner, which unfortunately resulted in a very uncontrolled legislative process, as the reforms aiming at market economy transition led to the end of subsidies on goods and services, financial downsizing for healthcare and education, no job securities in the private sector and so on (Dudwick, 1997). The implemented reforms may have had very significant effects for the "vulnerable" groups of the society within the country, however addressing the challenges in the recovery process was inevitable for Georgia and not only.

Shortly thereafter, bribery and corruption were very prominent within the country. In 2003, around one-fifth of the registered business entities were in some way involved in bribery, as well as high-level political corruption (unknown, 2022). In order to withstand the economic pressure during that time period and keep standing within the business world, organizations needed to alter their economic activity, as well as revenues, and evade taxes in that matter (Akitoby, 2018). However, it must be said that the situation has improved after that time, and according to the executive summary of the Corruption Perceptions Index 2018 report, Georgia ranked as the least corrupted country in the Black Sea region (Transparency International, 2018).

As already mentioned above, political ideologies exert influence on national culture and organizational culture, which by itself shape the accounting practices. Considering the country's potential, which is more closely elaborated in the following chapter, it remains interesting to examine the issue from employee's perspective, who have been part of an organization and its culture for over twenty years and have been working in the accounting field. They have experienced the development of organizational cultures, which practically reflects the characteristics of operation practices within the workplace. This leads to the research question of this particular study, which is the following: How does organizational culture affect accounting practices in the Post-Soviet economy of Georgia? By examining the role of organizational culture in relation to accounting practices, companies can identify specific areas for improvement and implement best practices that are in line with the organization's values and vision.

1.2 Aims

Harsh political, economic, and social processes have determined the country's European perspective and Georgia is striving to eradicate the lasting effects of Soviet-Union ideology. Therefore, the main purpose of this research paper is to elaborate on the various dimensions of organizational culture in terms of their impact on accounting procedures considering the current standing of Georgia. It is important to answer the research question: How does organizational culture affect accounting practices in the Post-Soviet economy of Georgia? for the following reasons. First of all, accounting remains as one of the trusted means of ensuring transparency within the country's economy. Furthermore, it acts a key role in regaining investor interest, as well as confidence within and outside of the country and affecting relationships between financial providers and companies. Georgia's economic growth is expected to enhance in the coming years and stabilize around the potential rate of 5 percent (World Bank, 2022). This trend can uphold the integrity of the accounting as a profession, encourage accountants as representatives of the field to freely employ their judgment, which as a result can be utilized to avoid somewhat questionable accounting practices. This research will serve as a guide for understanding the dimensions of organizational culture with regard to accounting practices in the Post-Soviet economy of Georgia, the country that has a clear direction towards more transparent, reliable, and qualified accounting systems under the European framework.

This particular research paper rests on a deductive approach, meaning that a theory is developed first and then tested by analyzing the data collected from questionaries. Since the goal of the thesis is to depict more of a general picture of motivating strong organizational cultures that strive for more consistent, legit, and fair accounting practices in Georgia, the research is designed to be specific rather than broad. To answer the research question and achieve the study objectives, the paper focuses on the quantitative method, which in comparison with interviews of any kind allows to reach out more participants and helps to visualize a broader picture from the concepts that people use to organize their world.

1.3 Structure of the thesis

The thesis follows a standard structure and is divided into five consecutive chapters. The first chapter gives a brief overview on the research gap and underlying motivation of the topic. The following part attempts to analyze the existing literature on key aspects like organizational culture in general terms, Post-Soviet economies, as important as it is the current standing of Georgia and the theoretical background on the relation between organizational culture and accounting practices.

Based on this knowledge from a coherent and well-informed review of the literature, the respective dimensions of organizational culture are identified, hypotheses are formulated, and a research model is developed.

The empirical part of the research paper focuses on the financial departments of companies from distinctive industries starting from public services to construction companies. As the topic is more or less personal, the questions should be carefully formulated and assembled assuring more honest responses from the participants of the study. The questionnaire is divided into six separate categories ending with the more general, demographic questions like age, gender, education level, etc. In the third chapter, the model's variables and the corresponding hypothesis are empirically tested by applying statistical methods. The results of the given statistical analysis are closely interpreted and discussed in the chapter four. Finally, the paper concludes that there are real implications for accounting practices in Post-Soviet Georgia.

2. Literature review

2.1 Definition of organizational culture

When it comes to organizational studies, Schein (1996) states that the culture as such should receive more attention. However, the difficulty of defining culture, which is an abstract concept, has clearly been a major obstacle to its effective application. As it turned out, scientists working within different fields agree up on an operational definition of culture as the attitudes, values, beliefs, and behaviors that a particular group of people shares (Hofstede, 1980, Blesia, 2017, Cameron & Quinn, 2011, Hilal et.al 2009, Wisna, 2015). This definition is basically fundamental when it comes to shaping a unique social and psychological environment, especially within different types of organizations. Based on the research conducted a number of studies have been carried out to assess some of the core components of culture, but unfortunately very few models have been developed to somewhat measure the behavioral aspects of it. This particular part of the paper attempts to incorporate existing definitions onto the given concept.

A group's shared fundamental beliefs and presumptions are referred to as their culture, for example, the cultural norms of an ethnic group, an institution, or a nation (Wisna, 2015). Organizational culture, according to Pettigrew (1979), is a set of widely acknowledged meanings. Organizational cultures and subcultures are considered to be important factors in comprehending how people utilize the information at hand. These cultures are typically guided by long-standing and often unwritten rules, such as shared norms for social etiquette and behavior, established guidelines for dealing with colleagues, subordinates, and superiors, and other customary practices that are said to be an appropriate behavior (Rue, 2007).

But still, what is and is not appropriate? After considering the definitions of organizational culture, it is notable that the term "corporate culture" synonymously is used in this particular description: the system of common behaviors, beliefs, and values that emerges within a company and directs the conduct of its employees is known as organizational or corporate culture stated by Schermerhorn (2012). It is essential to mention that any kind of disagreement can be effectively prevented by organizational culture, which basically contributes to shared understanding, agreement on guidelines, and established practices (Laudon & Laudon, 2012).

Berson et al. (2005) considered the organizational culture as the system binding individual members of the organization and guiding them towards attaining the long-term objectives of the organization they are working for. This means that by following the behavioral norms each member of the organization comprehends the crux of the organization's functioning and tries to contribute to its objectives. Kilman (1985) as well emphasized the meaning of organizational culture and regarded it as shared philosophy, ideology, value, assumption, belief, hope, behavior, and norms that bring the organization together.

The main ways to gain insight into an organization's culture are through observing the behavior of its members, activities and the training (Lussier, 2008). An organizatio's culture is very unique and consists of the core beliefs, ideals, and methods of operation that are widely agreed upon by the organization's members (Wisna, 2015). Therefore, it could be argued that the organizational culture is a multifaceted system that basically governs how companies interact with their main stakeholders, including managers, employees, clients, and rivals. The observable nature of organizational culture in the day-to-day interactions and the collective efforts to achieve organizational goals as mentioned above enables to bring together employees in the companies and foster more of a cohesive environment.

More to this, the ways companies respond to external events as well as strategic decisions are influenced by organizational culture. Based on the study by Prasanna and Haavisto (2018), organizational culture can be broken down into five different models, which are as followed:

i. values concerning on preferences and desires (Cameron and Quinn 2011),
ii. stories that can be either verbal or written narratives with three consecutive parts: a beginning, a middle part, and an end (Vaara and Tienari 2011),
iii. frames refer to filters or brackets that determine the focus (Smets, Morris, and Greenwood 2012),
iv. toolkits comprise sets of stories, frames, categories, rituals, and practices that actors draw upon to make meaning or take action (McPherson and Sauder 2013)
v. at last but not least, categories in terms of social constructions or classifications, which basically determine the conceptual distinctions between objects, people, and practices (Wry, Lounsbury, and Jennings 2014).

Previous discussions indicate that there are two types of organizational culture as follows: controlled culture and a culture that is flexible (Doise, 2008). The idea of control is often used in scholarly articles to describe distinctive ideologies and practices. A controlled culture within a company is typically characterized by a bureaucratic structure and high levels of hierarchy meaning that the decision-making is centralized and closely monitored. In 1947, Weber listed seven characteristics that make up today's bureaucracy: rules, specialization, meritocracy, and hierarchy, in addition to distinct ownership, impersonality, and accountability.

A company with this kind of culture has formal rules and policies that must be complied with. More to this, in companies with such controlled organizational cultures employees are not given the authority to make decisions and may even be discouraged from taking risks. Operating in a hierarchical structure may therefore lack flexibility. Instead, employees who do not comply with the standards held by the group take the risk of getting severe criticism from the rest of the group. However, it is interesting to refer to Jaques (1990) who argues that a culture of command and control can be effective, as well as efficient, especially when the tasks are more or less standardized, despite its drawbacks of suppressing creativity among employees. The author suggests that a hierarchical management structure is the most effective way when it comes to the assignment of tasks and responsibilities within an organization. A similar perspective is expressed in the article in the early 20s by Merchant and Van der Stede (2007) who argue that a poorly controlled culture may create "room" for employees to get involved in counterproductive actions that may even result in financial losses for the businesses they work for.

In comparison with controlled organizational cultures, flexible culture doesn't concern on strict compliance with policies and procedures, which means that employees are given more freedom and encouraged to take risks within the workplace. This type of culture also motivates individual members of the company to attain not only personal needs and goals, but also organizational ones. When it comes to identifying issues and finding possible solutions to those problems, it is essential for the employees with other stakeholders of the organization to engage in improvement planning and by embracing innovation and change (Juliana, et. al 2021). This argument may be very well applied to the fast-changing environment of the business world nowadays, which requires not only upper-management involvement, but also employees' active participation. This way the company may create a culture that embraces a collaborative approach that leads to more effective outcomes.

Recent trends in terms of decentralization promote more of a flexible culture within the organizations as they tend to attain self-managing working environments. There are some of the very prominent cases of companies like Morning Star, which operates with the two main principles stating that all interactions should be voluntary, and everyone should honor commitments to others (Hamel, 2011). In an attempt to bring about more engagement, productivity, as well as efficiency, employees at Morning Star are given autonomy to make important decisions like determining individual missions to accomplish, defining job responsibilities for themselves, initiating improvement ideas in any area, and so on. This serves as a clear example of the previously discussed argument regarding the collaborative approach.

This leads to the comparison of strong and weak organizational cultures that are widely elaborated in the existing literature. According to Wisna (2015), a strong corporate culture is one that is well-defined, enhances a shared perception of what matters, and can be supported by both management and staff. This type of culture promotes a shared perception of what is important and how employees should behave within the organization. The study also incorporates characteristics of a strong corporate culture, which for example elaborates on well-organized rituals of day-to-day organizational life that are consistent with the company goals and needs. On the other hand, people frequently behave in ways that do not align with the company's method of doing things when there is a weak corporate culture.

Below is the table presented that summarizes observed types of organizational culture in the researched material:

Organizational Culture Types	Key Characteristics
Controlled Culture	- Bureaucratic structure - High levels of hierarchy - Formal rules and policies - Lack of employee decision-making - Supresses creativity
Flexible Culture	- Encourages risk-taking - Gives freedom to employees - Embraces innovation and change - Individual & organizational goals - Self-managing working environments
Strong Corporate Culture	- Well-defined and shared perception - Supported by management and staff - Enhances organization's success - Well-organized rituals
Weak Corporate Culture	- Absence of shared perception - Poorly supported - Hinders organization's success - Behavior not aligned with methods

Table 1. Organizational culture types (Own presentation)

The table presents a clear and concise summary of the four types of organizational cultures, namely controlled, flexible, strong, and weak. It highlights the main characteristics of each type and provides a comparison between the opposite ones.

2.2 The importance of organizational culture

There has been an increasing interest in identifying essential factors that are important, as well as necessary for an organization to be considered as successful and understanding how they exert an influence on the organization's overall performance. As far as it is concerned there can be both external as well as internal factors that have a substantial influence on how well the organization performs within this or that industry. Earlier research shows that the internal context of the organization focuses primarily on organizational characteristics like for example structure, political categories, power, and most importantly culture (Pettigrew, 1979). The mentioned categories come together to create the environment in which the organization operates (Zheng, 2010). This environment sets the stage for the organization's activities to take place and impacts its outcomes. As presented in the table above, different types of organizational cultures foster different levels of productivity, performance, and success as a whole.

The research on the importance of organizational culture suggests that it acts as a vital role in motivating employees to engage in activities that contribute to organization's performance and final outcomes (Obeidat et al. 2018). In other words, the effect is rather indirect and rests on the shared foundation that is set for all of the stakeholders within the organization in relation to operational processes, knowledge acquisition, and decision-making. This applies to organizations nowadays, because they are mainly characterized by issues in terms of bureaucracy, as well as resistance to change and recent innovations. They are clearly in "thrust" to shape a positive organizational culture, which in itself would allow a high level of flexibility in order to sustain more of a steady improvement and quality and be adaptive to new practices, systems in today's fast-changing environment.

The effectiveness of an organization can be defined as the extent to which it achieves its intended goals or objectives (Daft, 1995, p. 98). One of the articles, (Denison and Fey, 2003) presented four dimensions of organizational success that exert an influence on organizational effectiveness:

- Adaptability – an organization's ability to change the behavior, structures, and systems accordingly when facing external changes
- Consistency – consistency of members in the organization in terms of their beliefs, values, as well as expectations.
- Involvement – the participation level of members of the organization in decision-making activities
- Mission – the clear definition of common organizational purpose

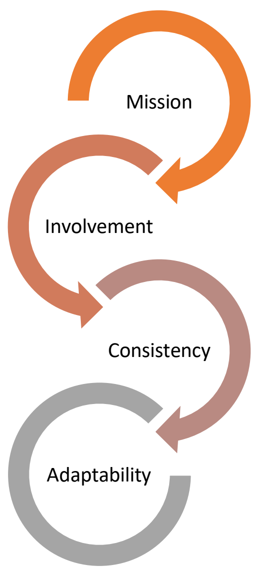


Figure 1. Dimensions of Organizational Success (Own presentation)

As shown in Figure 1 the dimensions of organizational success are not independent of one another. In fact, there is a clear flow and interdependence between the suggested characteristics. To further elaborate on this point, as an example one may state that a clear mission statement of an organization can provide a sense of direction and purpose for the whole team. This in turn can promote consistency among members in terms of their beliefs and values. Greater consistency can result in increased involvement from members of the organization in decision-making activities, which can help to identify required changes and promote adaptability to those alterations.

It can be argued that within organizations, the culture conditions the whole operating process, because the process of sense-making may be filtered through shared values and behavioral norms by their members. Other outcomes of culture like for example commitment, ethical principles, determination, and job stress (Posner et al., 1985) also can be considered as important ones when it comes to the overall effectiveness of the organization.

Zheng et. al. (2010) explore the potential intermediate function of knowledge management in the relationship between organizational culture, structure, strategy, and organizational effectiveness. The authors have conducted a survey of 301 organizations and emphasized the need for organizations to align their culture, structure, and strategy to achieve organizational effectiveness. These three organizational facts encompass an interdependent system that can create more of a cohesive working environment.

Pathiranage (2019) observed the conceptualization, measurement, and closely explored the effects of different dimensions of organizational culture on business performance. The research paper concluded that the organizational culture has a significant influence on the variety of organization's processes, employees, and therefore overall performance. The study also highlights the detrimental outcomes that may arise from a lack of cultural integrity among employees within the organization, which can culminate in failure for the entire company. Similarly, another study conducted by Aktas et al. (2011), as well investigated the relationship between organizational culture and organizational efficiency and how the stability or variability of the internal, as well as external environment, alongside with the values of top managers exert an influence on the organization's performance. The findings suggest that different organizational cultures are associated with specific dimensions of organizational efficiency, and the stability and variability of the environment and top managers' values can moderate this relationship. These studies once again confirm the importance of aligning organizational culture with the strategic direction of the firm. More specifically, managers do need to recognize the specific cultural orientations that are present within their organization and try to accommodate them to attain better performance outcomes.

Even when it comes to the service sector, a strong association exists between organizational culture and effectiveness. A recent article by Nungchim (2022) identifies the relationship in service sector organizations. The study rests on the sample of 140 employees selected in the state of Manipur and as a result of interpretive analysis of the data collected, the authors arrive at the conclusion that the better the organizational culture the better the effectiveness of an organization. Since the organizations offering services in different sectors represent more of a modern business model, it is very important to note that even in such organizations culture is found to act a significant role.

2.3 Hofstede-Gray framework: Dimensions of organizational culture

Before going into details, it is important to mention that the concept of organizational culture has been introduced and developed by various scholars in business research that have helped shape the understanding of organizational culture. Andrew Pettigrew's (1979) article is widely known for presenting the concept of organizational culture. He defined the term as a combination of beliefs, identities, rituals, and myths, which are shared by members of an organization and influence their behavior. Edgar Schein (1985) expanded Pettigrew's proposed concepts and defined organizational culture as the basic assumptions and beliefs that members of organizations continuously hold upon. Schein highlighted the role of the leader in terms of establishing and maintaining the culture within organizations. Deal and Kennedy (1982) viewed culture as the manner in which things are carried out in an organization. Moreover, Schultz and Hatch (1996) proposed more of a multiparadigm approach to the study of culture in an attempt to promote the relationship between the functionalist and interpretive paradigms.

Although, it must be noted that Hofstede's work, published in 1980, has since become one of the most widely used frameworks for understanding organizational culture, despite its original purpose of assessing national cultural diversity. The researcher proposed different perspectives to comprehend and analyze the complex nature and uniqueness of national culture. As already elaborated in the previous parts of the paper, the term has been defined in a number of different ways. Still, most of the definitions conclude that "culture consists of some combination of artifacts" (also known as practices, expressive symbols, or forms), "values and beliefs," and "underlying assumptions" that organizational members share about what is appropriate behavior or what is not within the workplace (Detert et al., 2000, p. 851).

According to Hofstede, elements of culture like symbols, heroes, rituals, and values are challenging to alter. The most comprehensive study on cultural differences across many nations, Hofstede's cultural study originally comprises four fundamental societal principles that each nation may uphold. The contrast between individualism and collectivism, the difference between vast and small power distances, strong versus weak uncertainty avoidance, and masculinity versus femininity, which are shortly explained later in the paper. It must be noted that in his later research studies, Hofstede expanded and finalized the framework of organizational culture and added two more dimensions that of long-term versus short-term orientation and indulgence versus self-restraint (Hofstede, 2011).

Hofstede suggested that each nation and region possess unique attributes, including their own identities, values and institutions, all of which have historical backgrounds so to say. While values are inseparable parts of culture, which are strongly ingrained and to some extent unseen and on the other hand, identity, and institutions are more of obvious components of the culture (Hofstede, 2011). Thus, Hofstede and the researchers mentioned above arrive at the conclusion in their findings that culture primarily has two sides, which are visible and invisible. It can be very well compared to human consciousness, where the visible part of the culture is easily elaborated by employees and managers within the workplace, because they can see and perceive clearly what's on the surface. However, there is another part like the subconscious part in psychology, which may be difficult to discuss. When talking about the organizational culture, this part can be considered as values (Hamza, 2018).

According to Hofstede (2011), a culture is a form of mental conditioning that each and every person develops from early childhood over the course of their lives. The author claims that during times when people change jobs and look for the new ones for various reasons or even take on new responsibilities, the organizational culture might also change as a result. It can be argued that the researcher views culture as a dynamic phenomenon, which basically evolves over time. More to this, it is important to mention that Hofstede (1980) claimed that to some extent all human beings share biological similarities but their personalities may differ substantially. For addressing the ongoing issues in day-to-day lives, it is essential to elaborate on six dimensions relating to values. In his findings, Hofstede made an observation that managers and employees are different on six value dimensions which may provide answers to the questions of how and why cultural structures exert an influence on people. The dimensions are presented as followed:

1. Power Distance index (PDI), related to the different solutions to the basic problem of human inequality;
2. Uncertainty Avoidance (UAI), related to the level of stress in a society in the face of uncertainty;
3. Individualism vs. Collectivism (IDV), related to the degree of prioritizing own interests versus those of the primary groups;
4. Masculinity vs Femininity (MAS), related to the division of emotional roles based on gender;

5. Confucian Dynamism (LTO), related to the choice of focus in terms of time: the future or the present and past;
6. Indulgence vs. restraint (IND), related to human desires;

As already mentioned above, the literature review revealed that the Hofstede's framework is often referred to by other researchers. Like for instance, in the study by Pratt et at. (1993), Hofstede's culture measures were used to assess both national and organizational culture. The author analyzed the differences in organizational cultures based on the scores of the firms' home countries using Hofstede's cultural dimensions. Pratt and Beaulieu (1992) tested more precisely the appropriateness of Hofstede's cultural dimensions at the organizational level in U.S. accounting firms and discussed the existing literature that supports defining organizational culture in terms of the values that members of an organization share and how these values are referred to in practice.

Gray's work (1998) certainly expands the presented framework. According to his study for a better understanding the organizational cultures, researchers do need to closely observe individuals' behavior within this or that company. Based on Hofstede's model of distinct societal values, Gray's concept of cultural values was expanded to the accounting values. In his work, the researcher demonstrated that they have a strong impact on the accounting structures and procedures, such as the measurement, recognition, and disclosure of financial reporting. Gray came up with four quantifiable accounting ideals that could be used to justify a country's accounting culture: professionalism versus statutory control, uniformity versus flexibility, conservatism versus optimism, and secrecy versus transparency.

The relationship between Hofstede's societal values and Gray's accounting model is presented in Table 2. According to Gray, certain sociocultural factors that are connected to accounting principles and practices affecting accounting measurement and disclosure in financial reporting. Additionally, Figure 2 provides a visual representation of how Gray's accounting values relate to Hofstede's societal values and presents the areas of accounting practices related to measurement and information disclosure (Blesia, 2017).

	Professionalism	Uniformity	Conservatism	Secrecy
Power distance	-	+	?	+
Uncertainty avoidance	-	+	+	+
Individualism	+	-	-	-
Masculinity	?	?	-	-

Notes: "+" indicates a direct relationship between relevant variables, "-"inverse relationship and "?" indicates that the nature of the relationship is indeterminate

Table 2. The relationship between Gray's accounting dimensions and Hofstede's cultural dimensions

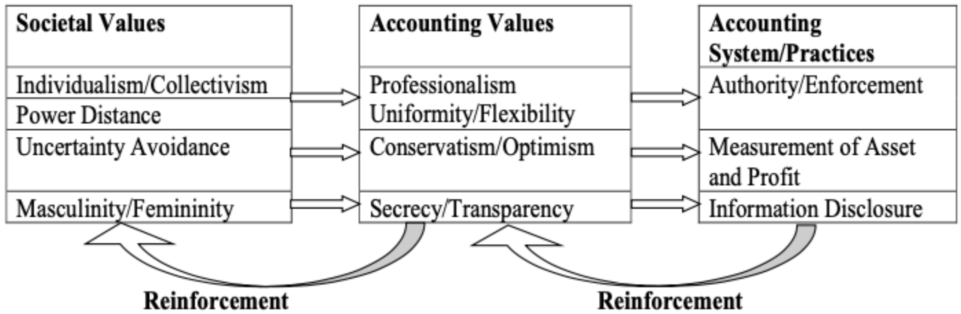


Figure 2. Hofstede's societal values, Gray's accounting dimension

The presented Hofstede-Gray framework can be utilized when discussing the organizational culture and its effects on accounting procedures. As the benefits of this article are to gain a deep understanding of organizational culture in Georgia as it responds to the impact of the accounting values and practices used today. As the topic of interest rests on understanding organizational culture in relation to accounting procedures, the interpretation part of the analysis is going to directly elaborate on the suggested dimensions and analyze the gathered information from employees in the accounting field along these dimensions.

2.4 The development of organizational cultures in Post-Soviet economies

Since the topic of interest concerns one of the post-soviet economies, before going into details of organizational culture and accounting procedures, it is important to have a look at the development of organizational cultures in Post-Soviet countries. The organizational culture in Post-Soviet countries has been basically formed by the national culture and the legacy of the Soviet Union system. During the Soviet period of time, organizational culture was considered to be strictly bureaucratic, with a focus on control and stability rather than individualistic and practical thinking (Kharkhordin, 1999). As far as it is concerned the so-called “collective ideology” after the Russian Revolution remained as the framework for organizations and workplaces across the USSR (Spencer, 2009). Considering the significance of the term, it is closely elaborated in the following paragraph.

The Soviet Union established a governance system that implicated the collectivization of production efforts by creating state-controlled and collectively-controlled farms referred to as kolkhozes and sovkhozens (Ray, n.d.). The idea behind such system was to merge individual landholdings and labor into collective organizations focusing on a more self-monitoring direction in a highly controlled structure. Because of a strong sense of collectivism, the ideology was reflected in almost every aspect of life within countries of the union and therefore shaped the values, preferences, beliefs, as well as behaviors of its citizens. Being part of the system and sharing the understanding of collectivism within the Soviet Union highlighted the importance of common culture especially in the workplace (Kharkhordin, 1999).

It is a widely accepted fact that the collectivist approach in the Soviet Union had some advantages, such as consistency and a sense of belonging, but on the other hand, it also had some drawbacks as mentioned above, such as a lack of individuality and practical thinking (Spencer, 2009). Citizens in Soviet countries were also expected to put the requirements of the community over their own particular needs, and any sort of opposition or individual perspective was discouraged and strictly punished. The oppressive politics brought about the fear to become victims because of "divergent ideas" under this system. There are number of cases how individuals with different opinions and mindset other than the communist ones were repressed by widespread police surveillance, imprisonment, and even killings (Gersheson & Grossmann, 2000). While there have been lots of studies conducted on communist ideology, it is important to briefly discuss some country-specific examples in order to better comprehend the controlled culture within the Soviet Union.

The literature review revealed that there are number of research papers published recently that observe the differences between the union-developed structures and the ones that emerged in the pace of development. In research on organizations in Russia, the authors stress the long-lasting effects of the Communist era on the culture of Russian enterprises, making it evident that historical and cultural background may play a substantial role in influencing the values and practices of organizations (Fey & Denison, 2003). The Post-Soviet countries encountered a variety of difficulties as they tried to reorganize their societies' and economies' institutional frameworks and lay new social and economic foundations after the collapse of union. Unfortunately, the Post-Soviet countries' transition processes have been rushed into immediate adaptation and transformation in the rapidly evolving, globalized world of today, where the majority of industrialized nations have already concentrated their efforts on fields like science, technology, medical research and so on.

This is a difficult endeavor because these countries have been operating within a particular ideological framework for more than sixty years. These countries have been forced to adopt their political and economic systems quickly as a result of the abrupt shift towards modernization, as well as globalization (Cseh et. al, 2004). This process has been made more challenging by the fact that these countries were starting from a significant disadvantage in comparison to more developed nations. In addition, the Post-Soviet nations have faced with numerous difficulties in keeping up with the rate of development as they tried to keep up pace with the accelerating global developments. These difficulties may include a shortage of human capital, knowledge, and resources. From today's perspective it took longer than anticipated for these nations to properly adjust to and integrate into the contemporary global economy because the transition process has been difficult.

Having had a strong influence on member states of the Soviet Union system, the culture within the organizations was considered to be strictly regulated and within limits (Andreen, T. et. al., 1993). Based on the study conducted by Nurmi and Uksvarav (1994) that explores structural characteristics of Estonian organizations, compares the controlled organizational culture during the Soviet era to the Eiffel Tower as a symbol for a stable, hierarchical and well-defined "structure". As claimed within the research paper, this kind of culture may be seen as too bureaucratic from today's perspective in terms of globally accepted standards, particularly in Estonia's highly competitive business environment. This particular example highlights the significant shifts that took place after the fall of the Soviet Union, which led to very chaotic and organizational culture, not only in Estonia but also in other nations that have emerged from the union.

As the research demonstrates, the transformation process has been referred to as a "quadruple transition," stressing various aspects and difficulties. The success of these transitions has varied widely, with some countries experiencing more progress and stability than others (D'Anieri, Kravchuk, and Kuzio 1999): transforming economies (marketization), politics (democratization), state structures, and political ideologies and ethnic and national communities.

In some Post-Soviet nations like Turkmenistan, Belarus, Azerbaijan, Tajikistan, and Uzbekistan, the economies have remained under the state control and thus maintained a significant amount of public ownership of the economy (Radnitz, 2010). On the other hand, the transition to a market economy provided opportunities for certain group of individuals, which in fact enabled them to sustain their power and therefore increase own wealth and influence through unethical or illegal means. The unfair concentration of wealth and power has been seen in many countries, like for example Georgia, Ukraine, and Kyrgyzstan based on the same article.

Kazakhstan, Belarus, and Azerbaijan have been more persistent in terms of limiting resources available to opposition forces and this way preserving their regimes' power through patronage. Consequently, these nations' lack of independent business activity and concentration of wealth in the hands of the regime have prevented the formation of the necessary conditions for revolution and enabled the regimes to maintain power (Randitz, 2010). The researched material provides a simple representation of this difference by the examples of countries such as Georgia, Ukraine, and Kyrgyzstan where protests led to regime change and Azerbaijan, Belarus, and Kazakhstan where regimes were able to maintain power.

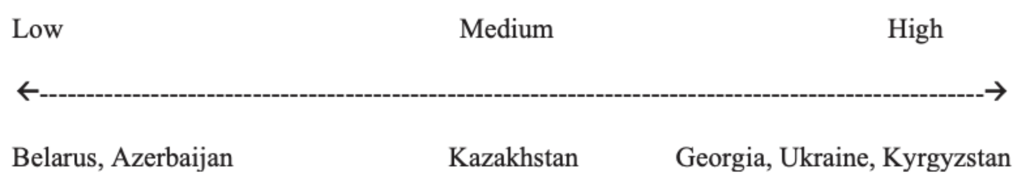


Figure 3. Level of Economic Dispersion

The six nations presented in Figure 3 above can be divided into three distinct groups based on how economic resources were distributed. As far as it is concerned, countries like for example Georgia, Ukraine, and Kyrgyzstan, whose economies were "liberalized", experienced high levels of economic dispersion. On the other hand, countries with few or no economic reforms, like Belarus and Azerbaijan, had very low degree of dispersion (Radnitz, 2010).

Despite the fact that the Soviet Union legacy is still present in many Post-Soviet countries, the main aspiration of transition process was to strengthen democracy as a whole and encourage the creation of stakeholders who would fight for property rights and contribute to the transfer of state resources to the society. Unfortunately, the truth is that the transformation in many Post-Soviet countries did not go as it was expected and reforms have led to so-called gap in a way that it led to the emergence of independent power centers and drastic changes in terms of political alignments. Some countries were unable to follow the initially set motivation and instead of successfully establishing democracy ended up with various forms of authoritarianism, such as covert authoritarianism in Russia and Ukraine or overt authoritarianism in case of Belarus (Jeffrey, 2012).

As previously elaborated, the development of organizational culture has been shaped by the complex interplay of cultural, historical, economic, and political factors within the nation. In case of Post-Soviet countries, the transformation process has led to the creation of “detrimental” practices such as corruption, organized crime, as well as identity-related issues (Humphrey, 2002). It was an easier way to get engaged in informal activities and refer to the networks of connections, as well as “favors” to deal with issues and fasten the speed of everyday lives (Ledeneva 1998). Since the paper concerns on accounting procedures, it is important to mention that the post-communist corruption is a very complex issue that consists of a wide range of structures and processes. It is not limited to government officials getting involved in such activities. Informal contributions are preferable in situations like obtaining a driving license, diploma, getting away with a crime, etc. (Round, Williams, and Rodgers 2008).

Being aware of pervasive nature of corruption, and its effects on organizational culture in those nations resulted in low morale, low productivity, a lack of trust and integrity within the organization, and high staff turnover. It is difficult to eradicate all at once and takes long-term development. Therefore, fighting corruption is not only required for economic growth and stability in a country, but also for the development of a positive organizational culture that complies with fair, honest and transparent principles of a business environment (Karklins, 2002).

As a part of the transformation process, besides protests, widespread dissatisfaction with corruption and economic difficulties in post-communist countries have contributed to unstable situations, and a number of opposing political parties and civil society organizations were considered potential sources of aspired change (Kuzio, 2005). Privatizing state-controlled businesses, liberalizing financial markets, increasing foreign investment, and establishing legal frameworks for business operations to create a stable and predictable environment for businesses were among these changes. This is important to note in order to further elaborate on the aforementioned points. Business leaders have financially supported protests that resulted in falsified elections because of the conflict of interests between the government and the emerging capitalist class in some Post-Soviet nations. Similar to Kazakhstan, capitalists made it clear that they were against the dictatorship and wanted to bring about immediate change in regime (Radnitz, 2010).

To be more precise, Russia, Ukraine, Moldova, Armenia, Georgia, Kazakhstan, and Kyrgyzstan rushed through corrupt privatization procedures, transferring assets to opportunists in better positions. As a consequence of these processes, a new class of wealthy individuals and businesses appeared that were not closely associated with the regime and had distinct political ramifications (Ghedrovici, O., & Ostapenko, N. 2016). The outcome was clearly visible, as the wealth was immediately redistributed from the regime to aforementioned group of economic actors and the regime's hold on power was compromised with their own goals and interests, leading to more political uncertainty.

The prevailing circumstances and the economic unrest in Post-Soviet countries has had a strong impact on the development of organizational culture in these countries. According to the World Economic Forum's "The Global Competitiveness Report 2011-2012," the Post-Soviet countries can be categorized into three distinctive groups based on their stage of economic development: Russia and the Baltic countries are shifting from an efficiency-driven stage to an innovation-driven stage, while Armenia, Azerbaijan, Georgia, Kazakhstan, and Ukraine are moving from a factor-driven stage to an efficiency-driven stage. Kyrgyzstan, Moldova, and Tadzhikistan, on the other hand, are still in the factor-driven stage (Ghedrovici, O., & Ostapenko, N. 2016).

A study conducted by Cseh in 2004 analyzed the data of over 3,300 managers and employees from corporate companies in Hungary, Russia, Georgia, Kazakhstan, and Kyrgyz Republic, in an attempt to compare socio-cultural values and perceptions of organizational culture in these countries. It is important to mention that these countries have similar origins and experiences from the Communist past, and share many similarities in terms of the challenges they are still facing in the process of transition towards a market economy. The author suggested that the combination of cultural and political-economic factors creates unique value systems within organizations that are basically shaped by the national culture and economic ideology of each country. As interesting as it is, the study revealed that the organizational culture and overall socio-cultural values of the five countries were significantly different from one another. To fully comprehend the relationship between national and organizational cultures, it's essential to consider not only the strength of cultural similarities or differences between countries but also the rate of change in economic conditions, political systems, and organizational cultures.

However, it is important to note that the transition to a market economy is still in progress, and these nations continue to face obstacles like inadequate infrastructure, unregulated healthcare system, weak legal protections, and political instability. Despite the shared legacy and common issues, there are significant variations in the level of economic growth and progress in the economic transition between these countries as shown in Table 3 below:

Five Countries in this Study:
Population and Economic Indicators
(all data for the year 2000)

Country	GDP purchasing power parity	GDP/ capita	GDP–real growth rate	Population (million)	Territory (thousand square miles)
Hungary	$134.7 billion	$13,300	3.2%	10.0	32.8
Russia	$1.35 trillion	$9,300	4.2%	144.5	6,592.0
Kazakhstan	$105 billion	$6,300	9.5%	16.7	1,004.0
Georgia	$15 billion	$3,100	4.0%	4.9	26.8
Kyrgyzstan	$13.5 billion	$2,800	-0.5%	4.9	76.6

Source: CIA World Fact Book (2003)

Table 3. Population and economic indicators

Once again the development of organizational culture in these nations has been impacted by the unique historical and societal conditions of each country. Understanding these factors is essential for grasping the current situation in the Post-Soviet region. Having a positive organizational culture can encourage teamwork, innovation, and motivation among employees, while a negative culture can lead to low morale, low performance, and even high staff turnover within the workplace. It's vital for organizations to be aware of their corporate culture and actively make progress towards creating and maintaining a positive one that aligns with their business objectives and values (Radnitz, 2010).

The country's demonstrated progress in various areas following the collapse of the Soviet Union and its decision to position itself alongside with European ideals as a means of driving further development are the main reasons why this paper focuses on the Georgian economy as such. The following section delves deeper into the ways in which the Georgian society has a long history of striving for freedom and how this attitude has led the country to choose a path moving forward from the Soviet era. This has been translated into a strong commitment to democracy, human rights as well as the rule of law and although there are number of challenges along the way till now, the country continues to keep the course.

2.5 Post-Soviet transformation in Georgia

Before going into details of Post-Soviet transformation processes in Georgia, it is important to point out that there are not so many research studies conducted particularly on this country. Despite its size, Georgia has been quite significant within the Soviet-Union considering its strategic importance, economic potential, as well as cultural contributions. Due to its location, the nation became an important transit for pipelines and other infrastructure projects that basically connected the union with Europe and middle east (Gurbanov, 2017). Moreover, it must be noted that the Soviet union's primary military base was also located in the region in order to defend the southern border (Sokolov, 1997). When it comes to the discussion on economical contribution, Georgia had a quite robust industrial base in terms of machinery, metallurgy etc. and with the intellectual property of the average population the nation was a great asset to the union (Dudwick, 1997).

Being actively involved in the Soviet system in many ways, Georgia has undergone significant changes since it regained its independence more than thirty years ago. The first few years were extremely challenging due to the armed conflict with Russia and the absence of any meaningful economic policy (Bauman, 2012). The early stages of the transition from the command economy to the market economy were characterized by serious drawbacks and mistakes have been made during that period of time. Particularly problematic was the privatization process, in which assets were redistributed through voucher privatization, primarily to the advantage of state officials and allies rather than the general public. Corruption increased and wealth concentrated in the hands of a small elite as a result (Papava, 2009).

In Georgia and other Post-Soviet nations, organizational culture was significantly influenced by the Soviet legacy. The communist ideology of the Soviet Union emphasized collectivism and the notion that the state ought to have total control over social and economic life as already elaborated in the previous parts of the paper. A controlled, bureaucratic organizational culture was established as a result, with individual initiative and creativity suppressed in favor of strict adherence to communist party directives and rules. In Georgia, the organization's structure and operations reflected this ideology. For example, the decision-making processes were typically centralized and hierarchical, with a select group of organization officials in charge.

According to Ardishvilli and Gasparishvili (2001), managers in manufacturing companies in Russia, Georgia, Kazakhstan, and the Kyrgyz Republic were asked to take part in the survey-based research study to explore how their leadership styles about their internal work culture, and socio-cultural values diverged from one another. Taking into account the similarities and differences among those four countries, the authors claim that managers in Georgia were found to be more collectivistic when compared to other three countries in the study. As already discussed in the previous sections, the culture that prioritizes community well-being and harmony over individual achievement is known as collectivism. Managers in Georgia place a strong emphasis on employee loyalty and cooperation in the workplace and place more emphasis on the success of the team and organization over individual accomplishments (Ardichvili, A., & Gasparishvili, A. 2001).

Most of the time, there was only one way to communicate which was hierarchical, and employees rarely got a chance to express their ideas or thoughts. However, as was mentioned in the preceding paragraph regarding the discussion of the Post-Soviet era, new norms, and values emerged as the nations' organizational cultures underwent economic and political change. This included an increasing acknowledgement of individual initiative and creativity in driving economic and social development, as well as a greater emphasis on transparency and accountability.

In Georgia specifically, the legislation governing auditing and accounting was introduced in 1995 and 1999 respectively in an attempt to provide a legal framework that acknowledged and applied global financial reporting standards. As it is stated in the law of Georgia, " 1. Accounting and financial reporting shall be regulated by this Law and other normative acts of Georgia. Accounting and financial reporting shall comply with international accounting and financial reporting standards" (Law of Georgia on Accounting, Reporting and Audit, Chapter II, Article 3, 1-2). These standards include the following: International Financial Reporting Standards (IFRS), International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs), Financial reporting standards established for the enterprises, Financial reporting standards established for non-entrepreneurial (non-commercial) legal entities.

It must be said that the quality and efficacy of the regulatory structure have been the matter of discussion after the implementation, which had intensified even more over the past few years. Some experts have openly expressed their opinion and disapproved the effectiveness of the regulatory system. Wumburidze (2013) and Pirveli (2015) noted that there are issues with the legislation that need to be rectified. However, it is important to point out that this fact could be regarded as a significant step for Georgia to make a shift and get closer to a market-based, capitalist society.

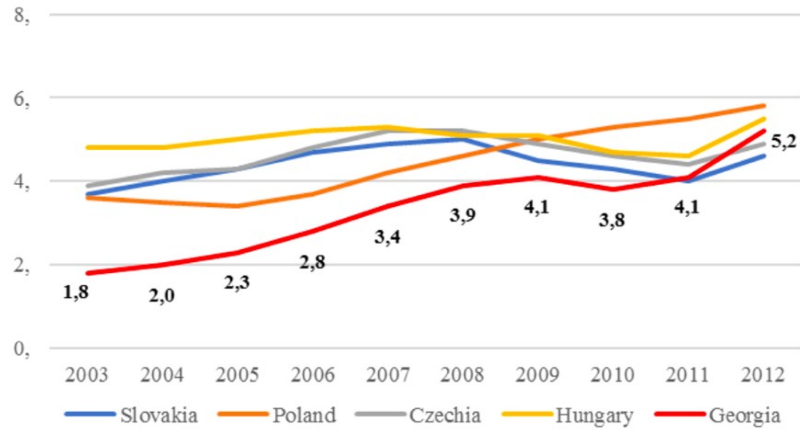
Since 2005, a new tax code has made it easier to start a business, and considered a new labor law giving employers full control over their employees (Law of Georgia, n.d.). As a result, Georgia embraced neoliberal reforms. Initiatives like the adoption of International Accounting Standards and codes for Corporate Governance, in addition to increased transparency in business operations, reflected this. The book "Fighting Corruption in Public Services: Chronicling Georgia's Reforms" looks at how Georgia has changed its anti-corruption policies since the Rose Revolution in 2003, focusing on the changes within certain public services. It is derived from interviews with government officials and data. Through case studies of specific efforts, the book aims at identifying common factors that contributed to the reforms' success.

The influence of Western business and management models, the emergence of new values and norms related to transparency and accountability, and the growing significance of the private sector in driving economic development all contributed to the transition process. From the very beginning of his presidency, Mikheil Saakashvili put the focus on the construction of a modern market economy with Western standards (Papava V., 2009, Samson Y., 2008). The shift away from a controlled, bureaucratic model and toward a more decentralized, flexible approach was one significant change in Georgia's organizational culture. Organizational structures and procedures were reorganized to place a greater emphasis on participatory decision-making and delegating authority to lower levels. The privatization of state-owned businesses and the emergence of a new class of private entrepreneurs who were more open to novel business and management strategies facilitated the change. Lindroth (2016) discusses the Open Government Partnership (OGP) and Georgia's reform initiatives. The "Open Parliament Georgia Action Plan,"[1] which has the potential to make Georgia a global leader in parliamentary openness by enhancing parliamentary transparency and citizen participation in public affairs, is closely elaborated in the publication.

It is important to mention that Georgia's organizational culture also changed as a result of efforts to combat corruption and a growing awareness of the significance of ethical business practices. In 2003, Georgia was a weak state with a lot of corruption. Following Georgia's Rose

[1] "As part of the OGP membership commitments, Georgia has approved the 2012-2013 and 2014-2015 Action Plans. According to the 2012-2013 Progress Report, Georgia scored among the highest on budget transparency, access to information, and asset disclosure". – Open Parliament Georgia Action Plan

Revolution in November 2003, a war against corruption has begun (Gigitashvili & Steenland, 2018). Georgia was ranked 127 out of 133 countries in Transparency International's Corruption Perceptions Index in 2003, and in 2012, it was ranked 51 out of 174 countries[2]. Between 2003 and 2012, the progression of attributed corruption scores is clearly shown in Figure 4 below:



Source: Corruption Perceptions Index (CPI), Transparency International

Figure 4. Corruption score in Georgia and the Visegrad states 2003-2012

It is essential to examine the accounting procedure in the light of the topic of the paper. The consequences resulting from the transition to a market-based economy had a significant impact also on accounting methods in Georgia and other Post-Soviet countries. During the Soviet era, accounting was largely used as a tool of state control, with a focus on the collecting and reporting of statistical data, rather than preparing financial statements for external parties (Diakonov, 1929).

It is worth mentioning that the transition also exerted an influence on the structure and content of financial statements. Because they were primarily used to report on the performance of state-owned enterprises during the Soviet era, and financial statements did not give a true and fair picture of the organization's financial status or even performance. By adopting or utilizing International Accounting Standards (IAS), numerous nations in the region have taken action to increase transparency and reporting processes (Nestor, 2000). The International Accounting Rules Board (IASB) created a collection of accounting standards known as IAS that serve as a foundation for reporting and presenting financial information (Kenton, 2022).

[2] "The 2022 Corruption Perceptions Index (CPI) shows that most countries are failing to stop corruption. The CPI ranks 180 countries and territories around the world by their perceived levels of public sector corruption, scoring on a scale of 0 (highly corrupt) to 100 (very clean)."

One key factor in case of Georgia's as a Post-Soviet success story was the emergence of a new class of private entrepreneurs who were willing to incorporate innovation within their business models and take risks for creating more productive business environment. These entrepreneurs have basically benefited from having an access to local, international funding and also a regulatory part that was favorable to them. As the confidence in the corporate landscape increased within the country, the foreign investment has been attracted as a result. To gain a deeper understanding of the latter point, here are some of the numeric evidence during 2003 to 2012. According to Gigitashvili (2018), the foreign direct investment increased from nearly 335 million USD in 2003 to 831 million USD in 2012, with a peak of 1,878 million USD in 2007 prior to the war and the global financial crisis. Thus, the private sector's growing role in driving economic growth in Georgia and other Post-Soviet nations has created very dynamic, as well as innovative business environment. The private sector has been able to propel economic expansion by creating new jobs, introducing new products and services, and expanding existing ones to new markets (Baumann, 2010).

Before having looked at the literature on organizational culture and its effects on accounting procedures, it is important to finalize this part of the paper by elaborating on a survey that was carried out in September 2020 by the Caucasus Research Resource Centers (CRRC) in response to a request made by Carnegie Europe and the Levan Mikeladze Foundation for the Future of Georgia project (Sartania, 2021). According to Figure 5, Georgian citizens are quite satisfied with the progress that their country has made after regaining independence and generally view their nation as democratic.

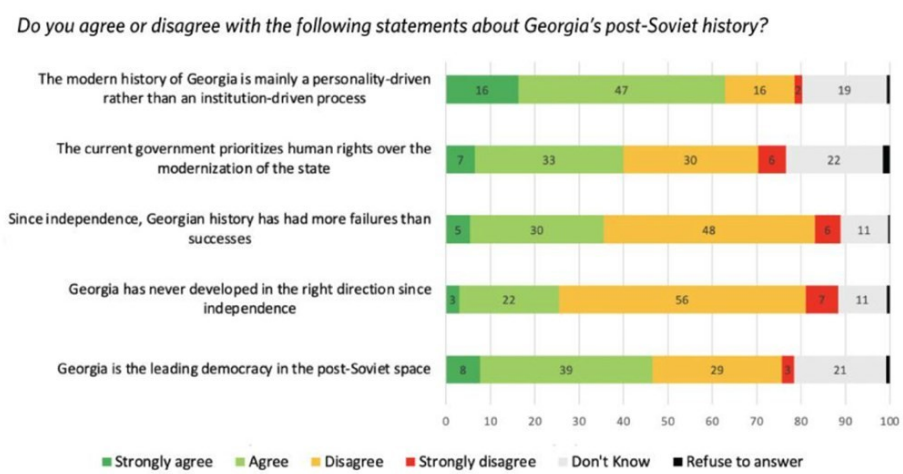


Figure 5. Georgian's attitude Towards Present-Day Georgia

The chapter on Georgia's Post-Soviet transformation highlights the country's significance within the Soviet Union and the difficulties it encountered in the beginning of its transition to a market economy. The passage mentions that this process was plagued by errors and shortcomings during the initial stages. In addition, it discusses how Georgian organizational culture was influenced by the Soviet legacy, with a focus on collectivism and centralized decision-making, and how these norms and values have changed as new values related to transparency and accountability have emerged as already present in Western business models. This outlines the importance of the research question that attempts to observe how organizational culture and its effects on accounting procedures have changed over time and how people working in this field perceive the development in that regard.

2.6 Organizational culture and accounting procedures

According to the literature, considerable research has been conducted on the relationship specifically between organizational culture and accounting methods in a number of different countries (Tapang, et.al, 2012, Wisna, 2015, Hilal, 2009, MacArthur, 2006, Noravesh, et.al, 2007, etc.). It is essential to go beyond the specifics of accounting practices and examine the conceptual framework and reasons in order to go deeper into this topic. According to Watts and Zimmerman (1986) and Ball (1989), the financial data and figures generated by an organization's accounting operations are viewed as an important component of the interactions and contracts between the organization and its different stakeholders, including management, shareholders, debt holders, and customers. In essence, these data are employed to support decision-making, foster a sense of credibility and trust inside businesses, and guarantee that rules and regulations are followed by the employees within the organizations (Dowling, 2004).

The specific steps and techniques a business employs to record and report its financial transactions in this regard are referred to as accounting procedures[3]. According to AICPA (American Institute of Certified Public Accountants) accounting as such involves tasks like classifying and summarizing financial data, creating financial statements, and documenting and recording all financial transactions (AR section 90, see section 9090). These procedures are

[3] “Accounting Practices and Procedures means the accounting methods, policies, practices and procedures, including classification and estimation methodologies “ - lawinsider.com

considered to be essential for a number of causes. Their primary benefit is that they provide an accurate and reliable record of a company's financial transactions through time, which is therefore essential for understanding the company's overall health and also for making decisions in terms of budgeting and forecasting.

As important as it is accounting procedures also help ensure adherence to legal and regulatory requirements, including tax laws and accounting standards (Ali, 2005). They are also significant to transparency, as was already emphasized several times before. Businesses implement accounting methods to be transparent with shareholders, stakeholders, and other parties like governmental bodies or financial institutions (Fung, 2014). Companies can acquire the trust and credibility of these groups by providing them with dependable and accurate financial data over time. In other words, accounting procedures are important for proper functioning of any kind of organization, because they provide necessary financial data for compliance and decision-making within the company.

In order to guarantee that the information in financial reports is useful and reliable, they must be prepared and presented in accordance with certain standards. Financial reports must align with the requirements set by Financial Accounting Standards Board (FASB)'s for reporting relevance, reliability, comparability, and understandability of data (Abdulrazak, 2014). According to the principle of relevance for example, the data in the financial report must be relevant, informative, and complete (Biondi, 2011). On the other hand, the principle of reliability requires that the report must be transparent, accountable, and free of significant “flaws”. The comparability principle dictates that the information in the report must be easily compared to reports from previous years or other reports, and as the last point the information in the report must be simply comprehended.

However, fraud in financial reports is a growing concern that has the potential to significantly harm investors and other stakeholders of this or that organization. There can be various factors leading to financial report fraud, such as a bad organizational culture, a bad work ethic, a lack of knowledge, and moral issues (Murphy, 2010). The Public Company Accounting Oversight Board's Statement of Auditing Standards 99 states that the existence of three elements, together referred to as the "fraud triangle," might signal the emergence of fraud within an organization (AU Section 316, effective for audits of financial statements for periods beginning on or after December 15, 2002). These three elements are the possibility of fraud occurring, the motivation or pressure that persuades someone to conduct fraud, and the mindset or justification that enables someone to defend their fraudulent actions.

The following paragraphs focus on the importance of organizational culture in relation to accounting procedures, which cannot be overstated in countries where there has been a long history of irregularities, fraud, and corruption and where it is crucial to have adequate measures in place to prevent them. According to some experts, cultural influences influence accounting practices significantly across nations and obstruct the creation of a unifying accounting system. Because of the varying cultural backgrounds, different accounting procedures are used in different nations, and this has been linked to the cultural context. Radebaugh and Gray (2002) Salter and Niswander (1995) have all provided evidence for this.

As already discussed in the previous chapters organizational culture refers to the shared values, beliefs, practices, and artifacts, which has the potential to influence the accounting procedures and practices of an organization (Monde and Noe, 1996). Since the 1980s, this effect has been the subject of extensive research and discussion and widely acknowledged by academics and practitioners. The cultural studies of Hofstede (1980), one of the seminal works in this field, have been widely applied to accounting practices, and scholars like Gray (1988), Perera (1989), and others have developed numerous cultural/accounting theories on the basis of Hofstede's research. According to these theories, accounting practices differ from one culture to the next because of the cultural and environmental contexts in which they operate.

For instance, a company with a strong ethical culture may have continuous monitoring and other related procedures in place to prevent financial fraud and ensure compliance with accounting standards as pointed out in the research conducted by Semedi (2009). According to the results of the study, a company's culture and professional work ethic fall into the high category (important) in the scope of a consulting services company. The stronger the company culture, the higher professional work ethics will be, and a strong company culture and a high work ethic enable improved performance of the company. However, companies with a culture that prioritizes speed and efficiency over accuracy and compliance may have fewer controls in place, which could lead to financial mistakes and noncompliance.

Similar conclusions are made by Lazuardi (2017) who claims that financial irregularities and fraudulent activities can stem from an environment that lacks clear ethical standards and values, places an emphasis on meeting financial targets, and does not hold employees accountable for their actions. In such environments, employees may feel free to engage in unethical behavior, such as financial misconduct, to meet performance goals or hide financial issues. A higher risk of financial irregularities and fraud may also worsen when there is a lack of proper systems for detecting and preventing fraud, a lack of transparency, and a lack of communication in the organization.

According to Chen (2004), leaders can have an impact on their employees not only through direct interaction but also by influencing the organizational culture and the environment they are working in. This particular idea suggests that employees' perceptions of their organization, as well as their level of responsibility and commitment to it, are significantly shaped by the culture. This, in turn, has an impact on their perception and how they behave within the organization. The organization's ability to meet the qualitative requirements for presenting a financial report may also be affected by this.

When discussing the leadership style as a part of the organizational culture, it is important to have a look at the research study that investigates the relationship between a firm's strategy and components including leadership style, organizational culture, and management control mechanisms (MAS). The findings imply that better performance can arise from aligning a company's strategy with the mentioned variables. According to the report, organizations with an effective product diversification strategy typically have more engaging and motivating leaders, a more flexible culture, and MAS with broader spectrum. On the other hand, businesses that have successfully implemented a cost leadership strategy frequently have more authoritative leadership, a more structured culture, and MAS which are more narrowly focused. The study's final finding is that performance, both financially and non-financially, might suffer from not adhering to these optimal designs (Juliana, 2021).

Ogungbade's (2020) study found that also management accounting practices (MAPs) selection is significantly influenced by company culture. Better MAPs result from a culture that values innovation, adaptability, and adherence to regulations, while flawed MAPs result from a culture that values short-term gains over sustainability. In other words, the organizational culture has a significant impact on Nigerian financial reporting practices. Although this study is specific to African economy and more specifically Nigeria, it serves as another example of how culture within the workplace may affect financial practices and also managerial accounting practices. The financial reporting is considered to be more of a socially dynamic process that presents ethical concepts about relationships between individuals, groups, and as well as organizations. The findings indicate that a company's ethical culture is more likely to influence its commitment to quality financial reporting practices and regulatory compliance (Inah, 2014).

The connection between cultural values and accounting values within organizations is also supported by previous studies, such as those conducted by Noraveshet et. al., (2007) who examined the topic particularly in Iran. This study used a compilation of financial data from economic magazines covering a span of ten years, as well as other relevant information from the Tehran Stock Exchange, to reveal important links that support Gray's (1988) hypothesis about the impact of culture on accounting practices. Gray's (1988) culture hypothesis is again pointed out in that regard, which suggests that accounting developments in that region are influenced by cultural influences.

The European market, more specifically, the Greek market one is not any different from the previously discussed examples. The connection between organizational culture and financial statements is of utmost importance in this case as well. Based on interviews with 336 top managers, the study by Pandalis (2006) found that the dominant culture in Greece is hierarchical, with rigid structures and bureaucratic procedures. However, managers also want to shift to a more market-oriented and flexible culture. According to the study, financial statements can provide insight into management's intentions for change and that National Accounting Standards can be used to analyze cultural changes and their impact on financial performance.

Mir et al.'s research (2009) discovered a strong correlation between the level of voluntary disclosure in annual reports and country culture. The study compared the amount of information that Indian and New Zealand businesses disclosed in the chairperson's report, and it found that Indian businesses typically disclosed more information than New Zealand businesses did. This can be attributed to Gray's cultural dimensions theory (1988) again, stating that cultures with a high probability of accounting secrecy are low-individualist, masculine-centered, and power-distant.

A study by Qu and Leung (2006) looked at how cultural shifts affect Chinese listed organizations' voluntary disclosure of information. They discovered that as the culture changed, more people were willing to provide information on their own initiative. According to these findings, culture has a significant impact on the level of transparency in disclosures. This would mean for businesses to modify their existing procedures in the upcoming future to ensure and promote transparency and enhance financial health.

Last but not least, a study by MacArthur (2006) looked at management accounting practices in Germany. It found that the United States cannot simply adopt the German method because of cultural differences with Germany. The studies in this section varied in their focus, but they all shared the idea that cultural values affect performance and decision-making skills in the business environment.

Similarly to the current research paper, the study by Tapang (2012) investigates the ways in which Nigerian manufacturing companies' financial reporting practices and disclosure patterns are affected by cultural factors like power distance, avoiding uncertainty, individualism, and masculinity. It employs a survey research methodology and OLS-analyzed questionnaire data. The findings demonstrate that financial reporting is significantly influenced by cultural factors. In order to provide users with information regarding the likelihood of material errors in financial statements, the study suggests taking cultural dimensions into consideration when producing financial reporting.

Vietnam's recent progress in accounting procedures aims at aligning with the rest of the world and adopting to international standards. It has the potential to increase the credibility and reliability of financial information for supporting the country's economic growth and integration into the global market (Cuong et al., 1998). Vietnam's approach tends to acquire more of a balanced system, meaning that preserving its own accounting traditions and at the same time implementing international norms. Doi Moi, or economic reform, was considered by Vietnamese leaders as a way to improve rather than abandon the socialist model, in contrast to the majority of Eastern European nations that saw the transition as a change from a planned economy to a market economy (Dixon, 2003). According to Cuong et al., the country's accounting practices have changed as a result of the economic reforms, which include opening the country to the rest of the world, reorganizing the economic system, and stabilizing the macroeconomic environment (Leung and Riedel, page 3; 1999).

As shown above, the literature review including the earlier and the recent ones aim at exploring the effect of organizational culture on the accounting procedures within the workplace in different countries. Before going into details of the methodology of this particular research paper, it is important to shortly elaborate on the existing literature in Post-Soviet countries. Having looked at the Asian, European, as well as Arabic nations in that regard already highlights the significance of the topic in accounting research. Like in other parts of the world national culture, as well as organizational one in Post-Soviet countries significantly influence the way financial operations are carried out. Some of the cultural norms that developed during the Soviet era are still prevalent in their business practices today. In other words, it left a long-lasting “footprint” on the culture of these nations. For instance, in business dealings, personal relationships and trust are often highly valued, which can lead to a more informal accounting procedure (Rogers, P. & Williams, C.C., 2009). This is evident in the frequent use of cash transactions and the under-reporting of income, both of which can cause financial reporting to be “opaque”.

Similar to other Post-Soviet nations, Estonia's accounting practices are significantly influenced by national culture. The culture of Estonia places a high value on innovation, transparency, accountability, and efficiency. These values are reflected in the country's accounting practices by placing a high priority on the use of technology in financial reporting as well as the implementation of digital accounting systems and strict regulations and oversight mechanisms for accurate financial reporting (Heldma, 2002).

The empirical findings pertaining to Russian businesses are likely to undergo significant revision in the near future as Russia continues its transition to a market economy (Abe, 2010). As Russian companies adjust to the shifting economic landscape, the transition to a market economy will present them with both new challenges and opportunities. Consequently, both the information generated by accounting practices and their implementation may evolve. In order to bring them into line with international best practices, this might entail altering the regulations, standards, and oversight mechanisms for financial reporting.

As of the study from 2002, inaccurate accounting practices are on the rise and compliance with regulations is low in Belarus, according to research. According to Andros (2002), a study that was carried out in the Brest region found that 44.3% of respondents claimed to follow the law while actually acting against it, 33.2% stated that one does not need to follow all legal procedures, and 18.0% believed that one should not follow unfair laws. This evidence suggests that there is a significant ethical problem in the business community, because many people and businesses are disobeying the government's rules and regulations.

The recent development in accounting practices in Post-Soviet countries has aimed to align their systems with international standards. The country's unique economic system and accounting tradition, on the other hand, have posed some challenges to the process. Scholars have examined Hofstede's cultural dimensions and their effect on accounting procedures to gain a deeper comprehension of how cultural differences affect accounting practices. As it is already pointed out in the previous chapters. According to a study by Hofstede (1980), significant differences in social behavior and social artifacts like accounting can be promoted and sustained by different values, or shared values within national boundaries. This indicates that distinct accounting practices are manifestations of distinct cultural systems across nations. As a result, accounting methods and culture are intertwined. In cultural norms, Hofstede (1980) identified four distinct sets of contrasting (opposite) dimensions: Individualism vs. collectivism, strong vs. weak uncertainty avoidance, large vs. small power distance, and masculinity vs. femininity are all examples of these concepts.

Organization's future and financial stability can be severely damaged by accounting fraud and irregularities (Mulford and Comiskey, 2010). Poor financial reporting practices can be indicated when a company engages in accounting irregularities like aggressive accounting, earnings management, income smoothing, or fraudulent financial reporting. The company may find it difficult to obtain funding or investment in the future when investors and creditors are becoming suspicious of the financial statement. This means that it is essential for businesses to cultivate a culture that places a high value on honesty and integrity. Moreover, employees working in the accounting field should be equipped with the knowledge and abilities necessary to detect and avoid fraudulent activities. Accounting fraud and irregularities can be significantly reduced with effective internal controls and regulations (Herath, 2017).

In a variety of nations, the connection between accounting practices and organizational culture has been the subject of research. It has been discovered that there are numerous approaches to this topic. To comprehend this topic, it is essential to examine the conceptual framework as well as the reasons beyond specific accounting practices. Decision-making, credibility, and compliance with regulations all depend on accounting procedures like categorizing and summarizing financial data and generating financial statements. The Financial Accounting Standards Board's requirements for reporting relevance, reliability, comparability, and comprehension must be met by financial reports. The significance of organizational culture in relation to accounting procedures is crucial for the prevention of irregularities, fraud, and corruption in Post-Soviet nations with a history of these things. Accounting fraud and noncompliance can result from a dysfunctional organizational culture.

Researchers have argued that cultural factors hinder the development of global unified accounting practices and influence accounting system practices within national borders. Companies in Post-Soviet nations need to find a way to balance their cultural heritage with the need for accounting practices that are open and accountable. This can be accomplished by adopting international accounting standards and practices, both of which can assist in ensuring the accuracy and dependability of financial data. By promoting values like honesty and fairness in all business dealings, organizations can also take steps to develop a culture of ethics and integrity so to say. They can aid in establishing trust in their financial data and ensure the organization's long-term success by doing so.

A significant gap exists in understanding of Georgia's accounting practices due to the absence of research on financial reporting and organizational culture in the country. This makes it challenging to ascertain the impact that Georgia's national culture has on accounting practices and financial reporting. Policymakers and regulators face difficulties in developing efficient accounting systems that are tailored to the country's particular requirements and cultural context due to a lack of information. The relationship between Georgian culture and accounting practices and the development of more effective and efficient accounting systems could benefit from additional research in this field. This particular study aims at filling in the gap from today's perspective and providing a comprehensive overview of the current trends within the organizations in Post-Soviet Georgia.

3. Research design

3.1 Research question and hypotheses

The purpose of the research design is to investigate the relationship between accounting procedures and organizational culture in Post-Soviet Georgian organizations. The study first emphasizes the importance of the relationship in the context of Post-Soviet Georgia. The second part of the thesis identifies and explains the factors that affect organizational culture and accounting practices based on the literature review. Thirdly, a thorough description of the data sources used in the study is provided, including surveys with relevant parties. Finally, the methodology—which includes regression models and statistical analysis—used to examine the relationship between the variables is presented.

In order to achieve the goal, the study primarily addresses the following research question: "How does organizational culture affect the choice of accounting techniques in Post-Soviet Georgian organizations?" Like in any nation, the company accounting practices are influenced by organizational culture in Post-Soviet Georgia. But as already highlighted in the previous chapters, the country may be interesting from different perspectives starting from the development path after the collapse of Soviet Union to very unique cultural identity within the society. Therefore, this hypothesis proposes that there is a relationship between cultural values and modern accounting practices in Post-Soviet Georgian organizations.

The six hypotheses, H1 to H6, are based on the cultural dimensions theory developed by Geert Hofstede and the literature on the relationship between culture and accounting practices. This chapter's goal is to give a theoretical foundation for an empirical investigation of how organizational culture and accounting procedures interact in Post-Soviet Georgia.

H1: *Organizations in Post-Soviet Georgia with a higher level of individualism in their cultural values will have a higher adoption rate of modern accounting practices compared to organizations with a higher level of collectivism.*

It is important to further elaborate on this cultural dimension based on the Hofstede's framework. Individualism refers to the cultural dimension that measures the extent to which people are integrated into groups (Hofstede, 1980). In cultures that favor individualistic approach, people are required to take care of themselves and their immediate families, whereas in collectivist societies, individuals are expected to put the needs of their extended families and communities before their own. Organizations with a greater level of individuality are more likely to have a progressive direction towards change and innovation in terms of accounting practices. According to the research, individualistic cultures place high importance on autonomy, invention, and originality, which may be seen in their accounting procedures as well (Van Maanen, J. E., & Schein, E. H. (1977). Decision-making in these organizations is frequently decentralized, with teams and individuals taking accountability for their own behavior. This encourages innovation and may increase the rate of adoption of more modern accounting techniques.

As far as is concerned, in collectivist cultures like in the member countries of the Soviet-Union, decisions are often made by consensus and are expected to prioritize the well-being of the group over individual goals. This may result in a more conventional approach to accounting procedures, with an emphasis on upholding the status quo rather than investigating novel accounting procedures.

The hypothesis H1 examines the relationship between cultural values and the adoption of modern accounting practices in organizations in Post-Soviet Georgia. In particular, it suggests that organizations with a higher degree of individualism in their cultural values are more likely to accept modern accounting practices and strive for more transparent, regulated systems than organizations with a high degree of collectivism. In other words, organizations with a more individualistic cultural context are more likely to accept the change and innovation and are therefore ready to adopt and implement modern accounting practices in their operations.

As the research question "How does organizational culture affect the choice of accounting techniques in Post-Soviet Georgian organizations?" suggests that the cultural values of an organization may influence the accounting practices, another cultural value that could affect accounting practices is uncertainty avoidance. This dimension refers to the extent to which people in a culture feel uncomfortable when dealing with ambiguous or uncertain situations and try to avoid them.

Therefore, organizations with high levels of uncertainty avoidance may have strict procedures and protocols in place to minimize the risk of error and ensure organizational stability. Referring to Hofstede's work (1980), these organizations are more likely to invest in systems and technologies that help them maintain accurate and timely financial records.

H2: *Organizations in Post-Soviet Georgia with a higher level of uncertainty avoidance in their cultural values will have a higher emphasis on internal control and compliance in their accounting practices compared to the ones with a lower level of uncertainty avoidance.*

Therefore, hypothesis H2 assumes that organizations in Post-Soviet Georgia that have a higher degree of risk avoidance in their cultural values will place greater emphasis on internal control and adherence to accounting practices. their accounting compared to organizations with a lower degree of risk avoidance. This relationship will be explored in more detail in the empirical analysis of the study.

The organizations operate with different approaches, especially when it comes to decision-making processes. As already seen, the nations that were once part of the union are still struggling to combat power and wealth inequalities among societies. As the national culture is very well reflected in the organizational culture, this particular dimension is of utmost significance. In societies with high power distance, individuals tend to accept that there is an unequal distribution of power and that those in higher positions have more decision-making power. Based on this, a hypothesis can be derived:

> ***H3:*** *Organizations in Post-Soviet Georgia with a higher level of power distance in their cultural values will have a higher centralization of decision making in their accounting practices compared to organizations with a lower level of power distance.*

As for this particular dimension, it is essential to state that Post-Soviet economy of Georgia power distance may be considered as crucial. It basically measures the extent to which a society is comfortable with unequal distribution of power. In the terms of accounting procedures, organizations with higher distances of power are expected to have more centralized decision-making structures, meaning that decision-making authority can be concentrated in a few people being part of the senior management. As a result, the accounting operations of these organizations are more centralized, with fewer groups of people managing financial records and accounting processes. However, it can also be stated that organizations with smaller distances of power are likely to have more decentralized or democratic decision-making structures, with decisions made by individuals at different levels of the organization (Hofstede, 1980). This practically engages employees to be more of a part of the organization's operations.

Once again, the hypothesis H3 observes the relationship between the cultural dimension of power distance and decision-making centralization in accounting practices of organizations in Post-Soviet Georgia.

Masculinity and femininity, as cultural dimensions, refer to the extent to which a society values traits traditionally associated with men (e.g. assertiveness, competitiveness) or women (e.g. nurturing, collaboration). In a highly masculine culture, organizations may place greater emphasis on financial performance and competition, while in a highly feminine culture, organizations may prioritize collaboration and social responsibility (Gale, 1995).

> ***H4:*** *Organizations in Post-Soviet Georgia with a higher level of masculinity in their cultural values will have a higher focus on financial performance in their accounting practices compared to organizations with a higher level of femininity.*

Masculinity refers to a cultural dimension that measures a society's emphasis on competition and achievement. In highly masculine societies, individuals strive for success, competition, and economic achievement, and these values are very well incorporated into how businesses are done (Hofstede, 1980).

As for example, instead of focusing solely on financial performance, we can prioritize sustainability, fairness and ethical behavior. The Hypothesis H4 examines whether organizations in Post-Soviet Georgia with higher levels of masculinity in their cultural values place more emphasis on financial performance in accounting practices compared to organizations with higher levels of femininity.

The following hypothesis is again derived from the research question of how organizational culture affects accounting procedures in Post-Soviet Georgia. The research question implies that there is a relationship between organizational culture and accounting practices. The hypothesis takes this relationship a step further by proposing that the level of long-term orientation in an organizational culture is a determining factor in its accounting practices.

> ***H5:*** *Organizational culture with a higher level of long-term orientation in Post-Soviet Georgia will have a greater emphasis on non-financial performance measures in their accounting practices compared to those with a higher level of short-term orientation.*

This particular hypothesis suggests that the level of long-term orientation in an organizational culture influences its accounting practices. Specifically, organizations with a higher level of long-term orientation are expected to prioritize non-financial performance measures in their accounting procedures as opposed to the ones with a higher level of short-term orientation. It is worth mentioning that the emphasis on non-financial performance measures in the accounting practices of organizations is attributed to their focus on sustainable growth and value creation over the long term (Hofstede, 2011). Such organizations are likely to view non-financial measures as leading indicators of future financial performance and as critical drivers of long-term value creation.

On the other hand, organizations with a higher level of short-term orientation are more likely to prioritize financial performance measures in their accounting practices. They are typically focused on achieving short-term financial targets and meeting the expectations of external stakeholders, such as shareholders and creditors. As a result, they may prioritize financial metrics over non-financial metrics in their accounting practices.

H6: *Organizations in Post-Soviet Georgia with a higher level of indulgence in their cultural values will prioritize non-financial performance measures, such as sustainability and social responsibility, in their accounting practices compared to organizations with a higher level of restraint.*

This hypothesis is based on the assumption that organizations with a culture of indulgence tend to prioritize individual desires and impulses, including the desire for social and environmental responsibility. As such, these organizations are more likely to use accounting practices that reflect these values, such as incorporating sustainability and social responsibility into their performance metrics. Conversely, organizations with a culture of restraint may prioritize adherence to social norms and rules over individual desires, leading to a greater focus on financial performance measures in their accounting practices (Nikolakis, et.al., 2022).

The methodology for this study involves several important steps to ensure accurate and meaningful results. Firstly, data collection is conducted through a survey aimed at accounting professionals in Post-Soviet Georgian organizations. The survey encompasses questions related to organizational culture, accounting practices, and the quality of accounting information. A sample of 100 employees is selected for the survey through a stratified random sampling technique. Secondly, the collected data is analyzed using statistical techniques such as regression analysis. Last but not least, the variables used in the study are operationalized. Organizational culture is measured using the Cultural Orientations Framework (COF) developed by Hofstede (1980).

This technique and measure ensure that the study is robust and provides meaningful insights into the relationship between organizational culture and accounting practices in Post-Soviet Georgian organizations. The methodology for this study is designed to ensure accurate and meaningful results. The details of the design are reflected in the following paragraphs, where each step of the methodology is discussed in detail.

3.2 Data

The data sample for this study is an important aspect as it determines the representativeness and generalizability of the results. A stratified random sampling technique was used to select a sample of 100 employees from accounting professionals working in Post-Soviet Georgian organizations from various levels of the organizations and different demographic backgrounds. The data on registered organizations has been collectef from two main sources, which are the following: Business Information Agency (BIA) and National Registry of Public Registry (NAPR). The stratified random sampling was based on the size of organizations (small, medium and large), which contributed to more of a diverse range of organizations. By using a stratified random sampling technique, the study aims at minimizing the potential bias and increasing the accuracy of the results.

It is important to mention that employees in this particular study represent different industries and are working in the sphere of education, construction, hospitals, education and so on. This means that the results of the study can be expanded to a larger population, making the findings more representative of Post-Soviet Georgian organizations. Although, it is true that like in any other research paper, the sample cannot fully represent the exact nature of the variables observed, however this limitations will be addressed in the final part of the paper when discussing the further research possibilities, as well as limitations of the study.

After stratification, the survey was physically distributed to ten participants in each organization. Although this way to collect data is quite time-consuming, it ensures that every participant received the questionnaire with a clear introduction before filling out the form. Again, the target participants are accounting professionals in Post-Soviet Georgian organizations. The survey included questions related to organizational culture, accounting practices, and the quality of accounting information after the collapse of Soviet Union. When it comes to the questionnaire design, they were designed to obtain information about the cultural values of the organizations, the accounting practices they follow, and the quality of accounting information produced by the organizations. The survey-based questionnaire provided the foundation for the analysis in this study.

The survey for this study was conducted in Georgia language, as it was expected the age of the participants was around 50 and above. It is deemed necessary to use the Georgian language instead of English to ensure maximum participation and accuracy in their responses. By conducting the survey in Georgian, the empirical part of the study attempts to eliminate this possibility and receive reliable data that accurately reflects the organizational culture, accounting practices, and quality of accounting information in Post-Soviet Georgian organizations.

In addition to the survey being in Georgian, a back-translation technique was also employed to ensure the accuracy and reliability of the data collected. The back-translation process involves translating the survey from Georgian into English and comparing the original Georgian version with the translated English version. This process helps to identify any misinterpretation or errors in the translation and ensures that the survey accurately reflects the intended meaning in both languages (Tyupa, 2011).

Once again, the questionnaire has been carefully designed to effectively measure the variables, which are closely elaborated in the following part of the paper. As for the specifics of the questions, the Likert scale is used to determine employees perceptions of the organization's culture, accounting procedures, and information quality within their workplace. Generally, in social science research, including studies on organizational culture and its' effects on accounting practices, the Likert scale is one of the most widely used measurement tools. It basically allows the collection of information on participants' attitudes, as well as opinions by asking them to indicate the degree to which they agree or disagree with specific statements or affirmations (Joshi, et.al., 2015).

In this study, the five response alternatives on the Likert scale range from 1 (strongly disagree) to 5 (strongly agree). This enables a more detailed comprehension of participants' attitudes and perceptions, in comparison to simplistic binary responses. As it is revealed in the analysis part, the use of Likert scales makes it easier to calculate measures like means, standard deviations, and correlations and statistically analyze the data that has been gathered.

It must be said that the data collection process itself it was quite successful for this research study, since there were no missing values found in any part of the questionnaire. Although the meaning of missing values is relatively straightforward, here is a brief description of the term. Missing values refer to the absence of responses or incomplete responses to survey questions, which can undermine the quality and reliability of the data gathered (Kwak & Kim, 2017). As clear as it is, having no missing values in a data set is desirable in general, since it ensures that the data is complete and can be immediately analyzed without additional need for attribution or manipulation procedures. Missing values can also negatively affect the statistical efficiency of the analysis, the accuracy of the results, and increase the risk of biased conclusions in the end.

Moving on, Table 4 presents the background information of participants, such as their gender, age, experience level, and other relevant factors. This information can provide valuable information for understanding the patterns and trends found out in the data. In the context of research on organizational culture and accounting procedures in Post-Soviet Georgia, analyzing the background information of participants can help shed light on the experiences and perspectives that shape their responses.

For example, gender and age can influence how individuals perceive and respond to organizational culture within the companies they are working for, while the experience level can affect their understanding and implementation of accounting procedures.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	64	64.0	64.0	64.0
	Male	36	36.0	36.0	100.0
	Total	100	100.0	100.0	

Table 4. Respondent's sex

As shown in the table, the majority of participants in the study on organizational culture and accounting procedures in Post-Soviet Georgia were female. This can be considered as a significant finding that should be carefully considered in the analysis.

The data indicates that female constitute a larger portion within the study, which amounts to 64 percent of the total sample. One may argue that women are either more likely to be employed in accounting departments of the organizations that were part of the study, or that they are more willing to participate in research studies when compared to their men colleagues.

This finding may have further implications for the analysis of dataset, as it is possible that women and men have distinctive experiences, as well as perspectives when it comes to the organizational culture and its effects on accounting procedures. As for instance, when compared to man, women may face different challenges such as compensation disparity, social expectations, gender bias etc. or even opportunities like remote work alternatives, educational programs etc. This could affect their perception of the organizational culture and the implementation of accounting procedures.

As already mentioned above, the industries that the research focused on are a diverse group, representing a range of sectors and services within Post-Soviet Georgia. By drawing from such a wide range of industries, the study is well-positioned to grasp a broad range of experiences and perspectives related to topic of interest on organizational culture and its effects on accounting procedures. Furthermore, the inclusion of industries such as construction, energy, and education highlights the applicability of the research in distinctive organizational settings, as these industries are not typically associated with accounting practices.

As the following point, one may look at the years of experience of participants working in the field of accounting, as it is an important factor to consider when analyzing the data on organizational culture and accounting procedures in Post-Soviet Georgia. To be more precise, the information on the timespan that individuals have spent working in the field suggests a unique perspective on how the organizational culture, processes, relationships between employees, and workplaces have evolved over time, especially aft er the collapse of Soviet Union. Participants with more experience are likely to have been part of the changes in organizational culture and accounting procedures, and may also have deeper insights into how these shifts have affected the work ethic and the organization as a whole. This can provide a valuable context for interpreting the results of the study and understanding the patterns and trends that emerge from the data gathered.

Furthermore, the insights of experienced participants can also help to reveal best practices and recommendations for improving organizational culture and accounting procedures. By drawing upon the perspectives of those with a long presence in the field, the study can help to identify strategies for promoting positive change and enhancing the effectiveness of accounting practices.

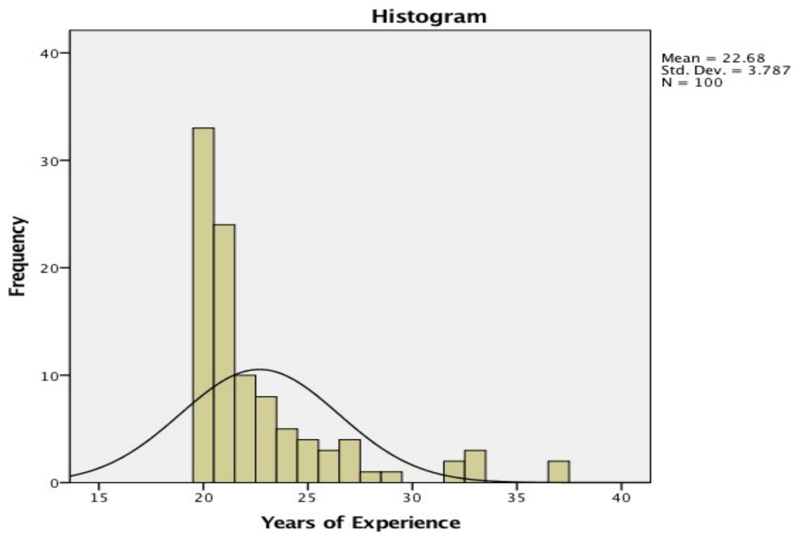


Figure 6. Histogram of participants' years of experience

The histogram depicts that the participants of the study have a range of experience levels in the field of accounting. Despite the fact that there are some outliers, the majority of participants (approximately 30%) have 20-22 years of experience, while a smaller proportion of participants have fewer than 10 years of experience (around 15%) or between 30-35 years of experience (approximately 10%). Interestingly, there is also a group of participants (approximately 8%) who have more than 35 years of experience in the field of accounting. This suggests that there are individuals in the sample who have well-rounded knowledge and expertise in the accounting procedures. It must be noted that the concentration of participants with 20 to 22 years of experience is a significant evidence that entitles further investigation.

3.3 Model

3.3.1 Independent variables

Accounting procedures are not only influenced by external factors such as legal and regulatory requirements, but also by internal factors such as the values, beliefs, and norms of the organization. Based on Hofstede's six dimensions of cultural differences, the independent variables in this research design are the following:

1. Individualism versus collectivism: This dimension measures the degree to which individuals in a society are expected to take care of themselves and their immediate families, as opposed to being integrated into larger groups like for example extended families or collectives.
2. Strong versus weak uncertainty avoidance: This dimension measures the degree to which a society feels threatened by uncertain or unknown situations and has developed practices to reduce the risk in relation to uncertainty.
3. Large versus small power distance: This dimension measures the degree to which a society expects and accepts an unequal distribution of power.
4. Masculinity versus femininity: This dimension measures the degree to which a society places an emphasis on traditional masculine traits such as competitiveness, confidence and power, in contrast to feminine traits like empathy, work-life balance, and cooperation.
5. Long-term versus short-term orientation: This dimension measures the degree to which a society values long-term goals like persistence, maintenance and practicality, as opposed to short-term goals such as instant productivity and fulfilling immediate needs.
6. Indulgence versus restraint: This dimension measures the degree to which a society permits, as well as encourages individuals to indulge in their impulses, as opposed to restraining them for the sake of social norms and rules.

Each of these dimensions can affect organizational culture and accounting practices in unique ways as already seen in the literature review part of the paper. The study has also included an additional independent variable, which is the change in the quality of accounting procedures within the organizations. This variable is based on the perceptions of employees on whether they have seen an improvement or deterioration in their accounting procedures over time. It is important to note that the collapse of the Soviet Union had led to illegal financial activities, inaccurate reporting, and corruption, besides other socio-political and economic issues. While the accounting systems are now moving towards greater transparency and coherence, including this independent variable in the model enables a comparison between the current state and the situation 30 years ago in Georgia. In other words, the variable is important because it allows to control for any ambiguous effects of time-related factors that may exert an influence on the relationship between organizational culture and accounting procedures.

3.3.2 Dependent variable

The dependent variable in this research design would be accounting practices in Post-Soviet Georgia. The study explores the ways in which the cultural dimensions (individualism vs. collectivism, strong vs. weak uncertainty avoidance, large vs. small power distance, masculinity vs. femininity, long-term vs. short-term orientation, and indulgence vs. restraint) influence the implementation and perception of accounting practices in Post-Soviet Georgia. The quality of an organization's accounting procedures is measured on a scale of 1 to 5, reflecting the participants' experience over time and their perception on the current state of accounting procedures within the country. This variable is determined by calculating the mean score for responses of all the participants.

The research also examines any correlations between the cultural dimensions and the effectiveness of accounting practices in the region. The results of this study provide valuable insights into the relationship between organizational culture and accounting practices in Post-Soviet Georgia, and will have implications for organizations operating in the region. The findings may also be interesting for other nations that have cultural backgrounds, as well as for organizations that are striving for expansion of business operations into these regions.

3.3.3 Regression Models

Linear regression model:

Dependent variable: Accounting procedures (measured on a scale of 1-5)

Independent variables: Organizational culture (measured on Hofstede's 6 dimensions: individualism-collectivism, strong-weak uncertainty avoidance, large-small power distance, masculinity-femininity, long-term-short-term orientation, indulgence-restraint and also the change in the quality of accounting procedures over time)

A linear model is a widely used statistical technique that can be utilized to analyze the relationship between a dependent variable and one or more independent variables. In such model, the dependent variable is continuous, which means it can take on any value within a specified range, and the independent variables can also be continuous or categorical (Casson & Farmer, 2014).

With regard to the research question, a linear model can be used to examine the relationship between the organizational culture and accounting procedures in post-Soviet Georgia. The dependent variable is a continuous measure of accounting procedures, such as the financial performance measures based on employees perceptions. As already pointed out, the independent variables include various dimensions of organizational culture, such as individualism-collectivism, strong-weak uncertainty avoidance, large-small power distance, masculinity-femininity, etc.

The main advantage of using a linear model is that it provides more of a precise estimate of the strength and direction of the relationship between the dependent variable and independent variables. It can also determine any non-linear relationships or interactions between the variables, which may not be apparent in an ordinal regression analysis.

Using linear regression, one may see whether and to what extent organizational culture and Post-Soviet status affect accounting procedures in Post-Soviet Georgia. Specifically, the analysis can help to identify which dimensions of organizational culture are most strongly associated with accounting procedures and whether the experience of accounting professionals has a significant impact on company operations.

Moreover, a linear regression model assumes that the relationship between the variables is linear and that the errors are normally distributed. If these assumptions are violated, then the outcomes of the analysis may be inaccurate or biased. Thus, it is essential to evaluate the appropriateness of a linear model for the research question and to conduct appropriate tests to check the validity of the given assumptions.

<u>The model specified as follows:</u>

$$\boldsymbol{Y = \beta 0 + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4X4 + \beta 5X5 + \beta 6X6 + \beta 7X7 + \varepsilon}$$

Where Y is the dependent variable, X1, X2, X3, X4, X5, X6 and X7 are the independent variables representing each of Hofstede's cultural dimensions, β0, β1, β2, β3, β4, β5, β6 and β7 are the coefficients representing the strength and direction of the relationship between each independent variable and the dependent variable, and ε is the error term representing the variability in the dependent variable, which is not explained by presented independent variables.

The purpose of this linear regression model is to estimate the values of the coefficients (β0, β1, β2, β3, β4, β5, β6 and β7) that explain the relationship between the independent and dependent variables in the best way possible. The model can also be used to predict the value of the dependent variable based on the values of the independent variables, and to check whether the independent variables have a statistically significant effect on the dependent variable or not.

The coefficients can be interpreted as follows:

- $\beta 0$: the expected value of the dependent variable when all independent variables are equal to zero.
- $\beta 1$, $\beta 2$, $\beta 3$, $\beta 4$, $\beta 5$, $\beta 6$ and $\beta 7$: the change in the dependent variable for a one-unit change in the corresponding independent variable, holding all other independent

The proposed linear regression model provides a useful framework for investigating the focus of research paper on the relationship between organizational culture and accounting procedures in Post-Soviet Georgia. By carefully selecting and measuring the independent variables, it is possible to obtain robust and reliable estimates of the effects of organizational culture on accounting procedures in this context.

It is worth mentioning that the similar research model has been utilized in the study on implications of cultural dimensions on financial reporting in Nigeria (Tapang, 2012). The reason why this particular model is referred to is that it's interesting to see whether the findings can be generalized to different context, in this case Post-Soviet Georgia and how contextual factors like political history, economic development, as well as legal framework can be influenced by cultural dimensions and accounting procedures.

Multicollinearity test

Before discussing the results, it is important to consider multicollinearity issues as they may affect final outcome of the model. A high correlation between independent variables can make it difficult to identify the true effect of each variable on the dependent variable. In order to address this issue, a multicollinearity test is run with the help of SPSS statistical software. This software calculates the Variance Inflation Factor (VIF) to determine the degree of multicollinearity between independent variables. A minimum VIF value of 1 indicates no correlation between the variables, but a VIF coefficient near or above 5 should raise concerns about intercorrelation. [4] VIF

[4] "Multicollinearity is the occurrence of high intercorrelations among two or more independent variables in a multiple regression model" - Investopedia

coefficients above 10 indicate severe multicollinearity issues and may indicate poor variable selection. Therefore, this test helps ensure that the results are accurate and meaningful.

Heteroscedasticity test

Heteroscedasticity in a regression model refers to situations where the standard deviation of a variable is not constant over time (Astivia, O. & Zumbo, B., 2019). In such cases, an uneven distribution of standard deviations can lead to misinterpretation of results, as well as coefficients, so besides multicollinearity issues this one is also important to consider. To test for heteroscedasticity, one commonly used method is to plot the residuals against the predicted values. If the plot shows a funnel shape, with the spread of residuals increasing as the predicted values increase, this is an indication of heteroscedasticity. Additionally, a statistical test can be conducted to detect the heteroscedasticity. One of the most widely used ones is the Breusch-Pagan test, which examines the null hypothesis that the variance of the residuals is constant across all values of the independent variables (Astivia & Zumbo, 2019). To further elaborate on this point, the test involves regressing the squared residuals on the independent variables, and if the calculated p-value is less than the chosen significance level, then the null hypothesis is rejected, indicating the "presence" of heteroscedasticity. In the proposed linear regression model, it is important to test for heteroscedasticity to ensure the validity of the results. If heteroscedasticity is found, appropriate measures can be taken to address it, such as transforming the dependent variable or even using robust standard errors in the regression analysis.

Robustness test

Robustness is tested to ensure that linear regression model results are robust between the dependent variable of accounting practices and the independent variables of organizational culture. The dependent variable of accounting practices was measured on a scale of 1 to 5, and the independent variable was measured on the basis of Hofstede's cultural dimensions of individualism-collectivism, uncertainty avoidance, power distance, and masculinity vs. femininity, long-term-short-term orientation and indulgence.

To check the robustness of the results, alternative measures of the independent variables are tested and the model is run again to observe if the results are consistent. This robustness test helps ensure that the results of a linear regression model are reliable and unaffected by the particular measurements chosen for the independent variables (Lu, 2014).

4. Results

4.1 Descriptive statistics

In this section, the analysis findings will be provided. First, all variables' descriptive statistics will be given. Then, the Spearman correlation will be used to explain the relationships between the variables. The results of the robustness test and the regression models will be presented afterwards.

Before going into the statistical analysis of the data, it is worth highlighting some key details about the sample. Specifically, the study utilized a sample of 100 participants from ten different industries. This sample size and diversity are important, as it allows a broader and more nuanced understanding of the relationship between organizational culture and accounting procedures in Post-Soviet Georgia. As pointed out in the previous section, the focus on multiple industries enables to capture the range of experiences and perspectives that exist across different sectors. This can help to expand the generalizability of the findings beyond a single industry or even context. Moreover, the inclusion of 100 participants provides a reasonable sample size for statistical analysis of research paper and ensures that the study is appropriately-powered and can detect meaningful differences and relationships in the data.

The use of descriptive statistics is a crucial aspect of any research study, including investigations into the impact of organizational culture on accounting procedures in Post-Soviet Georgia. Descriptive statistics are used to summarize and describe the characteristics of data in a clear and concise manner (Yellapu, 2018). This allows researchers to closely elaborate on the prevailing organizational culture and its effects on accounting procedures, providing a strong basis for further analysis and interpretation. In general, by analyzing the data collected from surveys and interviews with employees, managers, and other stakeholders, descriptive statistics can provide with patterns, trends, and key findings, making it an essential tool for understanding the complex relationship between organizational culture and accounting procedures in Post-Soviet Georgia.

In this case, SPSS has been used to analyze data concerning on the research of organizational culture and accounting procedures in Post-Soviet Georgia. The software allows to analyze the data and use various statistical tests to identify patterns, relationships, and trends (Rahman, 2021).

Descriptive statistics such as mean, median, mode, range, and standard deviation can be easily calculated using SPSS software. These statistics help to summarize the data and provide a clear understanding of different characteristics of the data. The use of SPSS to analyze the gathered data provides a systematic and scientific approach to the research on organizational culture and accounting procedures in Post-Soviet Georgia.

The following table provides a detailed summary of the variables measured in the study, including their means, minimum and maximum values, standard deviations, and other important characteristics. Of particular interest is the mean score for the variable of power distance, which appears to be located towards the lower end of the measurement scale. This suggests that the organizational cultures of the participating organizations are characterized by lower power distances, indicating a preference for equality, collaboration, and teamwork.

Descriptive Statistics

	N	Range	Minimum	Maximum	Mean	
	Statistic	Statistic	Statistic	Statistic	Statistic	Std.-deviation
Rate of the quality of organization's accounting procedures	100	3,00	2,00	5,00	4,0700	,09771
Indulgence	100	3,00	1,00	4,00	2,4100	,07797
Rate of the change in quality of org. acc. Pr.	100	2	3	5	4,14	,074
Individualism	100	1,67	2,33	4,00	3,2600	,03807
Uncertaintyavoidance	100	2,75	2,25	5,00	4,1375	,06045
Powerdistance	100	3,00	1,33	4,33	3,0000	,04924
Masculinity	100	1,75	2,75	4,50	3,5325	,03457
Orientation	100	1,50	3,50	5,00	4,2750	,04106
Years of experience	100	17,0	20,0	37,0	22,680	,3787
Respondents' age	100	34	39	73	49,50	,710
Cultural values, historical context, accounting pr.	100	4	1	5	3,40	,111

Table 5. Descriptive Statistics

Other than power distance, it is clear from the table that the indulgence statistics are quite low. Based on this score, it can be argued that the culture in which the businesses are operating may place more emphasis on self-restraint and displays more of a conservative approach to leisure activities and gratification of desires. This by all means can potentially have an effect on behavior in areas like spending and saving habits. Moving on to the following statistics, it is important to state that the respondents rated their culture as relatively high in individualism, uncertainty avoidance, masculinity, and orientation. This implies that individuals in these societies will quite often prioritize autonomy, confidence, and self-assuredness. They might also be more wary of taking risks, prefer stability, and place a higher value on accomplishment and goal-oriented behavior. These social qualities might have suggestions for different parts of society, including business practices and interpersonal communications.

The high rating given by the respondents for the quality of their organization's accounting procedures indicates that they perceive their organization to be doing well in terms of accounting practices. The consistency of scores further supports this claim. It is also important to observe the the quality of their organization's accounting procedures, which has improved over time, as indicated by the high rating given for the change in quality. This suggests that organizations in Post-Soviet Georgia is moving towards improving its accounting practices, which may have a positive impact on the overall financial health of organizations within the country.

This finding is particularly noteworthy because it highlights the importance of organizational culture in shaping accounting procedures. By valuing equality and collaboration, organizations may be more likely to prioritize transparency and accuracy in their accounting practices. Additionally, a culture of teamwork and collaboration may foster an environment in which employees feel comfortable raising concerns or making suggestions related to accounting procedures, further promoting transparency and accuracy. Overall, the mean score for power distance is a significant finding that warrants further exploration and analysis. It suggests that the organizational cultures of the participating organizations are characterized by values that may be conducive to effective and ethical accounting practices, and raises important questions about the relationship between organizational culture and accounting procedures.

4.2 Correlation

Following the overview of descriptive statistics, it is also important to have a look at the correlation analysis, which an essential statistical technique that helps identify relationships between variables (Casson & Farmer, 2014). For the relationship between organizational culture and its effects on accounting procedures in Post-Soviet Georgia, correlation analysis provides important insights into the associations between different dimensions of organizational culture and accounting procedures. By examining the degree and direction of relationships between variables, correlation analysis can help to bring about the ways in which the organizational culture may impact accounting practices.

Correlations

		Rate of the quality of organization's accounting procedures
Rate of the quality of organization's accounting procedures	Pearson-correlation	1
	Sig. (1-sided)	
	N	100
Indulgence	Pearson-correlation	-,118
	Sig. (1-sided)	,122
	N	100
Rate of the change in quality of organization's accounting procedures	Pearson-corr.	,028
	Sig. (1-sided)	,390
	N	100
Individualism	Pearson-corr.	-,004
	Sig. (1-sided)	,484
	N	100
Uncertaintyavoidance	Pearson-corr.	,608**
	Sig. (1-sided)	<,001
	N	100
Powerdistance	Pearson-corr.	-,469**
	Sig. (1-sided)	<,001
	N	100
Masculinity	Pearson-corr.	,173*
	Sig. (1-sided)	,043
	N	100

Table 6. Correlations

Based on the Pearson correlation coefficients presented above, it can be observed that there are some weak to moderate correlations between the given variables. As for example, in case of the rate of the quality of organization's accounting procedures and indulgence, there is a weak negative correlation (-0.118), which is not statistically significant because of p-value being 0.122. On the other hand, the rate of the change in quality of organization's accounting procedures has a very weak positive correlation with the rate of change in individualism (0.028), which is also not statistically significant when looking at the p-value of 0.39.

However, there are some statistically significant correlations as well. First of all, the rate of the quality of organization's accounting procedures has a moderate positive correlation with uncertainty avoidance (0.608) and a moderate negative correlation with power distance (-0.469), both of which are statistically significant with p-value less than 0.001. The moderate positive correlation between the rate of quality of accounting procedures and uncertainty avoidance indicates that organizations with a higher rate of quality in their accounting procedures attempt to avoid uncertainty and ambiguity in their decision-making processes more. From another side, this could also indicate that organizations, which prefer has higher uncertainty avoidance in their operations also place more emphasis on accuracy and reliability in their accounting procedures.

The moderate negative correlation between the rate of quality of accounting procedures and power distance suggests that organizations with a lower rate of quality in their accounting procedures most likely have larger power distances within their organizational structures meaning that there is a significant power differential between different levels of the organization. This may indicate that organizations with higher power distances tend to prioritize authority and hierarchy over accuracy and reliability in their accounting procedures.

The rate of the quality of organization's accounting procedures also has a weak positive correlation with masculinity (0.173), which is statistically significant (p=0.043). The weak positive correlation between the rate of quality of accounting procedures and masculinity suggests that organizations that prioritize competitiveness, assertiveness, and achievement tend to have a higher rate of quality in their accounting procedures. This may indicate that organizations that value masculinity tend to prioritize efficiency and effectiveness in their operations and thus have a higher rate of quality in their accounting procedures.

The correlation results suggest that organizational culture dimensions of uncertainty avoidance, power distance, and masculinity are more strongly associated with the rate of the quality of organization's accounting procedures, while indulgence and individualism do not have a significant relationship with accounting procedures. However, when interpreting correlations between the variables, it is important to note that it does not imply causation, and further analysis is required to establish the strength of these relationships. As for example, there may be cultural factors in the workplace that affect the extent to which organizations prioritize transparency and accuracy in their accounting practices, regardless of their rates on individualism or collectivism dimension. In addition, it may be necessary to explore the relationships separately between power distance and other variables, such as individualism or uncertainty avoidance, in order to gain a more comprehensive understanding of the impact of organizational culture on accounting procedures in Post-Soviet Georgia.

4.3 Regression results

This part of the paper concerns on to the regression results, which is important to answer the research question and draw conclusions about the relationship between cultural dimensions and accounting procedures. Regression analysis allows to examine the extent to which one variable (the dependent variable) can be predicted by one or more other variables (the independent variables) (Casson & Farmer, 2014).

In this case, regression analysis was conducted to examine the relationships between the six cultural dimensions (power distance, individualism/collectivism, uncertainty avoidance, masculinity/femininity, long-term orientation, indulgence, and the change in quality of organization's accounting procedures), and the rate of accounting procedures from employees' perspective. The results of the regression analysis provide insights into the extent to which each of the cultural dimensions can predict variations in accounting procedures.

By examining the regression coefficients, it can be determined which cultural dimension has a statistically significant relationship with accounting procedures. Additionally, the strength and direction of these relationships can be examined to gain a more thorough understanding of how cultural dimensions may shape accounting practices in Post-Soviet Georgia.

Before going into more detailed description of the regression results, it is essential to assess the model summary and obtain an initial overview of how well the suggested model explains the dependent variable, which in this case is again the accounting procedures in Post-Soviet Georgia.

In order to do that, some of the statistics including the R-squared value, the adjusted R-squared value, and the F-test's significance level, should be examined.

As the definition goes, the R-squared value indicates the proportion of the variation in the dependent variable that can be explained by independent variables (Fernando, 2021). It is clear from the Table 7 that the difference between the adjusted R-squared value and the R-squared value is slightly different from one another, but the R-squared value additionally takes into account the model's number of independent variables to provide a more precise representation of the model's predictive potential.

Model Summary[b]

Model	R	R-Squared	Adjusted R-Squared	St. Error of the Estimates	Change Statistics: Change in R-Squared	Change Statistics: Change in F	Change Statistics: df1	Change Statistics: df2	Change Statistics: Sig. Change in F
1	,750[a]	,563	,534	,66673	,563	19,934	6	93	<,001

Table 7. Model Summary

Since there is only one model to examine, the model summary looks somewhat condensed in that regard. To begin with, the very first value is the correlation coefficient (R) between the predicted and actual values of the dependent variable is. The R-value in this case equals to 0.750a indicating a strong positive correlation between the actual and predicted values in the given model. It is worth mentioning that the "a" next to the correlation coefficient highlights that the coefficient may be influenced by outliers or other influential data points.

The following value is the R-Squared, which again shows the how well the model explains the relationship between the dependent and independent variables. According to the given table, the model's independent variables account for approximately 56.3% of the dependent variable's variance, shown by the R-Squared value of 0.563. This implies that the model gives a sensible fit to the information, however there is still some unexplained change within the data.

The Adjusted R-Squared value, which considers number of independent variables in the model, is displayed in the fourth column. Because of the fact that it is lower than the R-Squared value, the Adjusted R-Squared value of 0.534 suggests that the model is not overfitting the data.

The next important statistics to have a look at is the average distance between the predicted values of the dependent variable and the actual values, which is indicated by the standard error of estimates. For this particular data, the standard error of estimates is 0.66673. This basically suggests that on average, the predicted values differ from the actual ones by approximately 0,66 units, which is a moderate level of discrepancy.

The last two columns of the table show the change statistics, that indicate how the current model compares to a previous model. As clear as it is, the model fit has improved in comparison to a previous model, having the Change in F value of 19.934 and Change in R-Squared value of 0.563. The df1 and df2 values demonstrate the degrees of freedom related with the F-test, which is used to determine if the improvement in model fit is statistically significant. The F-test's p-value is less than 0.001, indicating a significant improvement in model fit in this case.

The following Table 8 provides the results of the analysis of variance for the linear regression model. It must be noted that the regression model's significance and model fit are important details provided by the ANOVA table.

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	53,168	6	8,861	19,934	<,001[b]
	Residual	41,342	93	,445		
	Total	94,510	99			

Table 8. ANOVA

The regression model's sum of squares, degrees of freedom, mean squares, and F-value are displayed in the first row of the ANOVA table. The regression model's sum of squares taking value of 53.168 indicates that it accounts for a significant amount of the variance in the dependent variable. The number of predictors in the regression model is represented by six degrees of freedom. The mean square for the regression model is 8.861, and the F-value is 19.934, which demonstrates that the model is significant at p being less 0.001.

The second line of the ANOVA table presents the information on the amount of squares, levels of opportunity, and mean square for the non-normalized residuals. The non-standardized residuals having a sum of squares of 41.342, indicates that the regression model does not account for all of the dependent variable's variance. The number of observations minus the number of predictors in the model is represented by the non-standardized residuals' 93 degrees of freedom. The non-standardized residuals have a mean square of 0.445.

The total model's mean square, degrees of freedom, and sum of squares are shown in the ANOVA table's third row. The total amount of variance in the dependent variable is represented by the sum of the squares for the entire model, which is 94.510.

As pointed out above, the ANOVA table shows the regression model's significance level. If the regression model's significance level is less than 0.001, it is considered to be significant and has a considerable influence on the dependent variable. It must be said that one of the independent variables that of long-term-short-term orientation was considered to be insignificant in the relationship and was therefore excluded from the model to ensure better fit of the model. So as the following point, the coefficients for other six independent variables in the model should be elaborated in more detail.

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t
1	(Constant)	-1,092	1,419		-,770
	Masculinity	,779	,203	,276	3,840
	Uncertaintyavoidance	,934	,119	,578	7,868
	Powerdistance	-,632	,143	-,318	-4,408
	Individualism	,103	,178	,040	,580
	Rate of the change in quality of organization's accounting procedures	,101	,094	,077	1,082
	Indulgence	-,132	,088	-,105	-1,492

Coefficients[a]

Modell		Sig.	95,0% Confidence Intervals for B Lower Bound	Upper Bound	Correlations Zero-order
1	(Constant)	,443	-3,909	1,725	
	Masculinity	<,001	,376	1,182	,173
	Uncertaintyavoidance	<,001	,699	1,170	,608
	Powerdistance	<,001	-,916	-,347	-,469
	Individualism	,563	-,250	,457	-,004
	Rate of the change in quality of organization's accounting procedures	,282	-,085	,288	,028
	Indulgence	,139	-,308	,044	-,118

Table 9. Coefficients

The coefficients for each of the variables in the regression model, as well as their t-values and unstandardized and standardized coefficients, are presented in the Table 9. The y-intercept of the regression line is represented by the term "Constant."

The relative importance of each variable in predicting the outcome variable (accounting procedures) is shown by the standardized coefficients (Beta). The influence of the variable on the outcome variable increases with the Beta value. According to the significant t-values, the variables Masculinity, Uncertainty avoidance, and Power distance have a significant impact on the outcome variable. Among the model's variables, uncertainty avoidance has the highest standardized coefficient (0.578), indicating that it has the greatest impact on accounting procedures.

According to their non-significant t-values, Individualism, Rate of the change in the quality of the organization's accounting procedures, and Indulgence have no statistically significant effects on the dependent variable.

The confidence intervals for each coefficients are also important to be interpreted. These intervals indicate the range of values within which the true coefficient is most likely to fall with a 95% level of confidence. As for instance, in case of Masculinity the 95% confidence interval lies between the values of 0,376 and 1.182 meaning that the true coefficient for this particular variable falls within this range.

When carrying out statistical analysis, it is essential to evaluate the normality of the data. Under the normality assumption, the given data points are assumed to have a normal distribution around the mean. Parametric tests like regression analysis are easier to use when the data are normally distributed. Since the data in this case follows a normal distribution, it validates the accuracy of the regression analysis outcomes. A useful visual representation of the data's frequency distribution is provided by the histogram. As shown in Figure 7 the data is normally distributed and has a bell-shaped curve.

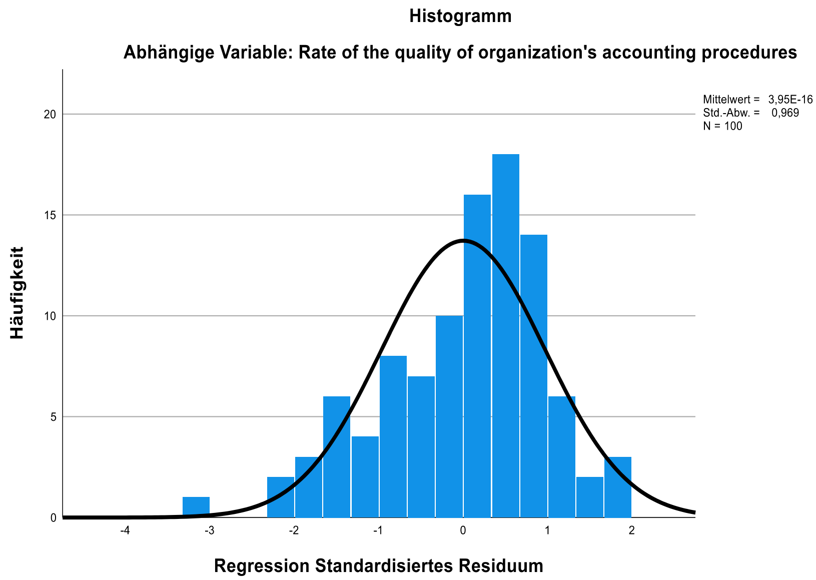


Figure 7. Histogram of the data's frequency distribution

Before proceeding to the hypothesis results, it is crucial to briefly discuss multicollinearity and heteroscedasticity. On the one hand, multicollinearity refers to the issue of a strong correlation between two or more autonomous variables, which can lead to inaccurate coefficient evaluations, as well as difficulties when in describing the final outcomes. On the other hand, heteroscedasticity is the unequal variance of residuals, which can have an influence on the predictive potential of the model. As pointed out, addressing these issues is essential if present, in order to take the necessary actions.

Coefficients[a]

Model		Correlations		Collinearity Statistics	
		Partial	Part	Toleran.	VIF
1	(Constant)				
	Indulgence	-,138	-,092	,966	1,036
	Masculinity	,357	,255	,937	1,067
	Uncertaintyavoidance	,628	,537	,873	1,145
	Powerdistance	-,420	-,308	,906	1,104
	Individualism	,050	,033	,986	1,014

Table 10. Coefficients (Collinearity)

So, a multicollinearity test is conducted on the variables presented in the table above, as the hypotheses in this research study are based on the dimensions of organizational culture. This will help to verify that independent variables in the regression model are not highly correlated with one another. In general, as shortly discussed in the model design, A VIF value of 1 indicates no correlation between the independent variables. Typically, a VIF of 1-5 is considered acceptable, while a VIF value above 5 presents a high collinearity among the predictor variables. All of the VIF values are below 5, which is a common guideline for identifying problematic multicollinearity. As it turned out, the collinearity values for the provided coefficients all appear to be above the generally accepted threshold of 0.1 suggesting that multicollinearity might not be a significant issue in this particular analysis. As a result, based solely on these coefficients, it might not be a major issue.

At last, but not least it is important to have a look at the heteroscedasticity test. The assumption of homoscedasticity, which considers that the variance of errors is constant at all levels of the independent variables, is violated by heteroscedasticity (Astivia, O. & Zumbo, B., 2019). When the heteroscedasticity is present in the model, it implies that the variance of errors varies across all levels of the independent factors. Therefore, the standard errors and p-values of the coefficients may be incorrect, leading to incorrect conclusions regarding the significance of the independent variables in explaining the dependent variable.

Breusch-Pagan-Test on Heteroskedasticity[a,b,c]		
Chi-Square	df	Sig.
1,665	1	,197

F-Test on Heteroskedasticity[a,b,c]			
F	df1	df2	Sig.
1,520	1	98	,220

Table 11. Breusch-Pagan-Test

The F-test for heteroskedasticity and the Breusch-Pagan test are shown in the table above. The purpose of the test is to determine whether the model's errors are independent of the values of the independent variables. There is no significant heteroscedasticity in the data, as the chi-square statistic is 1,665 with one degree of freedom and the corresponding p-value amounts to 0,197 exceeding the typical statistical threshold for statistical significance.

Similar conclusions can be driven from for the F-test, where the F statistic equals to 1,520 with one degree of freedom and associated p-value is 0,220. So there is no evidence to reject the null hypothesis of homoskedasticity. Since the errors do not depend on the values of the independent variables, the model can be used to test hypotheses with confidence.

4.3.1. Results on hypotheses

The chapter on results presents the findings from the analysis of the data collected in the study, which aimed at testing the hypotheses formulated in the research model. The findings supporting the hypothesis that Post-Soviet Georgia's accounting practices are influenced by cultural values are the focus of this chapter. In order to discuss the results on hypotheses, it is important to refer to table 8, where the coefficients for each variable are presented.

At one glance, the regression results show that the coefficients for Masculinity, Uncertainty Avoidance, and Power Distance are statistically significant at the 0.05 level, suggesting that these cultural values have a significant impact on accounting practices in organizations in Post-Soviet Georgia. The coefficients for Individualism, Rate of Change in Quality of Organization's Accounting Procedures, and Indulgence are not statistically significant, meaning that based on the retrieved data they do not have a significant effect on the accounting practices within Post-Soviet organizations. The coefficients for the following independent variables that of Masculinity, Uncertainty Avoidance, and Power Distance are all statistically significant because of p-values being less than 0.001. This strengthens the assumption that there is a significant relationship between these cultural values and the adoption rate of modern accounting practices.

To begin with the further discussion on each of the hypothesis, the table the results suggest that the coefficient for the independent variable Individualism is not statistically significant (p-value = 0.563) in this relationship. In this case, the the null hypothesis cannot be rejected. Thus, there is no relationship between the level of individualism in the cultural values of organizations in Post-Soviet Georgia modern accounting practices compared to organizations that have a higher level of collectivism.

One of the reasons for this result may be that individualistic cultures often place a higher value on personal achievement, autonomy, and competition. As they focus on improving their financial performance, gaining a competitive advantage, and increasing their efficiency, organizations in such cultures more likely postpone adopting modern accounting practices. Conversely, collectivistic cultures typically place a higher value on group loyalty, cooperation, and social harmony. Keeping good relationships with customers and suppliers, preserving the company's reputation and social status, and contributing to the well-being of the community may be given higher priority than modern accounting practices in such cultures.

The findings suggest that Georgian organizations continue to uphold the cultural values of collectivism, possibly influenced by the Soviet era. However, it is essential to keep in mind that being collectivist does not necessarily imply positive or negative context. It might rely upon different variables past social qualities, like the idea of the business, the size of the association, and its administration style. To shed some light to this point, one make take an example of being collectivist in a highly collaborative field like healthcare, as the teamwork and cooperation between employees is essential to improve patient condition, whereas being individualistic may be more beneficial to the organization's success in a highly competitive field like finance where the innovation and personal achievement may also result in better outcomes. Therefore, even though the findings suggest that there may not be a significant connection between modern accounting practices and the first dimension of cultural values, it is essential to investigate the specifics of the context in which the organizations operate.

According to the hypothesis H2, businesses operating in Post-Soviet Georgia will place a greater emphasis on internal control and compliance in their accounting procedures than businesses operating in Georgia with lower levels of uncertainty avoidance. The analysis shows that there is a significant relationship between the level of uncertainty avoidance and the emphasis on internal control and compliance in accounting practices because the p-value for uncertainty avoidance is less than 0.001.

The confidence interval for the coefficient of uncertainty avoidance likewise demonstrates that the relationship is positive, with a lower bound of 0.699 and an upper bound of 1.170. Additionally, there is a moderately positive correlation of 0.608 between the emphasis on internal control and compliance in accounting practices and uncertainty avoidance. Consequently, it can be said that the outcomes support the assumption in H2, and organizations with a higher level of uncertainty avoidance in their social qualities are bound to put more emphasis on interior control and consistence in their accounting procedures as opposed to the ones with a lower level of vulnerability aversion.

The results of the hypothesis test for H3 are also shown in the table. According to this test, organizations in Post-Soviet Georgia that have a lower power distance in their cultural values will have a higher centralization of decision-making in their accounting practices. The p-value for power distance is less than 0.001, which is less than the 0.05 level of significance. Therefore, the null Hypothesis can be rejected and the alternative one accepted, which suggests that centralization decision-making in terms of accounting procedures and power distance in cultural values are significantly related. The fact that the coefficients for power distance have a negative value (-0.916) indicates that the centralization of decision-making in accounting practices decreases as power distance in cultural values rises. In general, this suggests that accounting practices are more likely to be decentralized in organizations with lower levels of power distance in their cultural values.

Moving on, according to H4's findings, there is a statistically significant connection between accounting practices' prioritizing the successful financial performance and the degree of masculinity reflected in organizational cultural values. The result is significant at the 0.05 level when the p-value for masculinity is less than 0.001. The significance of the result is further supported by the fact that the coefficient of masculinity's confidence intervals do not contain zero. Based on this values, one may claim that organizations with more masculine cultural values like assertiveness, competitiveness, self-direction etc. are more likely to place a higher value on successful financial performance than ones with more feminine cultural features.

As mentioned previously, the Long-term-short-term orientation was not included in the model because it had no significant effect on the fit of the model. As a result, it was considered to be unnecessary to take into account when analyzing the relationship between accounting practices in Georgia after the collapse of Soviet Union and cultural values. With this in mind, the final hypothesis, which examines the possibility of a connection between accounting practices and cultural values of indulgence and restraint.

According to the hypothesis H6, businesses in Post-Soviet Georgia do not tend to prioritize non-financial performance measures like sustainability and social responsibility in their financial operations. The Indulgence variable has a p-value of 0.139, which is higher than the usual significance level of 0.05, as shown in the coefficients table. This suggests that in accounting practices, cultural indulgence and prioritizing non-financial performance measures are not significantly related. As a result, the current data does not support the last hypothesis. However, it is essential to keep in mind that the relationship between accounting practices and cultural values may be affected by additional factors that are not included in this model.

As an additional independent variable, the model presented the rate of change in the quality of accounting procedures in Post-Soviet organizations, which was not included in the study as a hypothesized variable. However, this variable takes into account the time factor, which is quite important in the relationship and that is the main reason why it is included in the statistical analysis. At the 95% confidence level, the coefficient for this variable was statistically significant, indicating that organizations in Post-Soviet Georgia experienced improvement in the quality of accounting procedures.

4.4 Results of the robustness test

Robustness tests are important because they help to determine the reliability and validity of the statistical results obtained from a particular model. The purpose of these tests is to verify that the conclusions are stable in the case of alterations to the model specification, data, or assumptions. As a result, the confidence in the results and their ability to be used in real-world situations increases.

Parameter estimates with robust standard errors

Dependent variable: Rate of the quality of organization's accounting procedures

Parameter	RegressioncoefficientB	Robust St.-deviation[a]	T	Sig.	95% Conf. Lower Bound
Constant Term	-1,092	1,684	-,649	,518	-4,435
Indulgence	-,132	,104	-1,271	,207	-,338
Rateofthechangeinqualityoforganizationsaccountingprocedures	,101	,103	,982	,328	-,104
Individualism	,103	,178	,579	,564	-,250
Uncertaintyavoidance	,934	,129	7,225	<,001	,678
Powerdistance	-,632	,177	-3,562	<,001	-,984
Masculinity	,779	,192	4,049	<,001	,397

Table 12. Parameter estimates with robust standard errors

These are the parameter estimates with robust standard errors for a regression model with the dependent variable Rate of the quality of organization's accounting procedures and independent variables Indulgence, Rate of the change in the quality of organization's accounting procedures, Individualism, Uncertainty avoidance, Power distance, and Masculinity. The table shows the assessed coefficients, their powerful standard errors, t-values, importance levels, and 95% confidence intervals. The robustness test is crucial for determining whether the results are stable and free of outliers or influential observations. A method of robust standard error estimation that takes into account autocorrelation and heteroscedasticity is the HC3-Method, which was used in this case with the help of SPSS software. According to the table, the relationship between the dependent variable and Uncertainty avoidance and Masculinity is positive, while the relationship between Power distance is negative.

5. Summary

The results of the study provide interesting insights into how cultural values influence accounting practices in Post-Soviet Georgia. The study identifies six cultural dimensions: masculinity-femininity, uncertainty avoidance, power distance, individualism-collectivism, long-term-short-term orientation and indulgence. The hypotheses concerning on these dimensions aimed at exploring how each cultural dimension relates to specific accounting practices.

The assumption that cultural values can influence accounting practices makes the inclusion of these cultural dimensions crucial. Apart from being influenced by technical procedures, accounting procedures are also shaped by the cultural context in which they are used. Focusing on the effects of socio-cultural aspects on accounting procedures, this study gives an important understanding that can be utilized to foster more successful accounting procedures that are better lined up with the social aspects of Post-Soviet Georgia.

In addition, this research paper emphasizes the significance of cultural awareness for international business. Recognizing cultural differences and understanding how they affect business practices is critical because they can pose challenges to business operations. Professionals in any kind of organization who work in Post-Soviet Georgia or other regions with similar historical backgrounds, cultural norms and values may benefit from this study's findings. Business professionals can develop strategies to address these differences and create more effective business practices that are better aligned with the cultural context by understanding how cultural values influence accounting practices.

The first hypothesis (H1) proposes that organizations with a higher level of individualism in their cultural values will have a higher tendency towards adopting modern accounting practices that comply with the set of specified standards across the globe. However, based on the analysis above, there was no significant relationship found between individualism and accounting practices within the workplace and thus the study's findings do not support this particular hypothesis. As already discussed in the previous chapters, this may be attributed to the fact that individualistic cultures prioritize personal achievement, competition among employees, autonomy in decision-making processes etc. In contrast, collectivistic cultures emphasize group loyalty, cooperation, and social harmony, which may shift the focus away from immediate adoption of modern accounting practices.

It turns out that collectivistic nature of Georgian people that stems from the Soviet-Union period of time, keeps the staff within the comfort zone so to say and they try to continue conducting business as they were used to. It is true that participants are working very closely with one another, however they seem to be skeptical when it comes to taking on the internationally accepted methods and techniques. Another more fact-based explanation for the lack of significant relationship between individualism and accounting practices in Georgian organizations could be the effects of institutional factors. Like in other Post-Soviet nations, the transition process from a centrally "governed" economy to a market-based economy brought about significant changes in the business and regulatory environment. It can be argued that the institutional framework in Post-Soviet Georgia, which includes including legal, financial, healthcare systems etc., does not fully support the adoption of modern accounting practices.

Moreover, as the study incorporated different sizes and industries of organizations, this could also act a role in the relationship. As clear as it is, smaller the organization may face challenges when implementing modern accounting practices due to limited resources, skills, motivation etc.

The second hypothesis (H2) proposes that organizations with a higher level of uncertainty avoidance in their cultural values will have a stronger emphasis on internal control and compliance in their accounting practices in Post-Soviet Georgia. This hypothesis is supported by the study's findings, which show a significant positive correlation between internal controls and compliance in accounting practices and uncertainty avoidance.

Considering constant unstable situation in Georgia, organizations nowadays show tendency towards more regulated corporate structures. By placing more emphasis on internal control and compliance, these organizations aim at minimizing the potential errors, corruption, fraud, and non-compliance with financial reporting requirements. Employees working in the field seem to be considerate about these issues and are striving for providing more reports, especially when it comes to financial means.

Another possible explanation for the given results can again refer to the influence of institutional factors. As already mentioned in the literature review on Post-Soviet Georgia, the transition from communist ideology resulted in some changes within the regulatory and legal system. Shortly after the collapse of the Soviet Union, the country introduced legislation governing auditing, reporting and accounting, which mainly highlighted the importance of compliance with international standards. This basically motivated businesses in the country to strive for more transparent, fair and regulated practices. As the level of corruption is diminishing over time, organizations may prioritize internal control measures to preserve their assets and ensure accurate financial reporting.

Moreover, organizations in Post-Soviet Georgia may also encounter external pressures from stakeholders such as investors and international partners to excel transparency and accountability within their operations. In order to meet their expectations and increase credibility, organizations do need to comply with accounting standards and place more emphasis on internal control mechanisms. The positive correlation between uncertainty avoidance and internal controls, as well as compliance with modern accounting practices in Post-Soviet Georgia, suggests that this dimension can play a significant role in shaping accounting practices in organizations.

Moving on, the third hypothesis (H3) suggests that organizations with a higher level of power distance in their cultural values will have a higher level of centralization in their accounting practices. The study found a significant negative correlation between power distance and decentralization in accounting practices, which supports this hypothesis. This statement basically suggests that accounting practices in Post-Soviet Georgia have a more centralized decision-making process among organizations with a high power distance.

This finding is consistent with earlier research studies that have explored a relationship between cultural values related to power distance and centralized decision-making processes. Based on the statistical analysis of the data, in organizations where there is high levels of power distance , decision-making processes are more concentrated at the top levels of management. This means that employees are not flexible in that regard and do not actively participate in the company operations, which may result in a more standardized approach to accounting practices.

The results are not surprising in the context of Post-Soviet Georgia, because the long-lasting effects of centralized decision-making under Soviet Union are still present in the country. However, increased international integration and globalization may foster the need to adopt more decentralized approaches. It must be noted that despite the relationship between power distance and centralization, further research may still be needed to explore the causal relationship between these variables.

The following hypothesis concerned on the cultural dimension that refers to masculine and feminine trains within the organizational structures. According to the H4, organizations with a higher level of masculinity in their cultural values, will place a greater emphasis on financial performance in their accounting practices than organizations with a higher level of femininity. As the null hypothesis was rejected in this case because of high p-value, the interpretation may suggest that the emphasis on financial performance in accounting practices in Georgia after the Soviet Union may not be significantly influenced by cultural norms regarding masculinity.

In Post-Soviet Georgia, financial performance is highly valued across all cultural values, which could account for these findings. This suggests that instead of internal cultural values, accounting practices are more influenced by external factors like legal requirements or market pressures. The study may not have taken into account all of the cultural values associated with masculinity and femininity, which is another possible explanation.

The sixth hypothesis (H6) states that organizations with a higher level of indulgence in their cultural values will prioritize non-financial performance measures, such as sustainability and social responsibility, in their accounting practices compared to organizations with a higher level of restraint. However, the study's findings do not support this hypothesis because there was no significant relationship found between indulgence and accounting practices' non-financial performance measures.

This suggests that the prioritization of non-financial performance measures in accounting practices in Post-Soviet Georgia may not be significantly influenced by indulgence-related cultural values. The possible explanation for this could be that organizations in Post-Soviet Georgia may have limited awareness or understanding of the potential benefits of incorporating non-financial performance measures in their accounting practices. However, as the world is becoming more and more globalized, the country has exposure to international practices that may stimulate development in that regard.

To sum up, the study aimed at investigating how cultural values may influence accounting practices in Post-Soviet Georgia. The study identified six cultural dimensions: masculinity, uncertainty avoidance, power distance, individualism, orientation, and indulgence. The findings suggest that cultural values play a significant role in shaping accounting practices and have important implications for organizations operating in the region. Georgia's unique history and culture have contributed to its transition to a market economy, which has made it more interesting research topic for researchers interested in Post-Soviet economies. The country's transition process after the collapse of the Soviet Union was quite challenging and it still is.

Despite political instability, corruption and economic unrest, Georgia has developed steadily and made considerable progress in recent years. However, the micro-level factors that influence accounting practices have not received much of attention in the existing research on Georgia's economy, which has mainly focused on macroeconomic indicators like GDP growth, corruption rate, inflation rates etc. This particular study sheds light on how Post-Soviet Georgian organizations approach financial reporting and decision-making, highlighting the significance of cultural values in shaping accounting practices. Since there are not so many studies conducted in the context of Georgia that regard, it is only the beginning, and there is a lot more to explore about this region.

5.1 Limitations and directions for further research

The research on the effects of cultural values on accounting practices in Post-Soviet Georgia clearly has some limitations that should be taken into consideration when interpreting its results. First of all, it is essential to consider that this particular study was conducted within a specific setting and may not be directly applicable to other nations or regions. What may be true for Post-Soviet Georgia may not be relevant for other nations, especially the ones that were not part of the Soviet Union.

Secondly, the information used in the study concerned more on the perceptions of the employees in the accounting field and was self-reported that could have been inaccurate or biased. It's plausible that respondents have given responses that they believed were more or less socially desirable or aligned with the researchers expectations so to say. As it is the case often, the study's reliability and validity may have been compromised because of biased or inaccurate data. In order to minimize this risk, the future research could use more objective measures of accounting practices, like exploring financial statements or other accounting records.

Thirdly, the study only looked at how accounting practices are affected by cultural values. It didn't take into account other things that could affect accounting practices, like legal and regulatory frameworks, industry-specific standards, and technological advancements. These variables could altogether affect accounting procedures and may interact with social qualities in complex ways.

Last but not least, the study considered a small number of cultural dimensions and did not take into account other factors like religion, education, or ethnicity. As the country is located at the intersection of Eastern Europe and Western Asia, historically people living there are from different demographic backgrounds. As pointed out several times over the course of discussion, the culture is a very complex and multifaced concept including various factors, which may exert an influence on accounting practices.

The following section proposes further areas of research that may lead to interesting results. For instance, the influence of external factors on accounting practices in Georgia after the Soviet Union could be an interesting topic to further elaborate on. The country's business environment has experienced dramatical changes after the collapse of the Soviet Union and shift to a market economy. Consequently, it is likely that the country's accounting practices have been influenced by external factors like market forces, environmental factors, economic conditions, etc.

Another area for further research could be the effect of globalization on accounting procedures in Post-Soviet Georgia. Accounting practices are influenced by international standards and practices as the nation becomes more integrated into the global economy. Besides, the effects of globalization on accounting practices in Georgia after the fall of the Soviet Union and the ways in which Georgian businesses are adapting to these shifts could be the topic of future research.

In conclusion, the study has provided valuable insights into the relationship between organizational culture and accounting practices in Post-Soviet Georgia. However, there is still much more to explore in this area, and additional research could provide important contributions to organizations operating in the country and not only. By understanding the impact of cultural values on accounting practices, organizations can develop more effective internal strategies for managing their finances and achieving their goals in the Post-Soviet Georgian business environment.

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IV. Appendix

Abstract

This research aimed to examine the relationship between accounting practices and organizational culture in post-Soviet Georgia. To do this, the study employed Hofstede's cultural dimensions framework, which includes individualism-collectivism, strong-weak uncertainty avoidance, large-small power distance, masculinity-femininity, orientation and indulgence. A quantitative methodology was adopted, comprising regression analysis and a survey questionnaire which was distributed to a sample of employees working in an accounting field in Georgian organizations. The data collected was analyzed to understand the current state of organizational culture and accounting practices in the country. The Hofstede dimensions served as independent variables in the regression analysis, with accounting practices being used as the dependent variable, to investigate the relationship between organizational culture and accounting practices. The results of this study provide new insights on the relationship between culture and accounting procedures and offer useful recommendations for Georgian businesses.

Zusammenfassung

Ziel dieser Studie war es, die Beziehung zwischen Rechnungslegungspraktiken und Organisationskultur im postsowjetischen Georgien zu untersuchen. Zu diesem Zweck wurde in der Studie der Rahmen der Kulturdimensionen von Hofstede verwendet, der Individualismus-Kollektivismus, starke-schwache Unsicherheitsvermeidung, große-kleine Machtdistanz, Maskulinität-Femininität, Orientierung und Nachsicht umfasst. Es wurde eine quantitative Methode angewandt, die eine Regressionsanalyse und einen Fragebogen umfasste, der an eine Stichprobe von Angestellten in georgischen Unternehmen verteilt wurde, die im Bereich Rechnungswesen tätig sind. Die gesammelten Daten wurden analysiert, um den aktuellen Stand der Organisationskultur und der Rechnungslegungspraktiken in Georgien zu verstehen. Die Hofstede-Dimensionen dienten als unabhängige Variablen in der Regressionsanalyse, wobei die Rechnungslegungspraktiken als abhängige Variable verwendet wurden, um die Korrelation zwischen Organisationskultur und Rechnungslegungspraktiken zu untersuchen. Die Ergebnisse dieser Studie liefern neue Erkenntnisse über die Beziehung zwischen Kultur und Rechnungslegungsverfahren und bieten nützliche Empfehlungen für georgische Unternehmen.

Questionnaire – Organizational culture and its' effects on accounting procedures in Post-Soviet Georgia

Dear Respondent,

I kindly invite you to participate in a research study that aims to investigate the relationship between accounting practices and organizational culture in post-Soviet Georgia. The purpose of this study is to improve our knowledge of how organizational culture affects accounting processes and to offer practical suggestions for Georgian companies.

This study will employ Hofstede's cultural dimensions framework, which includes individualism-collectivism, strong-weak uncertainty avoidance, large-small power distance, masculinity-femininity, orientation and indulgence to explore the relationship between accounting practices and organizational culture in Georgia. Quantitative methodologies are used, including regression analysis and questionnaires distributed to a sample of Georgian organizations.

By participating in this survey, you will be asked to provide information about your organization's accounting practices and your perception of its culture. The data collected is then analyzed to understand the current state of Georgia's organizational culture and accounting practices.

Your participation in this survey is voluntary, and all responses will be kept confidential. This does not entail any direct benefits or risks, but it will contribute significantly to the expansion of research and knowledge in the field of accounting practices and organizational culture in Post-Soviet Georgia.
Thank you for your time and participation in this study.

Sincerely,
Natia Nakaidze

Questionnaire

1. How would you rate the quality of accounting procedures on a scale of 1-5 in the organization you are working in?
   1 (very poor)- 5(excellent)
2. To what extent do you think the cultural values and historical context of post-Soviet Georgia have influenced the accounting procedures in your organization?
   Response options: 1 (Not Influential) to 5 (Extremely Influential)
3. "I prefer to work on projects independently rather than as part of a team." (Likert scale: 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
4. "I value teamwork and collaboration especially when been part of the projects." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
5. "I tend to prioritize my own interests over the interests of the group or team." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
6. "In my organization, there is a clear direction for handling unexpected financial situations." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
7. "Employees in my organization are encouraged to take well-calculated risks in order to achieve better financial outcomes." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
8. "In my organization, there is a strong emphasis on maintaining stability and avoiding uncertainty in financial decision-making." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
9. "My organization places a high value on planning and forecasting in order to minimize financial risk and uncertainty in that regard." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
10. "In my organization, there is a clear hierarchy of authority and decision-making is centralized at the too levels of management." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
11. "Employees in my organization are expected to follow the directions and decisions of their superiors without question or challenge." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)

12. "In my organization, there are formal, as well as informal means for resolving conflicts and disagreements between employees and their supervisors." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
13. "In my organization, there is a strong emphasis on competition, achievement, and success." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
14. "Employees in my organization are expected to be assertive, goal-directed, and self-confident in their work." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
15. "In my organization, there is a strong emphasis on cooperation, collaboration, and empathy." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
16. "Employees in my organization are expected to be caring, and attentive to the needs of others." (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
17. "I value perseverance and long-term planning over quick results and short-term gains"? (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
18. How strongly do you believe in the idea that "hard work and dedication will ultimately lead to success"? (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
19. To what extent do you agree with the statement: "It is important for society to regulate indulgent behavior, even if it means limiting individual freedom and pleasure"? (1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, 5 = Strongly Agree)
20. How would you rate the change in the quality of accounting procedures in your organization since the collapse of the Soviet Union on a scale of 1 to 5, where 1 represents a significant decline in quality and 5 represents a significant improvement in quality?
21. Does your organization have a pre-Soviet or post-Soviet history?
22. What is the type of organization you are working with?
23. What is your job position in the organization?
24. How many years of experience do you have in the accounting field?
25. What is the highest level of education you have achieved?
26. What is your age?
27. What is your gender?

28. Are you a member of any professional organizations or associations related to the accounting field?

კითხვარი – ორგანიზაციული კულტურა და მისი გავლენა ბუღალტრული აღრიცხვის პროცედურებზე პოსტსაბჭოთა საქართველოში

ძვირფასო რესპონდენტო,

გიწვევთ, რომ მონაწილეობა მიიღოთ კვლევაში, რომელიც მიზნად ისახავს გამოიკვლიოს დამოკიდებულება ბუღალტრულ პროცედურებსა და ორგანიზაციულ კულტურას შორის პოსტსაბჭოთა საქართველოში. ამ კვლევის მთავარი მოტივაცია მდგომარეობს იმაში, რომ გავაუმჯობესოთ ჩვენი ცოდნა იმის შესახებ, თუ როგორ მოქმედებს ორგანიზაციული კულტურა ბუღალტრული აღრიცხვის პროცესებზე და შევთავაზოთ პრაქტიკული რეკომენდაციები ქართულ კომპანიებს.

ეს კვლევა ეფუძნება ჰოფსტიდის კულტურული განზომილებების მოდელს, რომელიც მოიცავს ინდივიდუალიზმ-კოლექტივიზმს, ძალაუფლებრივ დაშორებას, გაურკვევლობისაგან განრიდებას, მამაკაცურობა-ქალურობას, ორიენტაციასა და ინდულგენციას. გამოყენებულია რაოდენობრივი მეთოდები, მათ შორის რეგრესული ანალიზი და კითხვარი, რომლიც გირიგდებათ როგორც ქართული ორგანიზაციების ფინანსური სფეროს წარმომადგენლებს.

გთხოვთ მოგვაწოდოთ ინფორმაცია თქვენი ორგანიზაციის ბუღალტრული აღრიცხვის პრაქტიკისა და მისი კულტურის თქვენეული აღქმის შესახებ. მიღებული მონაცემები დამუშავდება და გაანალიზდება საქართველოში ორგანიზაციული კულტურისა და სააღრიცხვო პრაქტიკის ამჟამინდელი მდგომარეობის შესაფასებლად.

თქვენი მონაწილეობა ამ გამოკითხვაში ნებაყოფლობითია და ყველა პასუხი იქნება კონფიდენციალური. ეს არ გულისცმობს რაიმე სახის სარგებელს და არ შეიცავს რისკს, მაგრამ მნიშვნელოვნად შეუწყობს ხელს პოსტსაბჭოთა საქართველოში სააღრიცხვო პრაქტიკის და ორგანიზაციული კულტურის სფეროში კვლევებისა და ცოდნის გაფართოებას.

გმადლობთ ამ კვლევაში მონაწილეობისთვის.

პატივისცემით,
ნათია ნაკაიძე

კითხვარი

1. როგორ შეაფასებთ ბუღალტრული აღრიცხვის პროცედურების ხარისხს 1-5 სკალით თქვენს ორგანიზაციაში?

1 (ძალიან ცუდი) - 5 (შესანიშნავი)

2. როგორ ფიქრობთ, რამდენად მოახდინა გავლენა პოსტსაბჭოთა საქართველოს კულტურულმა ღირებულებებმა და ისტორიულმა კონტექსტმა თქვენს ორგანიზაციაში საბუღალტრო აღრიცხვის პროცედურებზე?

პასუხის ვარიანტები: 1 (არ მოუხდენია გავლენა) - 5 (მნიშვნელოვანი გავლენა მოახდინა)

3. „უპირატესობას ვანიჭებ პროექტებზე დამოუკიდებლად მუშაობას, ვიდრე თანამშრომლებთან ერთად“. (ლიკერტის სკალა: 1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

4. "პროექტებზე მუშაობისას უპირატესობას ვანიჭებ გუნდურ მუშაობას და კოოპერაციას" (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

5. „პირად ინტერესებს ვაყენებ ჯგუფის ან გუნდის ინტერესებზე მაღლა“. (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

6. „ჩემს ორგანიზაციაში არის მკაფიო მიმართულება მოულოდნელი ფინანსური სიტუაციების მოსაგვარებლად“. (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

7. „ჩემს ორგანიზაციაში ხდება თანამშრომლებს წახალისება კარგად გათვლილი რისკების საფუძველზე უკეთესი ფინანსური შედეგების მისაღებად“. (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

8. „ჩემი ორგანიზაცია გაურკვევლობის თავიდან ასაცილებლად აქცენტს აკეთდებს სტაბილურობის შენარჩუნებასა და ფინანსური გადაწყვეტილების მიღებაზე“. (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

9. „ჩემი ორგანიზაცია დიდ მნიშვნელობას ანიჭებს დაგეგმვასა და პროგნოზირებას, რათა მინიმუმამდე დაიყვანოს ფინანსური რისკი და გაურკვევლობა ამ კუთხით“. (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

10. "ჩემს ორგანიზაციაში არის უფლებამოსილების მკაფიო იერარქია და გადაწყვეტილების მიღება ცენტრალიზებულია მენეჯმენტის დონეზე." (1 =

კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

11. "ჩემს ორგანიზაციაში თანამშრომლები ემორჩილებიან თავიანთი უფროსების მითითებებსა და გადაწყვეტილებებს ზედმეტი კითხვების დასმის გარეშე." (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

12. „ჩემს ორგანიზაციაში არსებობს თანამშრომლებსა და მათ ხელმძღვანელებს შორის კონფლიქტებისა და უთანხმოების მოგვარების ფორმალური, ასევე არაფორმალური საშუალებები". (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

13. „ჩემს ორგანიზაციაში დიდი აქცენტი კეთდება კონკურენციაზე, მიღწევებსა და წარმატებაზე". (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

14. „ჩემს ორგანიზაციაში თანამშრომლები უნდა იყვნენ თავდაჯერებულები, მიზანმიმართულები და გათვითცნობიერებულები თავიანთ საქმეში". (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

15. "ჩემს ორგანიზაციაში დიდი აქცენტი კეთდება თანამშრომლობაზე, თანაგრძნობასა და სოლიდარობაზე." (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

16. "ჩემი ორგანიზაციის თანამშრომლები იჩენენ მზრუნველობასა და ყურადღებას გუნდის სხვა წევრების მიმართ". (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

17. "უპირატესობას ვანიჭებ გრძელვადიან დაგეგმვას სწრაფ შედეგებსა და მოკლევადიან მიღწევებთან შედარებით" (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

18. რამდენად გჯერათ, რომ „შრომისმოყვარეობა და თავდადება საბოლოოდ წარმატების საწინდარია". (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

19. რამდენად ეთანხმებით მოსაზრებას: „საზოგადოებისთვის მნიშვნელოვანია, საკუთარი ქცევის განსაზღვრა სხვისი თავისუფლებისა და სიამოვნების შეზღუდვის გარეშე" (1 = კატეგორიულად არ ვეთანხმები, 2 = არ ვეთანხმები, 3 = ნეიტრალური, 4 = ვეთანხმები, 5 = სრულიად ვეთანხმები)

20. როგორ შეაფასებდით თქვენს ორგანიზაციაში ბუღალტრული აღრიცხვის პროცედურების ხარისხის ცვლილებას საბჭოთა კავშირის დაშლის შემდეგ 1-დან 5-მდე

მასშტაბით, სადაც 1 წარმოადგენს ხარისხის მნიშვნელოვან დაცემას, ხოლო 5 წარმოადგენს ხარისხის მნიშვნელოვან გაუმჯობესებას?

21. აქვს თუ არა თქვენს ორგანიზაციას წინასაბჭოთა თუ პოსტსაბჭოთა ისტორია?

22. რა ტიპის ორგანიზაციაში მუშაობთ?

23. რა არის თქვენი პოზიცია ორგანიზაციაში?

24. რამდენი წლის გამოცდილება გაქვთ ბუღალტერიის სფეროში?

25. რა არის თქვენი განათლების უმაღლესი დონე?

26. რამდენი წლის ხართ?

27. თქვენი სქესი?

28. ხართ თუ არა ბუღალტრული აღრიცხვის სფეროსთან დაკავშირებული რომელიმე პროფესიული ორგანიზაციის ან ასოციაციის წევრი?