C

ulture is an essential element for understanding how social systems change because culture influences norms, values and behavior within groups and across any kind of systems.

Gray (1988) proposed that a theoretical framework incorporating culture could be used to explain and predict international differences in accounting systems and to identify patterns of accounting development internationally. Also, Gray proposed that accounting systems and practices can influence and reinforce societal values. Societal values can influence the legal system, professional associations etc.

*“(…) The value system or attitudes of accountants are shown as begin related to and derived from societal values and particular work-related values. Accounting “values” or attitudes, for example, conservatisms, will, in turn, have an impact on the development of accounting systems in the individual country. This is particularly true for measurement and disclosure practices and the approach to regulation, that is, statutory versus professional or self-regulation. (Lee H. Radebaug, Sidney J. Gray, Ervin L. Black. International Accounting and Multinational Enterprises John Wiley & Sons, USA 2011. Page 41)” (…)”.*

There are structural elements of culture that affect business and accounting practices, pioneering researcher on this field was Hofstede (1970), who made one of the most extensive cross cultural surveys ever conducted, he collected psychological data about “values” from employees located in more than 50 countries. Hofstede’s research revealed four underlying societal value dimensions: Individualism, Power Distance, Uncertain Avoidance, and Masculinity. A subsequent research leaded by Hofstede and Bond (1988) into a Chinese values revealed a fifth dimension: a short-term versus a long-term orientation (what was termed a Confucian Dynamism). These dimension, were perceived to represent elements of a common structure in cultural systems. It showed as well how countries could be grouped into culture areas, on the basis of their scores on the four value dimensions, using cluster analysis and taking geographical and historical factors.

If societal values orientations are related to the development of accounting systems, given that such values permeate a nations social system, then –as Gray suggests- there should be close match between culture areas and patterns of accounting systems internationally, and must be related to accounting values as well.

It is important to analyze and evaluate which societal values orientations Colombia has in place, in order to analyze and evaluate our related accounting values. But, is it possible to identify significantly related accounting values at the sub-cultural level of the accountant and accounting practice? Gray (1988) proposed four accounting values: 1. Professionalism versus statutory control, 2. Uniformity versus flexibility, 3. Conservatism versus optimism, 4. Secrecy versus transparency.

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