

Accrual Accounting: Change And Managing Change

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Abstract

The Malaysian government has decided to adopt accrual accounting to enhance financial accountability and to have a better asset-liability management. Based on experiences of other countries such as Australia and New Zealand, the change process has to be properly managed to ensure successful implementation of the new accounting system. Employees' commitment to change has been identified as a critical factor in organisational change. Commitment to change model as proposed by Herscovitch and Meyer consists of three components: affective (want to change), normative (ought to change) and continuance (have to change). Hence it is very important for public sector organisations to identify and manage organisational and individual factors influencing commitment to change. The literature has identified factors including organisational support (ICT and human resource), top management support or leadership, communication channel and flow, attitude towards change, employee participation or involvement, are pivotal to successful implementation of accrual accounting. Thus, a study will be conducted to investigate whether the Malaysian government is ready to embrace the change or otherwise.

Keywords: accrual accounting; governmental accounting; managing change; commitment to change; organisational readiness.