ITJ | The International Tax Journal

The Impact of Changing Accounting Policies on Profitability Determination in Algerian Enterprises: A Field Study

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Abstract---This study aimed to analyze the impact of accounting policies on determining profitability in Algerian institutions. To achieve this goal, we adopted a descriptive approach, conducting a field study on a sample of accountants using a questionnaire. The questionnaire was distributed to a sample of 141 respondents from the targeted job categories in Algerian institutions. Data were analyzed using Pearson's correlation coefficient to test internal consistency, as well as Kruskal-Wallis and Mann-Whitney tests to measure differences between groups based on experience. The results showed that Algerian institutions are changing their accounting policies, such as inventory valuation methods, depreciation methods, and recognition practices. Accounting flexibility is sometimes used as a strategic tool for managing profitability in institutions, but to varying degrees among institutions, with little flexibility regarding depreciation practices for profit purposes. The study recommended enhancing accounting flexibility by developing policies that allow for adaptation to economic and legislative changes without compromising the reliability of accounting information.

Keywords---Accounting policies, profitability, flexibility, accountants, Algerian enterprises.

How to Cite:
Khemgani, A., & Bellaouar, S. (2025). The impact of changing accounting policies on profitability determination in Algerian Enterprises: A field study. *The International Tax Journal*, *52*(5), 2311–2323. Retrieved from https://internationaltaxjournal.online/index.php/itj/article/view/241

The International tax journal ISSN: 0097-7314 E-ISSN: 3066-2370 © 2025

Submitted: 03 June 2025| Revised: 05 September 2025| Accepted: 02 October 2025

Introduction

Accounting policies represent one of the fundamental pillars in the preparation of financial statements, as they determine the principles and procedures adopted by an entity in the recognition, measurement, presentation, and disclosure of its financial elements. These policies hold particular importance because they reflect the management's choices and orientations in serving the organization's objectives, while also influencing the credibility of accounting information. With the evolution of the Algerian business environment and the adoption of the Financial Accounting System (FAS), organizations have become required to review and adjust their accounting policies to ensure transparency and relevance.

From this perspective, management seeks to adopt policies that present its performance and results in the most favorable manner, while highlighting its efficiency in utilizing economic resources. However, granting unrestricted freedom in this choice may lead to practices that compromise the fairness and reliability of financial reporting.

The Financial Accounting System obliges every entity subject to its provisions to prepare annual financial statements, which include: the balance sheet, the income statement, the cash flow statement, the statement of changes in equity, in addition to notes to the financial statements. These notes detail the accounting policies and methods applied and provide explanatory information supporting the main statements.

Accordingly, the enterprise, as the entity responsible for preparing financial statements, enjoys a certain degree of managerial discretion in selecting the accounting policies deemed most appropriate, in conformity with the Financial Accounting System (FAS). Furthermore, it may revise or modify these policies whenever such changes are expected to advance specific objectives. In this context, the overarching research question of the present study is formulated as follows:
To what extent does the alteration of accounting policies influence the determination of profitability in Algerian enterprises?
This central inquiry may be further articulated through the following core sub-questions:

1. To what extent do Algerian enterprises engage in the modification of their applied accounting policies?
2. To what extent are accounting policies in Algerian enterprises oriented toward shaping targeted profitability?
3. Has the modification of accounting policies contributed to the realization of profitability objectives in Algerian enterprises?

2. Research Hypotheses
Building upon the aforementioned problematics, the study advances the following hypotheses:

1. **Hypothesis 1:** There exist statistically significant differences, attributable to the experience variable, with respect to the extent of changes introduced by Algerian enterprises to their applied accounting policies.
2. **Hypothesis 2:** There exist statistically significant differences, attributable to the experience variable, regarding the use of accounting policy changes as a tool for achieving profitability objectives.
3. **Hypothesis 3:** There exist statistically significant differences, attributable to the experience variable, concerning the effectiveness of accounting policy changes in attaining profitability goals.

3. Research Objectives
This study aims to:

- Analyze the reality of accounting policies applied in Algerian enterprises and assess their compliance with the requirements of the Financial Accounting System (FAS);

- Examine the impact of accounting flexibility on profitability determination and earnings management;
- Investigate the extent to which financial statements and accounting policies are employed to achieve strategic objectives;
- Test the effect of professional experience differences on the adoption and evaluation of accounting policies;
- Provide practical recommendations for enterprises to enhance the use of accounting policies in a manner that promotes transparency and profitability.

4. Scope of the Study

- **Spatial scope:** The study was limited to a sample of targeted functional categories in Algerian enterprises operating across different sectors;
- **Temporal scope:** Data were collected and analyzed during the period from June 2025 to August 2025;
- **Thematic scope:** The study focused on the impact of accounting policies on profitability determination, through three main dimensions: changes in accounting policies, exploitation of accounting flexibility, and modification of accounting policies for strategic purposes.

5. Significance of the Study

The significance of this study lies in the following:

- It highlights the strategic role of accounting policies in determining profitability within Algerian enterprises;
- It provides an analytical perspective on the balance between compliance with the Financial Accounting System and the pursuit of profitability objectives;
- It offers practical findings that may support decision-makers in enterprises to improve accounting practices and strengthen transparency.

Second: Previous Studies

A considerable number of prior studies have addressed the topic of accounting policies and the role of management in directing them to serve organizational purposes. Accordingly, this section seeks to highlight and analyze the most significant studies obtained on this subject.

1. Presentation of Previous Study Findings

1.1 Study by (Tatsuo Inoue and Wayne B. Thomas,1996)

This study aimed to examine the factors that may influence Japanese managers' choices of accounting policies. The authors noted the emergence of new factors in the Japanese business environment. Income strategy models were developed for each firm depending on whether the accounting policies adopted were of an income-increasing or income-decreasing nature. The findings indicate that both the size hypothesis and the debt-to-equity hypothesis are significant. Furthermore, variables such as the firms' effective tax rate, the ability to finance operations internally, and foreign political costs have a substantial impact on Japanese managers' choices of accounting policies. The bonus plan hypothesis, however, was found to be irrelevant in the Japanese context. Moreover, the study revealed that accounting policy choices are more strongly explained by firm-specific characteristics than by industry membership.

1.2 Study by (Ole-Kristian Hope,2003)

This study investigated the extent to which corporate disclosure of accounting policies in annual reports is associated with the characteristics of analysts' earnings forecasts. Using an international sample and controlling for both firm-level and country-level variables, the study found that the level of accounting policy disclosure is significantly and negatively related to forecast dispersion and forecast error. More specifically, the findings show that accounting policy disclosures are increasingly useful to analysts compared to all other disclosures contained in annual reports. The results further suggest that accounting policy disclosures reduce uncertainty regarding expected earnings.

1.3 Study by (Christos Tzofas,2006)

This study aimed to analyze the factors influencing accounting policy decisions of companies operating in Greece, with a particular focus on management's perceptions regarding the impact of accounting figures on decision-making and stakeholders' views within firms. Through a survey, chief financial officers of the 200 largest companies in Greece were asked to provide their opinions on the extent to which reported figures affect stakeholders' perceptions and corporate decision-making, as well as the extent to which firms pursue specific profit-related objectives. According to the survey participants, accounting figures influence stakeholders' perceptions and corporate decisions. Moreover, companies tend to pursue profit-related objectives that may not necessarily align with the goal of minimizing corporate tax liabilities.

1.4 Study by (Zeljko Grubljesic et al,2016)

This study conducted a comparative analytical examination of the adoption and application of accounting policies by companies in the Republic of Serbia, which began implementing International Financial Reporting Standards (IFRS/IAS) in 2002. This transition required significant changes to previous accounting policies, particularly in the area of recognition. Specifically, the concept of historical cost, symbolizing prudence, was replaced by the concept of fair value, representing neutrality. The study reached several conclusions: IFRS allows the use of different methods to account for and evaluate the same items in the balance sheet, thereby requiring management to select accounting policies that present a true and fair view of economic activities. This study is particularly relevant to medium and large enterprises in transitional economies such as the Republic of Serbia.

1.5 Study by (Partenie Dumbravă and Csősz Csongor,2012)

This study examined the accounting policies applied by taxpayers in Covasna County, Romania, during the period 2008–2010, with a specific focus on the factors influencing the choice of accounting policies for fixed assets. The research analyzed participants' responses to a questionnaire covering key issues such as valuation rules, revaluation of tangible assets, depreciation amounts and methods. Twenty questions were directed to financial managers and accountants in 187 entities, with a response rate of 90.13%. The study found that the majority of companies did not take into account economic criteria when valuing fixed assets, relying instead on the values and useful lives prescribed by tax law. Most taxpayers followed the straight-line method for depreciating fixed assets. Furthermore, the rules for valuing fixed assets varied, while most revaluations (86.4%) were conducted by independent experts, thereby reflecting fair values of fixed assets. The findings also highlighted the significant influence of tax laws and fiscal policy on accounting practices.

1.6 Study by (Slimane Atir, 2017)

This study aimed to provide an overview of the reality of accounting policies in Algerian economic enterprises from different perspectives. It examined, first, the extent to which Algerian accounting practices in the selection and application of accounting policies are consistent with International Accounting Standards, and second, the availability of multiple accounting policy options applicable within Algerian enterprises. Furthermore, the study sought to diagnose the legislative constraints and regulatory barriers that limit the freedom of Algerian economic enterprises in selecting and applying appropriate accounting policies. To achieve these objectives, the researcher distributed a questionnaire to 217 professional and academic accountants and analyzed their responses using the SPSS statistical software. The study concluded with several key findings: (i) accounting policies in Algerian enterprises are largely consistent with international accounting standards; (ii) the accounting policies applied in Algerian enterprises often provide multiple alternatives for implementation; and (iii) environmental barriers and legislative restrictions constrain the freedom of Algerian enterprises in choosing accounting policies.

1.7 Study by (Bouchounda Rafiq and Mohamed El-Habib Marhoum,2015)

This study sought to verify the extent to which the Algerian Financial Accounting System (FAS) responds to the needs of Algerian economic enterprises in terms of developing and adopting accounting policies. To achieve this objective, the researchers reviewed the accounting policies introduced by the Algerian Financial Accounting System. The study reached several findings, most importantly that the adoption of the FAS represents a fundamental change in accounting policies. Based on this result, the study recommended that the principles of the FAS be systematically taught to professional accountants and practitioners responsible for the preparation and auditing of financial statements on a continuous basis.

1.8 Study by (Muna Yahya Abdelsalam Idris,2011)

The problem addressed by this study lies in the fact that the accounting policies adopted by the Sudanese Petroleum Corporation significantly affect the distribution companies of petroleum products in Sudan, their sales, and their customer relationships. Over several years, these companies accumulated considerable debts owed to the Corporation. Consequently, the Sudanese Petroleum Corporation revised its accounting policies. The study aimed to identify the Corporation's accounting policies and to examine the role of these policies in regulating the trade and marketing of petroleum products among distribution companies. Several hypotheses were tested, including: (i) changes in the Corporation's accounting policies, specifically increasing the profit margin (commission category) for distribution companies, reduced their accumulated debt; (ii) changes in accounting policies related to profit margins and payment terms (credit sales) affect the sales performance of distribution companies; and (iii) distribution companies adopted new measures in response to changes in the Corporation's accounting policies. The study's main findings were: the debt levels of petroleum distribution companies decreased as a result of the revised accounting policy of increasing profit margins; no significant change was observed in their sales performance; and distribution companies implemented new procedures in response to the policy changes. The study recommended that petroleum distribution companies adopt accounting policies enabling them to meet their financial obligations towards various stakeholders, especially the Sudanese Petroleum Corporation. Furthermore, it emphasized the need to train and develop the financial and administrative skills of employees in distribution companies and to provide incentives to enhance corporate performance. Additionally, the study suggested that the Corporation's financial management establish withdrawal limits for all companies—not only defaulting ones—in order to mitigate potential debt accumulation.

2. Insights Derived from Previous Studies

An analysis of the insights gained from prior research reveals that these studies have provided significant scientific and practical contributions that can serve as a foundation for further work in the field of accounting policies. The study by *Inoue & Thomas* highlighted the importance of environmental and institutional factors in shaping managerial decisions regarding accounting policies, which is useful for understanding the impact of national context on accounting choices. *Hope's* study emphasized the role of disclosure in reducing uncertainty and improving analysts' forecasts, thereby reinforcing the importance of transparency. *Tzofas* focused on the behavioral dimensions of management and the influence of accounting on stakeholders, thus enriching the managerial perspective. *Grubljesic* provided evidence on how the transition to IFRS alters the philosophy of recognition and measurement, while *Dumbravă* revealed the impact of tax considerations on fixed asset policies, reflecting the interconnection between accounting and taxation.

In the Algerian context, *Atir's* study demonstrated the limits of flexibility caused by legislative constraints, while *Bouchounda and Marhoum* underscored the necessity of training accountants in the new system. Meanwhile, *Muna Idris's* study showed the effects of changing accounting policies on the financial and operational performance of oil companies.

Accordingly, these studies can be leveraged in the present field study by broadening the analysis to encompass environmental, institutional, fiscal, and legislative dimensions, while simultaneously linking them to the Algerian context in order to highlight its specificities and to identify areas of convergence or divergence with international experiences in the domain of accounting policies.

Third: Field Study

1. Methodology and Instruments

1.1 Study Population and Sample

The study population comprises accountants working in the institutions under investigation. To ensure adequate representation, a sample of 141 respondents was selected using the systematic sampling method. Questionnaires were distributed, and after the screening process, incomplete or non-returned questionnaires were excluded. Only valid responses were retained for statistical analysis.

1.2 Validity and Reliability of the Study Instrument

To test the validity and reliability of the questionnaire, and to ensure the credibility of the respondents' answers for each variable individually, Cronbach's Alpha coefficient was employed. This coefficient ranges between zero and one (0–1), with each value holding specific significance.

Table 1. Reliability of the Scale as a Whole

Number of Items	Cronbach's Alpha	Validity Coefficient
35	**0.970**	**0.984**

Source: Prepared by the researchers based on the analysis of the questionnaire results.

From the preceding table, it is observed that by applying Cronbach's Alpha to test the validity and reliability of the responses to all the questionnaire items, based on a study sample of 141 respondents, a Cronbach's Alpha value of (0.970) was obtained. This indicates that the correlation among the responses is statistically acceptable and sufficient for such a study. Furthermore, the validity coefficient, which corresponds to the square root of Cronbach's Alpha, was (0.984). Accordingly, the questionnaire was confirmed to be both valid and reliable, making it appropriate and dependable for use in the analysis of the results.

3.1 Distribution of the Sample According to the Job Position Variable

Based on the distribution of the sample according to the job position variable, it is observed that the number of respondents holding the position of Chief Accountant in the institution amounted to 18 respondents, representing 12.80%. Meanwhile, the number of respondents occupying the position of Accounting and Finance Manager reached 17 respondents, representing 12.10%. In addition, the number of respondents working as Assistant Accountants totaled 18 respondents, representing 12.80%. As for the number of Certified Accountants, they amounted to 88 respondents, accounting for 62.4%.

4.1 Distribution of the Sample According to the Professional Experience Variable

From the distribution of the sample according to the professional experience variable, it is noted that the number of respondents with professional experience ranging between 5 and 10 years was 36 respondents, representing 25.5%. In contrast, the number of respondents with professional experience ranging between 10 and 15 years reached 88 respondents, or 62.4%, which is the highest proportion. This indicates that the respondents possess solid experience in accounting policies, enabling us to benefit from the information available to them. Meanwhile, the number of respondents with more than 15 years of professional experience amounted to 17 respondents, representing 12.10%.

5.1 Normal Distribution

The results of the Kolmogorov-Smirnov test, conducted to assess whether the data of the dimensions follow a normal distribution, indicate that the significance values (Sig) for the first, second, and third dimensions were all less than 0.05, reaching 0.000 for all dimensions. This implies the rejection of the null hypothesis, which assumes that the data follow a normal distribution. In other words, the data in the three dimensions are not normally distributed, a fact that must be considered when selecting the appropriate statistical tests.

By analyzing the statistical parameters, it is observed that the arithmetic means of the three dimensions ranged between 3.19 and 3.74, with standard deviations varying from one dimension to another. The second dimension recorded the highest standard deviation (1.07226), reflecting greater dispersion in responses, whereas the first dimension recorded the lowest dispersion (0.53585). Moreover, the values of the maximum differences (absolute, positive, and negative) reveal noticeable gaps between the actual data distribution and the expected normal distribution, which was also reflected in the high Z-values of the test.

These results highlight that the statistical analysis for testing the study hypotheses cannot rely on parametric tests that require a normal distribution, such as the t-test or Analysis of Variance (ANOVA). Instead, non-parametric tests, such as the Mann–Whitney or Kruskal–Wallis tests, should be employed to ensure the accuracy and reliability of the results.

2. Description of the Study Sample's Responses

2.1 Description of the Study Sample's Responses Regarding the Reality of Accounting Policy Changes

In light of the results of the first dimension, it is observed that the third question, which concerns the absence of clear documentation for the inventory valuation methods applied in the institution, received the highest level of agreement from the respondents, with a mean score of 4.2553. Documenting valuation methods is considered a fundamental element for ensuring transparency and the verifiability of financial statements. Similarly, the ninth question, regarding the institution's reliance on an internal auditor to review the soundness of accounting policies, received the same mean score (4.2553), reflecting awareness of the importance of internal control and governance. In addition, the first question, related to the adoption of a written accounting policy formally approved by senior management, obtained a relatively high mean score of 4.0071, indicating the existence of a formal framework that guides accounting practices and limits individual discretion.

On the other hand, the lowest mean scores were recorded for the second and fourth questions, which pertain to the frequent modification of accounting policies and the alteration of asset depreciation methods in line with profit-oriented purposes, each with a mean score of 2.8794. These results suggest that institutions tend to maintain a relative stability in their accounting policies, in line with the principle of consistency. However, the low mean may also point to limited flexibility in adapting to changes in the business environment. Likewise, the policy of revenue recognition aligned with profit objectives recorded a relatively low mean score of 3.1348, which implies inconsistencies in its application or a potential influence of profitability considerations on accounting decisions, thereby threatening neutrality and objectivity.

Considering the overall mean for this dimension, which stood at 3.5686, the findings reflect a general level of agreement regarding the tendency of the Algerian institutions under study to alter their applied accounting policies. This outcome highlights areas for potential improvement, particularly concerning the separation of accounting decisions from profit and tax-related objectives. Accordingly, the main recommendation is to strengthen the independence of accounting policies and to ensure that any amendments or changes are professionally and technically grounded, with full transparency in disclosing their underlying reasons.

2.2 Description of the Study Sample's Responses Regarding the Change of Accounting Policies for Profit Purposes

The results of the second dimension revealed that the highest mean score was 3.8936, corresponding to the first question, which stated: "The institution exploits accounting flexibility to achieve specific profit objectives." The respondents tended to agree with this practice. This finding reflects the respondents' awareness that the flexibility granted within accounting frameworks is not merely utilized to facilitate financial operations or adapt to market conditions, but is deliberately and strategically directed toward achieving specific profit goals. It indicates that institutions may rely on this flexibility as a strategic tool for determining desired profits, either by adjusting certain accounting treatments or by selecting alternative policies that allow them to present financial results aligned with their interests. Such behavior may be linked to competitive environments that require improving financial performance indicators or meeting shareholder and investor expectations.

In contrast, the second question, which stated: "The depreciation methods applied have been changed with the purpose of influencing net profit," recorded the lowest mean score in this dimension, at 2.6170, with respondents' opinions tending toward neutrality. This relatively low level suggests that altering depreciation methods is not a widely used practice as a primary tool for influencing profits in institutions. This may be attributed to several factors, including the constraints imposed by the Financial Accounting System on the choice of depreciation methods, as well as accounting and tax oversight that limit the possibility of frequently adjusting such methods. In addition, the impact of changing depreciation methods on net profit may be less evident compared to other practices, such as controlling the timing of revenue or expense recognition. The neutrality in responses may also point to variations in the respondents' professional experiences or differences in their exposure to such practices within their institutions.

As for the overall results of the second dimension, the mean score reached 3.1939 with a standard deviation of 1.07226, reflecting a general tendency toward neutrality among respondents. This mean indicates that the participants do not adopt a unified stance regarding the prevalence or impact of profit-determination practices through accounting flexibility. Opinions are divided between those affirming the existence of such practices and their actual influence on profitability, and those who perceive them as limited or constrained by regulations that restrict their effectiveness. This divergence may be associated with the nature of the sectors to which the studied institutions belong, the level of governance and oversight in place, and differences in disclosure and transparency cultures from one institution to another. Overall, this general neutrality suggests that the exploitation of accounting flexibility for earnings management is not an absolute phenomenon but rather one that varies according to the institutional environment and regulatory context.

3.2 Description of the Study Sample's Responses Regarding the Achievement of Accounting Policy Changes for Profit Purposes

The results of the third dimension revealed that the highest mean score was 4.2482, corresponding to question eleven, which stated: "Financial statements are sometimes employed to serve negotiation purposes with investors or banks." Respondents strongly agreed with this statement, reflecting a strong awareness that financial statements are not only an instrument of accounting disclosure, but are sometimes strategically used to support negotiations with external parties. This may involve securing financing under favorable conditions, attracting new investors, or enhancing the institution's image in the market. The high level of agreement further indicates respondents' recognition that accounting information can be used for purposes beyond meeting legal requirements, functioning instead as a negotiation tool with tangible influence on financial and investment decisions.

In contrast, the lowest mean score in this dimension was 3.3688, related to question three, which stated: “Provisions estimates are adjusted to reduce taxable profits.” Respondents tended toward neutrality on this item. This suggests that adjusting provisions estimates to influence taxable profits is not a common or widely accepted practice among the institutions studied. Possible reasons include strict tax regulations and accounting oversight, or the limited benefits of such adjustments compared to the risks of non-compliance. The neutrality of responses may also reflect heterogeneity in respondents’ experiences, where some institutions may resort to such practices while others refrain due to compliance obligations or the adoption of strict governance policies.

The overall mean for the third dimension was 3.7492 with a standard deviation of 0.77085, indicating that respondents tended to agree on the existence of practices that exploit accounting flexibility for profit or strategic purposes. This shows that respondents perceive institutions, in general, as employing multiple tools and techniques within the accounting framework to serve their interests—whether through controlling the timing of revenue and expense recognition, adjusting accounting policies at certain points, or using financial information in negotiations with stakeholders. This relatively high mean reflects a clearer picture of the prevalence of such practices compared to the other dimensions, suggesting that these methods may be regarded as acceptable or even natural in the business environments in which the studied institutions operate, particularly given competitive pressures and the need to demonstrate strong performance indicators to stakeholders.

3. Results of Hypothesis Testing

3.1 Results of the First Hypothesis Test

H0:
There are no statistically significant differences at the significance level ($\alpha \leq 0.05$) according to the variable of professional experience regarding the extent to which Algerian institutions change their applied accounting policies.

H1:
There are statistically significant differences at the significance level ($\alpha \leq 0.05$) according to the variable of professional experience regarding the extent to which Algerian institutions change their applied accounting policies.

Using the Kruskal-Wallis test to measure the differences between the mean ranks of the professional experience variable regarding the extent to which Algerian institutions change their applied accounting policies, it was observed that the Chi-square statistic reached (24.286) with (2) degrees of freedom, and a significance level of Sig. = 0.000, which is lower than the significance threshold adopted in the study ($\alpha \leq 0.05$). This result leads to the rejection of the null hypothesis (H0) and the acceptance of the alternative hypothesis (H1). In other words, there are statistically significant differences among respondents, according to their level of experience, in their opinions regarding changes in accounting policies. This implies that respondents perceive variations in institutional practices related to modifying accounting policies, whether for the purpose of complying with the requirements of the Financial Accounting System or to achieve managerial or financial objectives.

Furthermore, the analysis of mean ranks shows that the group with 10 to 15 years of experience recorded the highest mean rank (78.06), followed by the group with 5 to 10 years of experience, with a mean rank of (75.00), while the group with more than 15 years of experience ranked last, with a very low mean rank (26.00). These results indicate that respondents with medium and relatively high levels of experience (up to 15 years) demonstrate greater awareness of practices related to changes in accounting policies. By contrast, those with very long experience may hold reservations or different perspectives, possibly stemming from their adherence to traditional practices or reliance on past experiences, which make them less receptive to or less observant of such changes.

The discussion of these results suggests that the temporal dimension of professional experience may play a dual role. On the one hand, the early and middle stages of a career provide employees with opportunities to become exposed to and actively involved in policy changes, thereby increasing their awareness and understanding of such practices. On the other hand, very extensive experience may create a knowledge gap or a gap in engagement with recent developments, due to reliance on past experiences or long-established practices. Accordingly, Algerian institutions could benefit from these differences by designing policies that take into account the varying levels of professional experience, ensuring the effective involvement of all groups in the adoption and implementation of new accounting policies.

1.1.3 Analysis of Differences for the First Hypothesis

Comparison (5–10 years) vs. (10–15 years):
The mean rank for the group with 10–15 years of experience is slightly higher (64.34) compared to the 5–10 years group (58.00). However, the Mann-Whitney statistic (1422.000) and the probability value ($p = 0.363$) are greater than the significance level (0.05). This indicates that there is no statistically significant difference between the two groups. Such a result suggests that the level of experience within these two time spans did not lead to a meaningful divergence in respondents' views on the first dimension, possibly reflecting a similarity in their reasoning style or in their degree of adherence to the accounting practices under study.

Comparison (5–10 years) vs. (more than 15 years):
In this case, the difference in mean ranks is substantial, with the 5–10 years group scoring 35.50 compared to only 9.00 for the group with more than 15 years of experience. The Mann-Whitney value (0.000) and the probability ($p = 0.000$) are both below 0.05, indicating a statistically significant difference between the two groups in favor of the relatively less experienced group. This may imply that respondents with greater experience were less in agreement with practices related to changes in accounting policies, likely due to a more conservative outlook or cumulative experience that makes them more critical.

Comparison (10–15 years) vs. (more than 15 years):
Between these two groups, a large gap in mean ranks is observed (58.22 vs. 26.00), with a Mann-Whitney value of (289.000) and $p = 0.000$. This confirms the presence of statistically significant differences in favor of those with 10–15 years of experience. This outcome may reflect that professionals within this career span are more open to modern accounting approaches or more aligned with the applied accounting policies compared to those with longer experience, who may adhere more strongly to traditional practices.

2.3 Testing the Second Hypothesis

H0
There are no statistically significant differences at the significance level ($\alpha \leq 0.05$) according to the experience variable regarding the extent to which Algerian enterprises change their applied accounting policies for profitability purposes.

H1
There are statistically significant differences at the significance level ($\alpha \leq 0.05$) according to the experience variable regarding the extent to which Algerian enterprises change their applied accounting policies for profitability purposes.

Based on the Kruskal-Wallis test for the second hypothesis, statistically significant differences were observed among the three experience groups at the significance level ($\alpha \leq 0.05$). The Kruskal-Wallis test statistic (χ^2) reached 46.456 with two degrees of freedom (df = 2) and a significance level of (Sig = 0.000). This indicates that the mean ranks in the second dimension differ substantially depending on respondents' level of experience. Notably, the highest mean rank was recorded for the "5–10 years" experience group (84.00), followed by the "10–15 years" group (77.66), while the "more than 15 years" group recorded the lowest mean rank (9.00). This large gap strongly suggests that years of experience have a pronounced influence on respondents' attitudes toward the dimension under study.

1.2.3 Pairwise Comparisons
When conducting post-hoc comparisons using the Mann-Whitney test between the "5–10 years" and "10–15 years" groups, no statistically significant difference was found at the level (Sig = 0.363). This implies that respondents within these two groups expressed relatively similar evaluations regarding changes in accounting policies for profitability purposes. However, when comparing the "5–10 years" group with the "more than 15 years" group, a substantial and statistically significant difference (Sig = 0.000) was revealed in favor of the former, with a mean rank of (35.50) compared to (9.00) for the more experienced group. This highlights a fundamental divergence in perceptions between the two groups.

The comparison between the "10–15 years" and "more than 15 years" groups also revealed statistically significant differences (Sig = 0.000) in favor of the "10–15 years" group, which recorded a mean rank of (61.50) compared to (9.00) for the more experienced group. These findings are consistent with the Kruskal-Wallis test results, confirming that the "more than 15 years" group consistently exhibits significantly lower evaluations, which may reflect greater conservatism or stricter assessment criteria. The results suggest that the variation in respondents' views according to the experience variable is primarily concentrated in the pronounced divergence between the most experienced group and the two less experienced groups, whereas the latter two groups show relatively similar orientations.

3.3 Testing the Third Hypothesis

H0
There are no statistically significant differences at the significance level ($\alpha \leq 0.05$) according to the experience variable regarding the effectiveness of changing the applied accounting policies in achieving the profitability objectives of firms.

H1
There are statistically significant differences at the significance level ($\alpha \leq 0.05$) according to the experience variable regarding the effectiveness of changing the applied accounting policies in achieving the profitability objectives of firms.

Based on the Kruskal-Wallis test applied to examine the effectiveness of changing accounting policies in achieving firms' profitability objectives, it was observed that the Chi-square value reached (1.000) with two degrees of freedom, while the significance level was 0.606, which is greater than the significance threshold adopted in this study ($\alpha \leq 0.05$). These values indicate the absence of statistically significant differences among the mean responses of participants with different levels of experience (5–10 years, 10–15 years, and more than 15 years) regarding the effectiveness of accounting policy changes in achieving profitability objectives. Consequently, the null hypothesis (H0) cannot be rejected.

The absence of significant differences suggests that the level of professional experience is not a decisive factor in shaping respondents' evaluations of the effectiveness of changing accounting policies to achieve profitability goals. Respondents with both shorter and longer professional experience tend to hold relatively similar views on this matter. This may be attributed to the presence of standardized accounting policies and procedures within organizations, which are implemented in consistent ways, thereby leading to nearly uniform perceptions of their effectiveness regardless of years of experience.

This finding reflects that the effectiveness of accounting changes in serving profitability objectives is influenced more by organizational and strategic factors than by individual experience. It may also indicate that firms rely on clear and structured accounting systems, whose impact on profitability performance is understood by all employees without requiring long experience. In turn, this reinforces the idea that disseminating a unified accounting culture and providing continuous employee training reduces divergences in viewpoints and fosters a collective understanding of the objectives and outcomes of changes in accounting policies.

Fourthly: Conclusion

This research paper presented a field study conducted on a sample of accounting practitioners in Algerian enterprises, with the aim of examining the extent to which accounting policies are modified and their role in determining the profitability objectives of firms. The key findings can be summarized as follows:

1. Key Findings:
- Through the analysis of survey questions related to changes in accounting policies, it was observed that Algerian firms do modify their accounting policies, particularly in areas such as inventory valuation methods, depreciation methods, and recognition practices.
- Accounting flexibility is sometimes exploited as a strategic tool for earnings management within firms, albeit to varying degrees across organizations, with relatively limited flexibility regarding depreciation practices for profit-oriented purposes.
- The correlation coefficients and internal consistency measures demonstrated strong statistical significance, thereby reinforcing the reliability of the statistical indicators employed in the analysis.

2. Recommendations:
Based on the above findings, the study proposes the following recommendations:
- Strengthen accounting flexibility by developing policies that allow adaptation to economic and legislative changes without undermining the reliability of accounting information.
- Invest in accounting information systems to facilitate the accurate collection and analysis of financial data, thereby supporting strategic decision-making.
- Reconsider certain accounting practices, such as modifications to depreciation methods or provisions, and evaluate their feasibility under the Financial Accounting System and tax requirements.
- Periodically update written accounting policies to ensure alignment with the Financial Accounting System and with changes in the Algerian business environment.

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