



Determinants of Corporate Accounting System Effectiveness in Vietnam: Evidence on The Mediating Role of Firm Size

An Pham Thi¹, Phuong Ngoc Nguyen², Trang Pham Thi Thu^{3*}

^{1,2,3} University of Hai Duong

ABSTRACT

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In the context of global economic integration and the Fourth Industrial Revolution, the effective implementation of accounting systems is a critical factor that enhances financial management capacity and competitiveness among Vietnamese enterprises, particularly during the adoption of International Financial Reporting Standards (IFRS). This study employs a mixed-method approach combining qualitative and quantitative techniques. A total of 350 valid survey responses from enterprises were analyzed using Cronbach's Alpha, Exploratory Factor Analysis (EFA), Confirmatory Factor Analysis (CFA), and Structural Equation Modeling (SEM) to assess accounting system effectiveness. The findings reveal that Accounting Technology, Accountant Competence, and Compliance with Accounting Standards exert significant positive effects on accounting system effectiveness. In contrast, Financial Resources and Organizational Culture influence system effectiveness primarily through firm size rather than direct effects. These results highlight that technological capability, professional competence, and regulatory compliance are the most decisive factors in improving accounting system performance. Based on the results, the study recommends that enterprises strengthen technological investment and digital transformation in accounting, enhance accountant training and international certification programs, and accelerate IFRS implementation.

KEYWORDS:

accounting system, SEM, firm size, Vietnam

1. INTRODUCTION

In the context of globalization and international economic integration, financial transparency and accountability have increasingly become mandatory requirements for enterprises. The corporate accounting system (CAS), with its functions of recording, processing, and providing financial information, is an internal management tool and a conduit connecting firms with stakeholders, including investors, regulators, and business partners.

In Vietnam, corporate accounting systems face opportunities and challenges alongside the development of the capital market and the demands of integration. The emergence of new technologies such as enterprise resource planning (ERP), artificial intelligence (AI), and blockchain has been reshaping accounting operations, improving accuracy, timeliness, and processing efficiency.

Corresponding Author: An Pham Thi

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At the same time, the requirement to implement International Financial Reporting Standards (IFRS) in parallel with Vietnamese Accounting Standards (VAS) poses significant challenges, particularly for small and medium-sized enterprises, in standardizing processes and sustaining the effectiveness of the accounting system.

International studies indicate that the effectiveness of the corporate accounting system is influenced by several determinants, including (1) the degree of technology adoption, (2) the competence and skills of accounting personnel, (3) compliance with accounting standards, (4) financial resources, and (5) organizational culture. The literature also recognizes the role of firm size; in this study, firm size is conceptualized as a mediating variable that transmits the effects of these determinants to CAS effectiveness. However, in Vietnam, there remains a paucity of research that simultaneously evaluates these factors using Structural Equation Modeling (SEM). Building on this context, the present study focuses on assessing the effectiveness of corporate accounting systems in Vietnamese enterprises with the following specific objectives:

1. Assess the effectiveness of corporate accounting systems in Vietnam.

2. Identify the principal determinants and estimate the magnitude of their effects.
3. Test the mediating role of firm size in the relationships between the determinants and system effectiveness using SEM.

2. THEORETICAL FRAMEWORK AND HYPOTHESIS

2.1. Theoretical framework

This study synthesizes four foundational theoretical perspectives: the Technology Organization Environment framework (TOE Framework), the Resource-Based View (RBV), Legitimacy Theory, and Decision Usefulness Theory. Together, these theories provide the conceptual foundation for identifying and explaining the determinants that influence the effectiveness of corporate accounting systems. They also serve as the theoretical basis for developing the Structural Equation Model applied in this research. In addition to the core factors of technology adoption, accountants' competence, and compliance with accounting standards, the study incorporates financial resources and organizational culture as key independent variables. Firm size is positioned as a mediating factor that conveys the effects of these determinants to system effectiveness.

2.1.1. Technology organization environment (TOE) framework

The Technology Organization Environment framework, proposed by Tornatzky and Fleischer in 1990, explains the adoption and implementation of technology in organizations through the interaction of three contextual dimensions: technology readiness, organizational characteristics, and the external environment. Within the scope of this research, the TOE framework is used to explain how accounting technology enhances system effectiveness. Implementing modern accounting technologies such as enterprise resource planning systems, artificial intelligence, and blockchain is influenced by the availability of technological infrastructure, the organizational capacity to manage change, and external institutional pressures such as regulatory and market competition. Furthermore, organizational culture plays a vital role in shaping the acceptance of innovation, the discipline of data management, and the consistency of accounting processes. Financial resources are equally critical, as they determine an enterprise's ability to invest in modern technology, training, and system maintenance, all of which directly affect the operational effectiveness of the accounting system.

2.1.2. Resource-based view (RBV)

According to the Resource-Based View, as proposed by Barney in 1991, a firm's sustainable competitive advantage is derived from its ability to acquire and utilize valuable, rare, inimitable, and non-substitutable resources. From this perspective, accountants' competence and the enterprise's scale represent vital resources that determine how

effectively the accounting system operates. Financial resources are also essential to this advantage because they enable firms to invest in infrastructure, training, and innovation. Organizational culture is an intangible yet strategic asset that promotes shared values, learning orientation, and adherence to accounting integrity. These elements strengthen the firm's internal capacity to ensure accurate, reliable, and timely financial reporting. Firm size reflects the level of these resources. It serves as a mediating variable through which technology, human capability, economic strength, and organizational culture influence the overall effectiveness of the corporate accounting system.

2.1.3. Legitimacy theory

Legitimacy Theory emphasizes that organizations must act according to social norms, ethical values, and public expectations to maintain their existence and achieve sustainable development, as noted by Suchman in 1995. In the accounting field, compliance with both Vietnamese Accounting Standards and International Financial Reporting Standards is an essential mechanism for maintaining legitimacy. By adhering to recognized accounting frameworks, enterprises demonstrate transparency and responsibility, strengthening trust among investors, regulators, and the wider community. This process also depends on financial capability, as adequate resources are required to support IFRS adoption, employee training, and technology upgrades. At the same time, organizational culture reinforces legitimate behavior by encouraging ethical compliance and commitment to regulatory standards. Through these mechanisms, firms enhance their reputation and improve access to capital and international markets, supporting the accounting system's higher effectiveness.

2.1.4. Decision usefulness theory

The Decision Usefulness Theory, developed by Staubus in 1961 and later articulated by the Financial Accounting Standards Board in 1978, states that the primary purpose of accounting is to provide valuable information for economic decision making. Therefore, the effectiveness of an accounting system can be evaluated through its ability to produce information that supports managerial planning, performance evaluation, and stakeholder decisions. In this research, technology adoption, accountants' competence, compliance with standards, financial resources, and organizational culture are expected to enhance accounting information's relevance, reliability, and timeliness. When these factors operate efficiently within an organization of appropriate scale, the usefulness of financial information is maximized, and the mediating role of firm size becomes evident. A larger firm, with more structured processes and diversified resources, can better leverage these determinants to achieve high system performance and information quality. Hence, the corporate accounting system not only ensures accurate and transparent reporting but also contributes to

strategic decision-making and the sustainable growth of the enterprise.

2.2. Hypothesis

2.2.1. Corporate accounting system

A corporate accounting system comprises a structured set of policies, procedures, methods, and tools designed to collect, process, record, and provide financial information for managerial decision-making and reporting to stakeholders such as shareholders, investors, regulators, and business partners. An effective accounting system must meet three key criteria: accuracy, timeliness, and transparency. These dimensions determine accounting information's reliability and usefulness for internal and external users. As empirical research indicates, the quality and effectiveness of accounting information systems significantly influence managerial decision-making performance and overall organizational success.

2.2.2. Accounting technology

The strong development of digital technology has profoundly influenced accounting operations. Technologies such as Enterprise Resource Planning (ERP), Artificial Intelligence (AI), and Blockchain have transformed traditional accounting processes by automating tasks, reducing errors, shortening processing time, and enabling in-depth data analysis that improves management efficiency and internal control. According to the Technology–Organization–Environment framework, technological adoption represents a significant determinant of organizational performance and competitiveness. In the accounting context, studies show that technology adoption significantly enhances accounting data integrity, system efficiency, and real-time decision support (Seshadrinathan & Chandra, 2025).

2.2.3. Accountant competency

Accountant competency integrates professional knowledge, practical skills, technological ability, work experience, and ethical standards. Within the knowledge-based view of the firm, human capital is regarded as the fundamental resource determining the operational success of accounting systems. In the context of globalization and digital transformation, accountants are increasingly required to meet international professional qualifications (ACCA, CPA) and adapt to new accounting technologies and standards. Recent research emphasizes that strong professional and technological competencies enable accountants to operate digital accounting systems more effectively, ensuring information accuracy and reliability (ACCA, 2020; Novak, 2025).

2.2.4. Compliance with accounting standards

Compliance with accounting standards reflects how enterprises apply and adhere to Vietnamese Accounting Standards (VAS) and International Financial Reporting Standards (IFRS). Based on Legitimacy Theory, compliance enhances transparency, accountability, and credibility of

financial reporting, thereby reinforcing trust among investors, regulators, and other stakeholders. For Vietnamese enterprises, aligning with IFRS promotes international comparability and facilitates capital access in global markets. Recent empirical studies in emerging economies confirm that IFRS adoption leads to higher financial reporting transparency and quality (Morshed, 2024).

2.2.5. Financial resources

Financial resources denote an enterprise's ability to mobilize and allocate funds for technological investment, staff training, and maintenance of accounting systems. They represent a critical organizational capability supporting sustainability and innovation. In digital transformation, firms with more substantial financial resources can adopt cloud accounting and advanced technologies more effectively, thereby improving productivity and decision quality. Empirical studies on small and medium-sized enterprises confirm that financial capability is a key determinant of digital accounting adoption and system performance (Mujalli, Wani, & Almgrashi, 2024; Salih et al., 2021).

2.2.6. Organizational culture

Organizational culture is the system of shared values, beliefs, and practices that governs how employees interact and perform their duties. It strongly influences adopting and using accounting systems by shaping attitudes toward learning, innovation, compliance, and ethical conduct. A culture that emphasizes integrity, collaboration, and transparency facilitates technological adaptation and enhances information quality. Empirical research demonstrates that supportive organizational cultures positively affect accounting information system quality and user satisfaction, particularly during digital transformation processes (Qatawneh, 2023).

2.2.7. Firm size

Firm size can be measured by total assets, revenue, number of employees, or shareholders' equity. It determines the level of organizational resources, structural formalization, and capacity to implement and maintain advanced accounting systems. Larger firms generally have greater potential to invest in technology, attract skilled personnel, and ensure strict compliance with reporting standards, whereas small and medium-sized firms often face resource constraints. In accordance with the Resource-Based View, firm size is considered a determinant of sustainable competitive advantage and system performance. Previous research confirms that firm size significantly moderates the relationship between technology adoption and accounting system effectiveness (Salih et al., 2021).

2.2.8. Accounting system effectiveness

The effectiveness of an accounting system refers to its ability to generate financial information that is accurate, timely, and transparent for decision-making and reporting purposes. Drawing upon the Decision Usefulness Theory, system effectiveness is measured by how well accounting

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information supports strategic planning, managerial control, and external accountability. When accounting information is reliable and relevant, firms can enhance operational efficiency, reduce costs, and improve overall performance.

Recent empirical research demonstrates a positive relationship between system quality, information quality, and organizational performance in both financial and nonfinancial dimensions (Monteiro et al., 2022).

3. METHODOLOGY

3.1. Research model

Based on the literature review results and relevant theoretical foundations, the author proposes the research model illustrated in Figure 1 below.

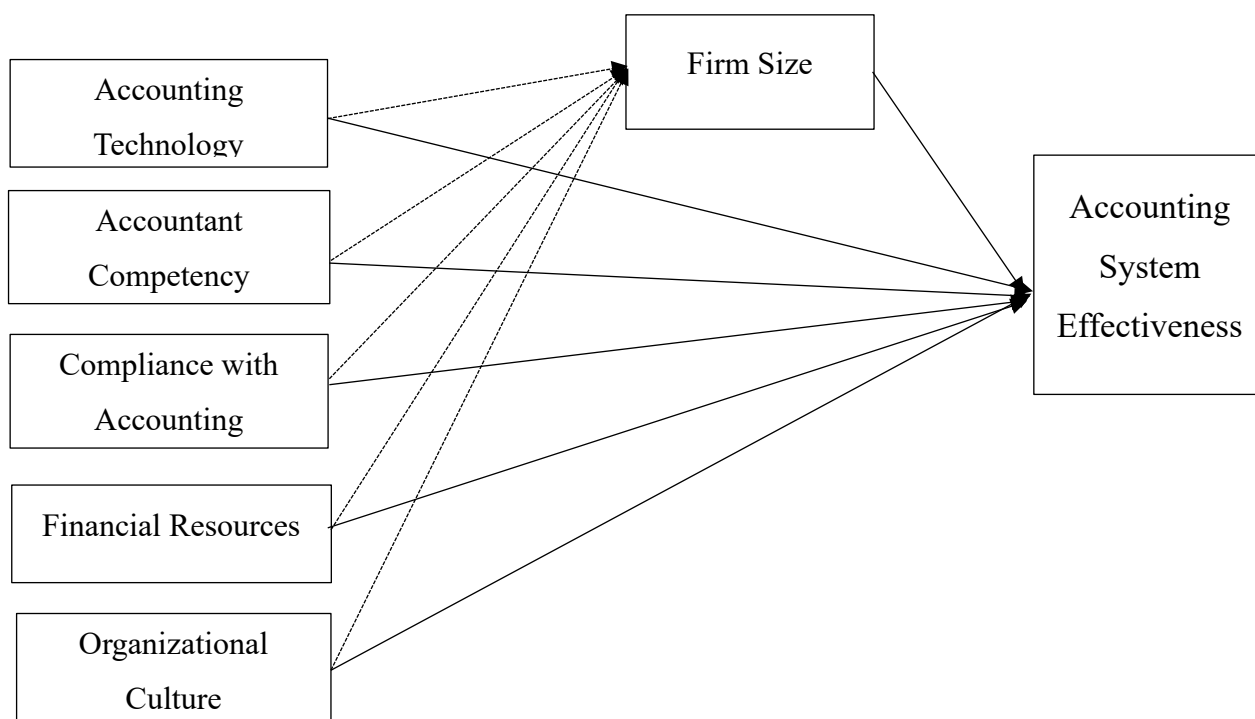


Figure 1. Research model
(Source: Developed by the authors, 2025)

The proposed research model consists of five independent variables, one mediating variable, and one dependent variable, as follows:

- Independent Variables

Accounting Technology (CN): This variable represents the degree of adoption of modern accounting technologies such as Enterprise Resource Planning (ERP), Artificial Intelligence (AI), Robotic Process Automation (RPA), and Blockchain in accounting activities. These technologies aim to improve accuracy, transparency, and efficiency in financial data processing.

Accountant Competency (NL): This construct reflects the professional qualifications, knowledge, skills, experience, ethical standards, and technological adaptability of accountants. Higher competency enables accountants to operate accounting systems effectively and maintain information reliability.

Compliance with Accounting Standards (TT): This variable assesses the extent to which enterprises comply with the Vietnamese Accounting Standards (VAS) and

implement the roadmap for International Financial Reporting Standards (IFRS). Strong compliance enhances transparency, reliability, and comparability of financial reporting.

Financial Resources (TC): Financial resources express the financial capacity of enterprises to invest in accounting technology, staff development, and system maintenance. Adequate resources ensure the continuous improvement and sustainability of accounting systems.

Organizational Culture (VH): Organizational culture represents the set of shared values, norms, and behaviors that shape ethical practices, learning attitudes, and technology acceptance within the accounting function. A supportive culture enhances innovation and strengthens system performance.

Mediating Variable

Firm Size (QM): Firm size is the mediating variable that reflects the scale of organizational operations and available resources. It is measured by indicators such as total assets, revenue, and number of employees, which can

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distinguish among small and medium-sized enterprises (SMEs), large enterprises, and foreign-invested firms (FDIs).

Dependent Variable

Accounting System Effectiveness (HQ): This dependent variable measures the effectiveness of the

accounting system in providing accurate, timely, transparent, and valuable financial information for internal management and external reporting.

Table 1. Summary of Measurement Constructs

No.	Variable	No. of Indicators	Theoretical Basis
1	Accounting Technology (CN)	5	Tornatzky & Fleischer (1990)
2	Accountant Competency (NL)	5	Barney (1991)
3	Compliance with Accounting Standards (TT)	4	Suchman (1995)
4	Financial Resources (TC)	5	Barney (1991)
5	Organizational Culture (VH)	5	Schein (2010)
6	Firm Size (QM)	4	Barney (1991)
7	Accounting System Effectiveness (HQ)	5	Staubus (1961)

Source: Compiled by the author, 2025

Based on prior studies and theoretical reasoning, the following hypotheses are proposed:

- **H1:** Accounting Technology (CN) has a positive indirect effect on Accounting System Effectiveness (HQ) through Firm Size (QM).
- **H2:** Accountant Competency (NL) has a positive indirect effect on Accounting System Effectiveness (HQ) through Firm Size (QM).
- **H3:** Compliance with Accounting Standards (TT) has a positive indirect effect on Accounting System Effectiveness (HQ) through Firm Size (QM).
- **H4:** Financial Resources (TC) have a positive indirect effect on Accounting System Effectiveness (HQ) through Firm Size (QM).
- **H5:** Organizational Culture (VH) has a positive indirect effect on Accounting System Effectiveness (HQ) through Firm Size (QM).
- **H6:** Accounting Technology (CN) directly and positively affects Accounting System Effectiveness (HQ).
- **H7:** Accountant Competency (NL) directly and positively affects Accounting System Effectiveness (HQ).
- **H8:** Compliance with Accounting Standards (TT) directly and positively affects Accounting System Effectiveness (HQ).
- **H9:** Financial Resources (TC) directly and positively affect Accounting System Effectiveness (HQ).
- **H10:** Organizational Culture (VH) directly and positively affects Accounting System Effectiveness (HQ).

3.2. Methodology

This study adopts a mixed-method research design, integrating both qualitative and quantitative approaches to enhance methodological robustness. The qualitative phase

was conducted first, focusing on expert interviews with chief accountants, accounting managers, and professional accountants from enterprises listed on the Ho Chi Minh City Stock Exchange (HOSE) and the Hanoi Stock Exchange (HNX). Insights from these interviews were used to adjust, refine, and supplement the measurement scales to ensure conceptual clarity and contextual appropriateness for the Vietnamese business environment. The revised scales were then used in the subsequent quantitative phase.

The quantitative phase consisted of a pilot study and a main survey. The pilot study was implemented with a small sample to verify the questionnaire's clarity, reliability, and validity, allowing for necessary revisions before official deployment. The main quantitative study was conducted on a larger scale to enable advanced statistical analysis and hypothesis testing. Data were collected using a five-point Likert scale ranging from 1 ("Strongly Disagree") to 5 ("Strongly Agree"). The final measurement model included seven latent variables and thirty-three observed indicators: five indicators for each of the five independent and one dependent variable, and four indicators for both Compliance with Accounting Standards (TT) and Firm Size (QM).

387 responses were collected through both online and face-to-face surveys, and after data cleaning, 350 valid samples were retained for analysis. Data were gathered between March and May 2025, covering various types of enterprises, including small and medium-sized enterprises (SMEs), large domestic firms, and foreign-invested companies (FDIs). The data were analyzed using descriptive statistics to summarize sample characteristics and variable distributions. Scale reliability was assessed using Cronbach's Alpha, and items with corrected item-total correlations below 0.3 or Cronbach's Alpha below 0.7 were eliminated. Exploratory Factor Analysis (EFA) was employed to identify factor structures and ensure convergent validity.

Following the exploratory stage, Confirmatory Factor Analysis (CFA) and Structural Equation Modeling

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(SEM) were applied to evaluate both the measurement and structural models. SEM was chosen because it allows simultaneous estimation of direct, indirect, and mediating effects, providing a comprehensive view of the relationships among variables. The model examined the influence of five independent variables: Accounting Technology (CN), Accountant Competency (NL), Compliance with Accounting Standards (TT), Financial Resources (TC), and Organizational Culture (VH) on the dependent variable,

Accounting System Effectiveness (HQ), through the mediating role of Firm Size (QM). The overall model fit was evaluated using indices such as χ^2/df , CFI, TLI, RMSEA, and SRMR. According to the recommendations of Hair et al. (2019), a sample size between 200 and 300 is generally adequate for models of moderate complexity; hence, the final dataset of 350 observations satisfies the statistical requirements for SEM analysis.

4. RESULT AND DISCUSSION

Among the total of 350 surveyed enterprises, 46% operate in manufacturing, 34% in trade and services, and 20% in other sectors. In terms of business size, 42% are small and medium-sized enterprises, while 58% are large firms (Figure 1; Figure 2).

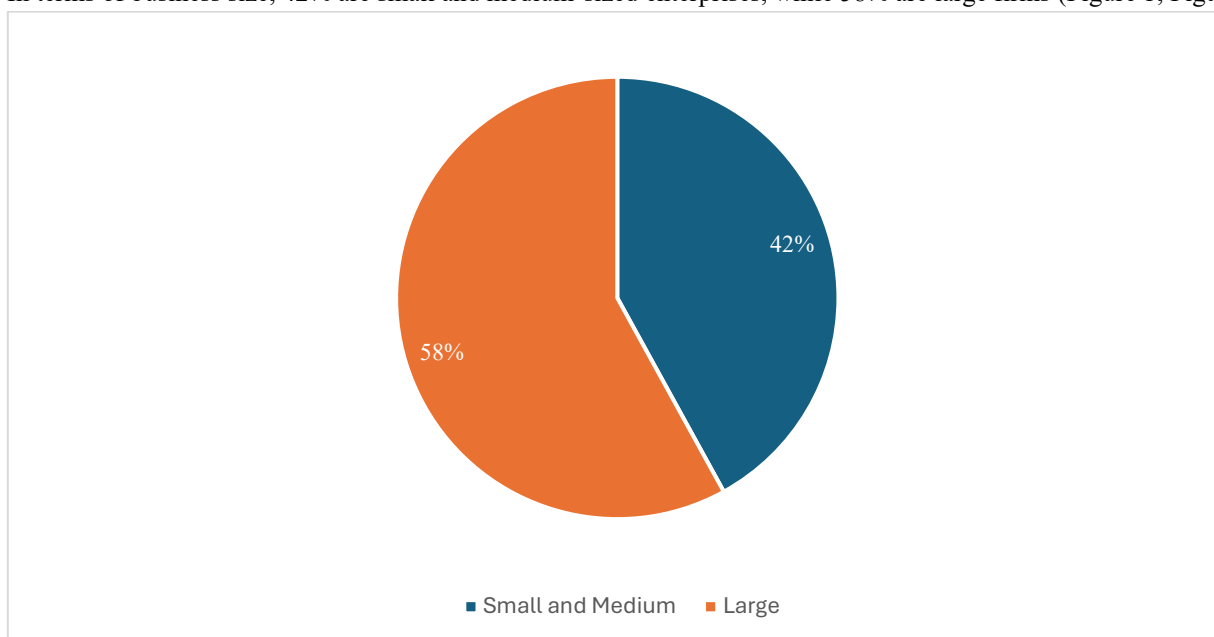


Figure 2. Business Size
Source: Compiled by the author, 2025

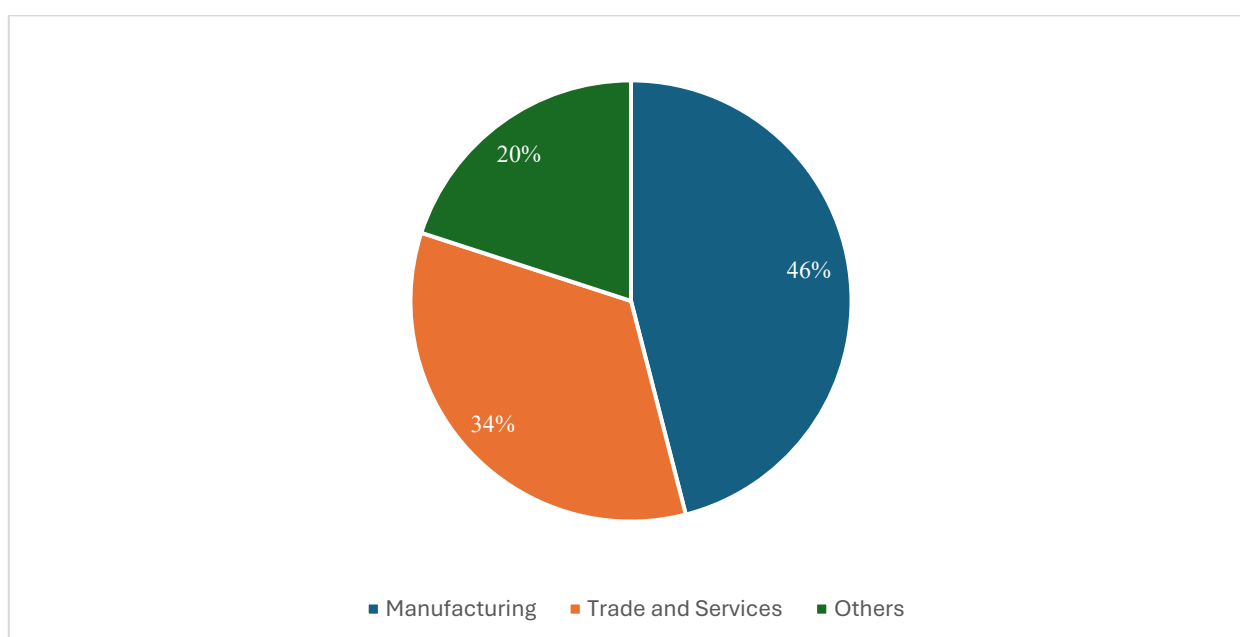


Figure 1. Industry
Source: Compiled by the author, 2025

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4.1. Reliability testing of measurement scales

To assess internal consistency, Cronbach's Alpha reliability analysis was performed independently for each construct. The results showed that all factors achieved acceptable reliability levels, with Cronbach's Alpha values exceeding 0.7, meeting the recommended threshold (Nunnally & Bernstein, 1994). During this process, two items: NL1 and VH1 were removed due to low item-total correlations (< 0.3). Their exclusion improved the internal consistency of their respective constructs. After this refinement, all remaining items demonstrated satisfactory reliability, indicating that the scales were internally consistent and suitable for subsequent analyses. Following this step, the measurement system contained 31 observed indicators across seven latent variables.

4.2. Exploratory factor analysis (EFA)

After confirming internal reliability, Exploratory Factor Analysis (EFA) was conducted to verify the

convergent and discriminant validity of the observed indicators. The Kaiser–Meyer–Olkin (KMO) measure of sampling adequacy reached 0.782, which is considered “good” according to Kaiser (1974). Bartlett's Test of Sphericity was significant ($\chi^2 = 6846.265$, $p < 0.001$), confirming that the correlation matrix was suitable for factor extraction. The EFA results extracted eight factors with Eigenvalues greater than 1, consistent with the theoretical model. The cumulative variance explained was 65.896%, indicating that the factors collectively accounted for more than 65% of the total variance, demonstrating strong explanatory power.

During factor rotation, three observed indicators, CN3, TC1, and TC3, were eliminated due to factor loadings below 0.5, which did not meet the criterion for convergent validity. After removing these items, the final dataset included 28 observed indicators that loaded significantly on their respective constructs, with all loadings above 0.5. The results confirm that the remaining items exhibited good internal coherence and distinctiveness across constructs.

Table 1. Rotated component matrix

	Component						
	1	2	3	4	5	6	7
HQ4	,867						
HQ3	,865						
HQ2	,814						
HQ1	,800						
HQ5	,749						
QM3		,910					
QM2		,869					
QM4		,840					
QM1		,771					
TT3			,787				
TT2			,787				
TT1			,763				
TT4			,725				
VH4				,846			
VH3				,790			
VH5				,763			
VH2				,646			

CN4					,748		
CN2					,737		
CN1					,733		
CN5					,672		
NL2						,731	
NL3						,709	
NL5						,626	
NL4						,619	
TC5							,756
TC4							,709
TC2							,673

Source: Compiled by the authors, 2025

4.3. Confirmatory factor analysis

After completing the exploratory factor analysis, the study proceeded with Confirmatory Factor Analysis (CFA) to validate the measurement model and assess the retained indicators' unidimensionality, reliability, and construct validity. The CFA results showed that the measurement model achieved a good overall fit with the collected data. Specifically, the fit indices were as follows: Chi-square (χ^2) = 636.655, $df = 384$, $\chi^2/df = 1.658$, GFI = 0.934, CFI = 0.925, TLI = 0.925, and RMSEA = 0.043 with PCLOSE = 0.967. These results satisfy the recommended thresholds proposed by Hair et al. (2019), and Browne & Cudeck (1993), where $\chi^2/df < 3$, CFI and TLI > 0.9 , and RMSEA < 0.06 .

The standardized factor loadings of all 28 observed indicators were greater than 0.6, confirming that each item contributes significantly to its corresponding latent construct. No cross-loading or multicollinearity issues were detected, indicating satisfactory discriminant validity. Moreover, the high internal consistency of the constructs was supported by Composite Reliability (CR) values exceeding 0.7 and Average Variance Extracted (AVE) values greater than 0.5. These findings collectively confirm that the measurement model possesses adequate reliability, convergent validity, and discriminant validity, meeting the statistical assumptions required for SEM analysis.

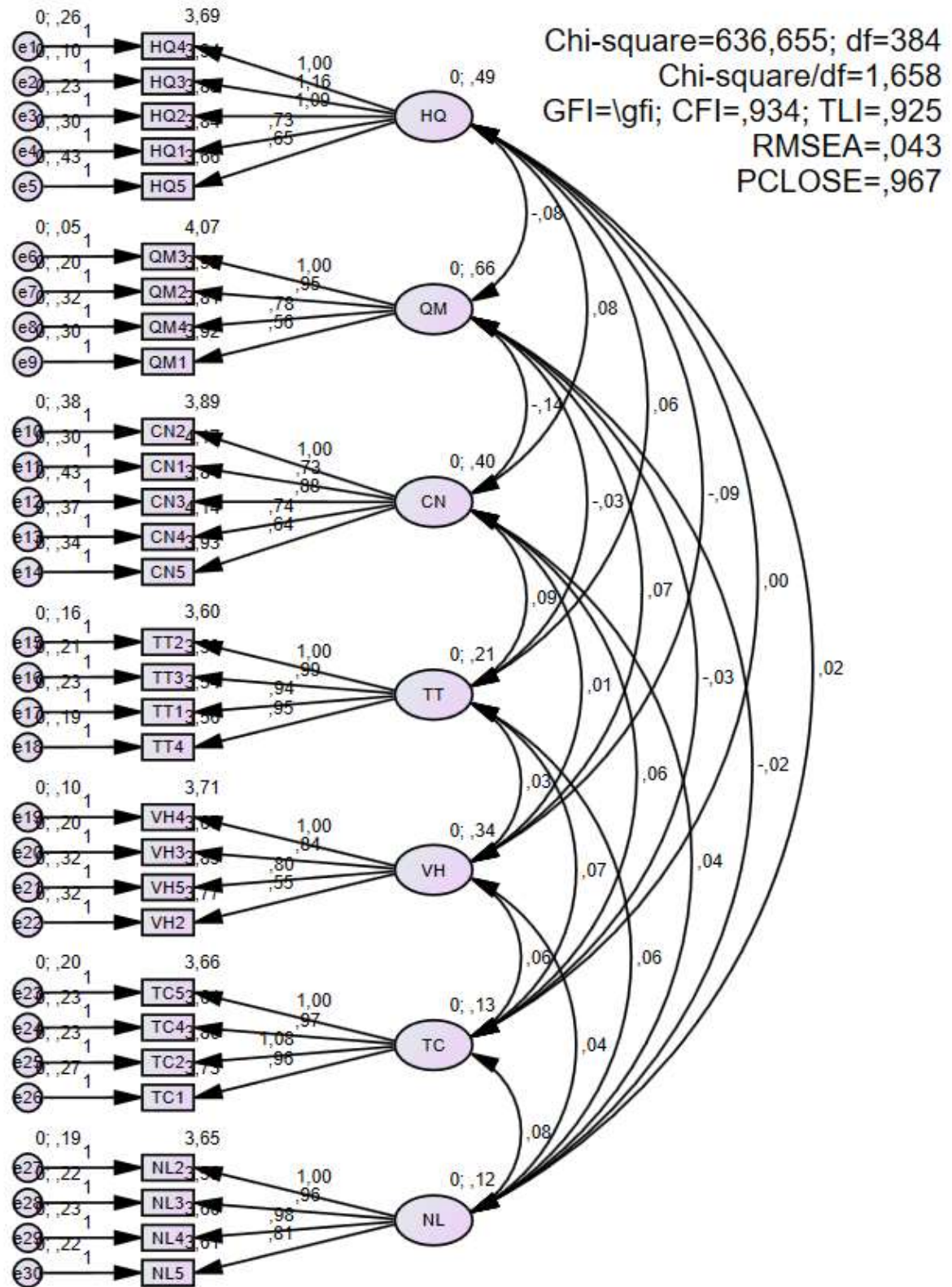


Figure 3. Confirmatory Factor Analysis
Source: Compiled by the authors, 2025

4.4. Structural equation modeling

After validating the measurement model, Structural Equation Modeling (SEM) was employed to test the causal relationships among the constructs and to evaluate the proposed hypotheses. The SEM results, presented in Figure 2,

confirm that the model demonstrates excellent goodness-of-fit indices: $\chi^2 = 636.655$, $df = 384$, $\chi^2/df = 1.658$, $GFI = 0.934$, $CFI = 0.925$, $TLI = 0.925$, and $RMSEA = 0.043$ with $PCLOSE = 0.967$. All values are within acceptable ranges,

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indicating that the model fits the empirical data well and meets the criteria of model adequacy (Hair et al., 2019).

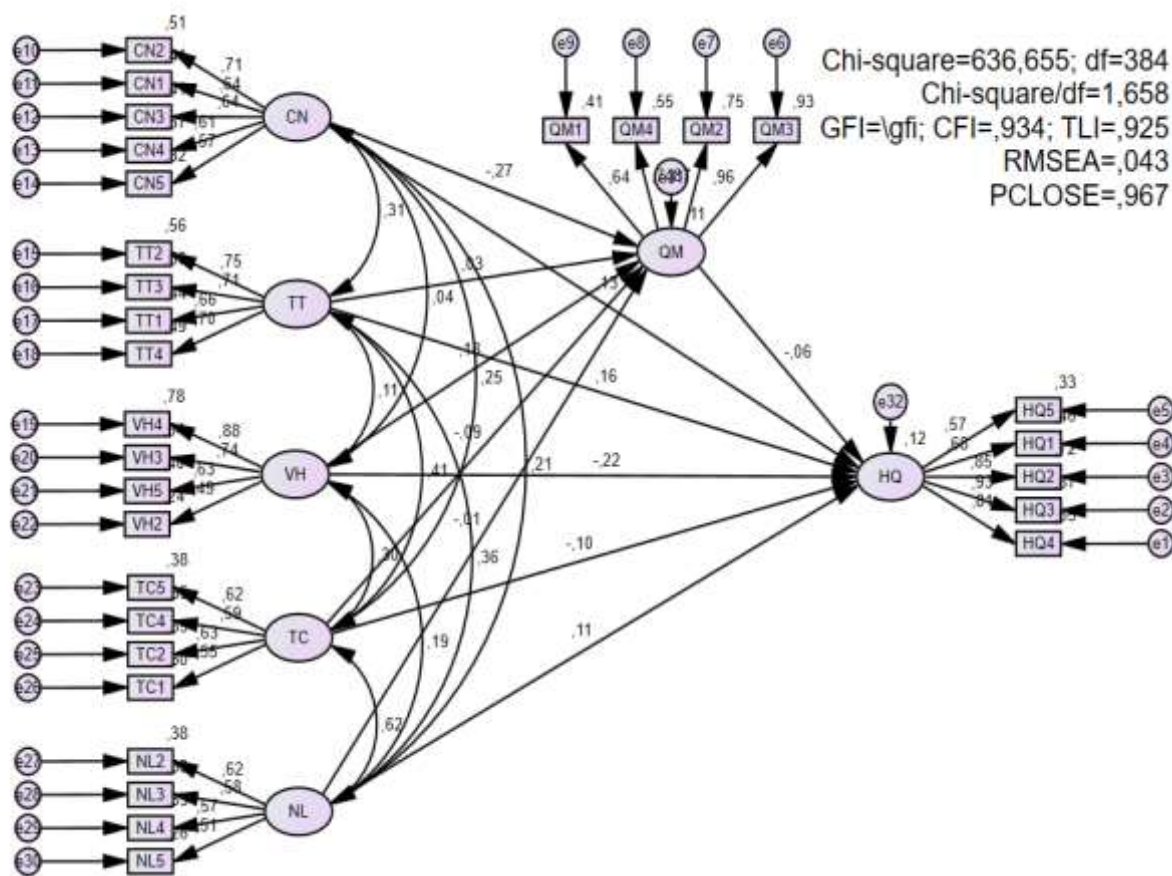


Figure 4. Structural Equation Modeling
Source: Compiled by the author, 2025

After model fit was established, hypothesis testing proceeded with standardized path coefficients. A result is considered statistically meaningful only when its p value is

below 0.05. The regression outputs show both direct paths from CN, NL, TT, TC, and VH to HQ and the indirect paths from each of these variables to HQ through QM.

Table 2. Hypothesis tests

Path	Direct		Indirect	
	S.D	P-value	S.D	P-value
HQ ← QM ← CN	0.132	0.000	0.089	0.002
HQ ← QM ← NL	0.111	0.001	0.035	0.087
HQ ← QM ← TT	0.164	0.000	0.176	0.001
HQ ← QM ← TC	-0.096	0.056	0.098	0.013
HQ ← QM ← VH	-0.223	0.023	0.102	0.046

Source: Compiled by the author, 2025

Based on the aforementioned results, conclusions regarding the hypotheses can be summarized as presented in the following table:

Table 3. Hypotheses and conclusions

Hypothesis	Statement	Conclusion
H1	Accounting Technology (CN has a positive indirect effect on Accounting System Effectiveness (HQ) through Firm Size (QM).	Supported
H2	Accountant Competency (NL) has a positive indirect effect on Accounting System Effectiveness (HQ) through Firm Size (QM).	Not supported
H3	Compliance with Accounting Standards (TT) has a positive indirect effect on Accounting System Effectiveness (HQ) through Firm Size (QM).	Supported
H4	Financial Resources (TC) have a positive indirect effect on Accounting System Effectiveness (HQ) through Firm Size (QM).	Supported
H5	Organizational Culture (VH) has a positive indirect effect on Accounting System Effectiveness (HQ) through Firm Size (QM).	Supported
H6	Accounting Technology (CN) directly and positively affects Accounting System Effectiveness (HQ).	Supported
H7	Accountant Competency (NL) directly and positively affects Accounting System Effectiveness (HQ).	Supported
H8	Compliance with Accounting Standards (TT) directly and positively affects Accounting System Effectiveness (HQ).	Supported
H9	Financial Resources (TC) directly and positively affect Accounting System Effectiveness (HQ).	Not supported
H10	Organizational Culture (VH) directly and positively affects Accounting System Effectiveness (HQ).	Not supported

Source: Compiled by the author, 2025

For Accounting Technology, both effects are positive and statistically significant. The direct effect from CN to HQ is 0.132 with p equal to 0.000, and the indirect effect through QM is 0.089 with p equal to 0.002. These results indicate partial mediation by firm size. Technology improves accounting system effectiveness on its own and also does so by enabling firms to grow and formalize, which further enhances effectiveness.

For Accountant Competency, only the direct route is supported. The direct effect from NL to HQ is 0.111 with p equal to 0.001, while the indirect effect through QM is 0.035 with p equal to 0.087 and therefore is not significant. Competency strengthens effectiveness primarily in a direct manner rather than through firm size.

For Compliance with Accounting Standards, both routes are positive and significant. The direct effect from TT to HQ is 0.164 with p equal to 0.000, and the indirect effect through QM is 0.176 with p equal to 0.001. This again indicates partial mediation. Compliance raises effectiveness directly and also does so by supporting scale and formalization that accompany larger firms.

For Financial Resources and for Organizational Culture the pattern is different. Financial Resources has a negative and non-significant direct coefficient to HQ of negative 0.096 with p equal to 0.056, but the indirect effect through QM is positive and significant at 0.098 with p equal to 0.013. Organizational Culture shows a significant negative

direct effect on HQ of negative 0.223 with p equal to 0.023, coupled with a positive and significant indirect effect through QM of 0.102 with p equal to 0.046. These two cases suggest competitive mediation. Resources and culture raise effectiveness when they operate through expansion and formalization captured by firm size, but their stand-alone direct paths do not yield a positive and significant impact, and for culture the direct sign is adverse.

Interpreting these results against the ten hypotheses gives the following conclusions. The indirect hypotheses are supported for CN, TT, TC, and VH because their indirect paths through QM are positive and significant, so H1, H3, H4, and H5 are supported. The indirect hypothesis for NL is not supported because its indirect path is not significant, so H2 is not supported. The direct hypotheses are supported for CN, NL, and TT because their direct effects on HQ are positive and significant, so H6, H7, and H8 are supported. The direct hypothesis for TC is not supported because the direct coefficient is negative and not significant, so H9 is not supported. The direct hypothesis for VH is not supported because the direct coefficient is negative and significant in the opposite direction to the expected positive sign, so H10 is not supported.

5. CONCLUSION AND IMPLICATIONS

This study examined the factors influencing the effectiveness of accounting systems in Vietnamese

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enterprises using Structural Equation Modeling (SEM) with data collected from 385 survey responses, of which 350 were valid for analysis. The results reveal that technological, organizational, and resource-related factors significantly affect accounting system effectiveness, with varying patterns of direct and indirect relationships. Accounting Technology (CN) and Compliance with Accounting Standards (TT) exert both significant direct and indirect positive effects on Accounting System Effectiveness (HQ) through Firm Size (QM), confirming the partial mediating role of firm size. Accountant Competency (NL) demonstrates a significant direct effect on system effectiveness but an insignificant indirect effect, indicating that human capital primarily enhances system performance through direct mechanisms rather than organizational scale.

In contrast, Financial Resources (TC) and Organizational Culture (VH) display non-significant or negative direct effects on HQ, but their indirect effects through QM are positive and statistically significant, suggesting a competitive or full mediation pattern. This implies that financial and cultural factors enhance accounting system effectiveness mainly when they translate into organizational expansion and formalization rather than through direct influence alone. Overall, the findings highlight that technology adoption, compliance with standards, and professional competency are the strongest direct drivers of accounting system effectiveness, while financial and cultural dimensions contribute indirectly through firm size and organizational structure.

Based on these findings, several implications are proposed. Enterprises should prioritize investment in modern accounting technologies such as ERP, AI, and automation tools to improve integration and data accuracy while simultaneously advancing compliance with VAS and IFRS standards to ensure transparency and comparability of financial information. Additionally, firms need to strengthen accountant competency through continuous professional development, technological training, and ethical reinforcement to maximize the direct performance impact of human capital. Regarding financial and cultural dimensions, firms should allocate resources strategically toward scaling operations, upgrading infrastructure, and reinforcing internal controls. Cultivating a data-driven, transparent, and learning-oriented organizational culture is also vital for activating the indirect benefits of firm size.

From a policy perspective, regulatory authorities should complete the legal framework for accounting and reporting, promote IFRS adoption, and support digital transformation for SMEs through training programs, tax incentives, and technical assistance. Coordinating technological, organizational, and institutional reforms will enhance the overall quality of accounting systems, thereby strengthening competitiveness and promoting sustainable

development of Vietnamese enterprises in the context of globalization and digital transformation.

Declarations

Funding: No external funding was received.

Data availability: Data available from the author.

Conflict of interest: The author declares that have no conflict of interest.

Ethics statement: Survey data, voluntary participation, no identifiers, no approval required.

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