

Bibliometric Review of the Impact of International Financial Reporting Standards (IFRS) on Financial Statement Quality

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ABSTRACT

This bibliometric analysis investigates the impact of International Financial Reporting Standards (IFRS) on the quality of financial statements from 2000 to 2024. Utilizing data from academic publications, the study maps the evolution, key themes, and collaborative networks in IFRS research globally. Publication trends indicate a significant increase in research, particularly following major financial upheavals, highlighting the growing importance of standardized financial reporting. Country collaboration analysis demonstrates a widespread academic partnership across continents, emphasizing a unified approach to enhance financial transparency. Thematic investigations reveal core topics centered around earnings quality, audit quality, and fair value, alongside emerging interests in sustainable development and technological integration. The findings illustrate the substantial contributions of IFRS to financial reporting quality, the challenges of universal application across diverse regulatory landscapes, and the evolving nature of financial disclosure standards in response to new economic and technological developments.

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1. INTRODUCTION

The International Financial Reporting Standards (IFRS) serve as a fundamental framework for global financial reporting, facilitating the consistent preparation of financial statements. Adopted by more than 140 nations, IFRS seeks to improve transparency, comparability, and consistency in financial reporting across international boundaries. The integration of global markets has significantly increased the demand for uniform financial reporting. This shift is crucial for enhancing investor confidence and

enabling efficient capital allocation among countries with varying economic systems [1]. The implementation of IFRS and its impact on the quality of financial statements has been a topic of significant discussion and academic research.

The quality of financial statements is a critical component of accounting, commonly characterized by reliability, relevance, transparency, and comparability [2]. The caliber of financial statements under IFRS is essential since it directly influences decision-making for investors, regulators, and other stakeholders. Enhanced financial reporting is

thought to promote more efficient capital markets, lower capital costs, and improve corporate governance [3]. The effect of IFRS adoption on the quality of financial statements has yielded inconsistent outcomes across various jurisdictions and accounting frameworks. This complexity arises from the variances in legal, cultural, and economic contexts among nations that affect the interpretation and application of IFRS [4].

Recent years have seen a growing number of studies assessing the effects of IFRS adoption on the quality of financial statements. These studies utilize many approaches, including comparative comparisons between nations that have embraced IFRS and those that have maintained national standards, as well as longitudinal assessments of temporal changes. The varied and occasionally contradictory results in the literature highlight the need for a more systematic and thorough examination of current research. A bibliometric review methodically evaluates literature to identify trends, patterns, and knowledge gaps, making it an optimal method for synthesizing the extensive empirical and theoretical research on IFRS and financial statement quality [5].

This study aims to provide a bibliometric analysis of the literature about the influence of IFRS on the quality of financial statements. A bibliometric review facilitates a comprehensive analysis of research output, geographic and institutional study distribution, applied methodology, and significant findings within the subject. This study will utilize bibliometric approaches, including citation analysis, keyword co-occurrence, and network mapping, to deliver a thorough overview of the development of research on IFRS and financial statement quality, emphasizing significant themes and developing trends [6].

2. LITERATURE REVIEW

2.1 *The Significance of IFRS Adoption*

The introduction of IFRS represents a significant shift in accounting standards,

aimed at improving the comparability and transparency of financial statements worldwide. As countries adopt IFRS, financial statements are expected to provide more consistent and reliable information that can be used by investors to make informed decisions. One of the primary motivations behind IFRS adoption is the desire to reduce information asymmetry in financial markets. By improving the quality of financial reporting, IFRS aims to provide stakeholders with a clearer and more accurate picture of a company's financial health [7].

Several studies have pointed to the potential benefits of IFRS adoption, including increased investor confidence and greater integration of financial markets. For example, by reducing cross-country variations in accounting practices, IFRS allows investors to compare financial statements across jurisdictions with greater ease. This leads to lower costs for investors when analyzing potential investments and may even reduce the cost of capital for firms [8]. Moreover, the transparency promoted by IFRS helps mitigate issues such as earnings manipulation and accounting fraud, which can undermine the integrity of financial statements [9].

2.2 *Mixed Evidence on the Impact of IFRS*

Despite the potential benefits, the empirical evidence on the impact of IFRS adoption on financial statement quality has been mixed. Some studies have found that IFRS improves financial statement quality by making financial reports more transparent and consistent across countries [10]. For instance, research by [11] concluded that IFRS adoption led to improvements in earnings quality, as measured by earnings management and the timeliness of financial reporting. Similarly, [12] demonstrated that IFRS adoption resulted in more accurate earnings predictions by analysts, suggesting higher-quality financial statements.

However, other studies have shown that the quality of financial statements may not improve uniformly across all countries or industries. In some jurisdictions, the quality of financial statements under IFRS may not be significantly better than under previous

national standards [13]. This is often attributed to factors such as the quality of enforcement, the level of professional training in local accounting practices, and the overall regulatory environment in which IFRS is implemented [14]. Additionally, some studies have raised concerns that IFRS may inadvertently increase complexity and lead to increased opportunities for earnings manipulation [15]. These discrepancies highlight the need for further investigation into the nuanced effects of IFRS adoption on financial statement quality.

2.3 A Bibliometric Approach to IFRS Research

Given the conflicting results in the literature, a bibliometric approach is well-suited to provide a systematic overview of the field. Bibliometric analysis involves the quantitative study of publications and their citations, helping researchers track trends, patterns, and key research clusters [16]. This approach has been increasingly applied in accounting and finance research to provide insights into the evolution of knowledge within specific areas [17]. By mapping the citation network and analyzing the most influential papers and authors, bibliometric reviews can identify key research topics, emerging issues, and potential areas for future inquiry.

3. METHODS

This bibliometric analysis will examine the impact of International Financial Reporting Standards (IFRS) on financial statement quality by systematically reviewing literature indexed in Scopus. The search will utilize keywords such as "IFRS," "International Financial Reporting Standards," "financial statement quality," and "accounting standards impact," targeting articles published from 2000 onwards to capture data post-IFRS implementation. Articles will be selected based on relevance to the topic, with exclusions applied to non-peer-reviewed content, book reviews, and conference abstracts to ensure focus on high-quality academic research. The data analysis will include a descriptive overview of publication trends, citation analysis to identify influential works, and keyword co-occurrence analysis to determine prevalent themes within the research. Advanced bibliometric tools, such as VOSviewer, will be employed for mapping and network analysis, facilitating a comprehensive understanding of the thematic and collaborative landscape surrounding IFRS research.

4. RESULTS AND DISCUSSION

4.1 Yearly Publication

Documents by year

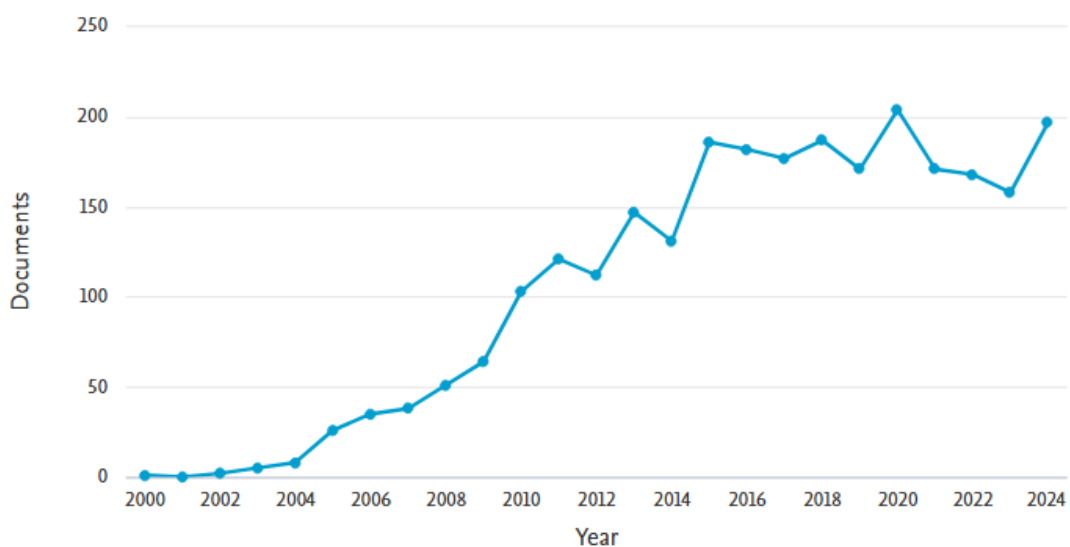


Figure 1. Yearly Publication
Source: Scopus Database, 2024

The graph above shows the number of documents published per year related to a specific topic from 2000 to 2024. Initially, the number of publications is relatively low, starting at around 10 in the year 2000. Over the years, there is a consistent upward trend in the volume of documents, indicating growing academic and possibly professional interest in the subject. This rise is particularly steep between 2008 and 2010, where the count almost doubles from about 50 to just under 100 documents per year. Following this surge,

the growth in publications continues, albeit at a slower pace, reaching a peak of just over 200 documents in 2018. After this peak, there is a slight decline and then a period of fluctuation between 2018 and 2023, with document counts moving in a range roughly between 150 and 200. In 2024, there is a noticeable uptick, suggesting a renewal of interest or emergence of new developments within the field.

4.2 Author Collaboration

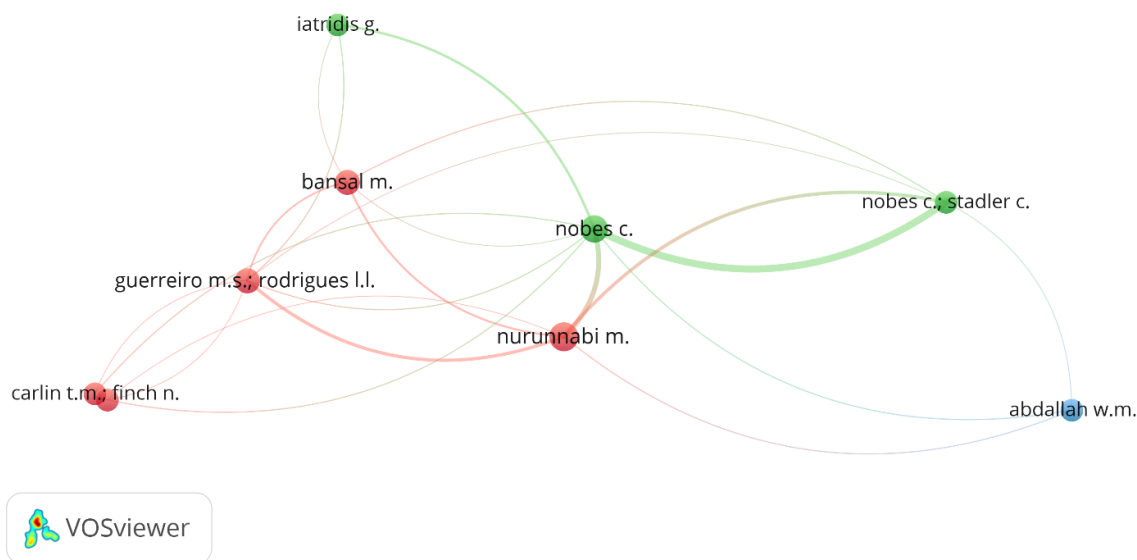


Figure 2. Author Collaboration
Source: Data Analysis, 2024

The visualization above depicts a network of collaborations among researchers, where each node represents an author and the lines indicate collaborative links. In this network, authors such as Nobes C. and Stadler C. are prominently connected, suggesting frequent co-authorship. Nurunnabi M. appears as a central figure, linking to several other researchers, which highlights his role in bridging collaborations

across the network. Rodrigues L.I. and Guerreiro M.S. also show direct collaboration, as do Carlin T.M. and Finch N., indicating specific research partnerships. The network's structure, with multiple interconnected nodes across different clusters, reflects a significant level of interdisciplinary collaboration and shared research interests among the participants.

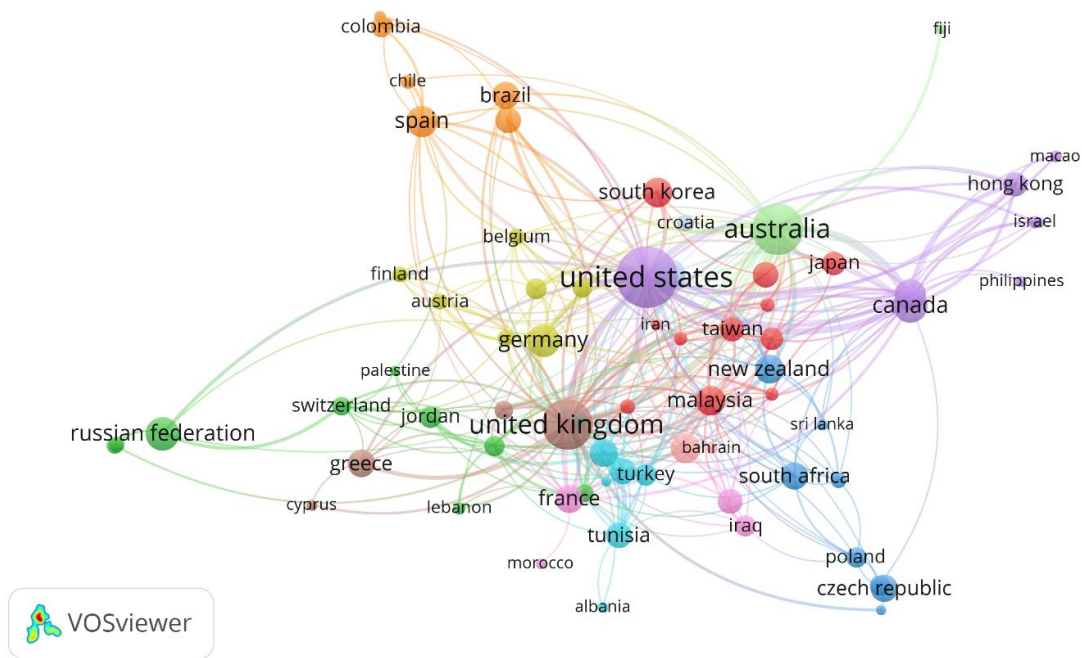


Figure 3. Country Collaboration
Source: Data Analysis, 2024

The VOSviewer network visualization depicts global collaborations among countries in IFRS field. Each node represents a country, and the size of each node likely indicates the volume of publications or research activity from that country. The lines connecting the nodes represent collaborations between countries, with thicker or more vibrant lines suggesting more frequent or stronger collaborations. Central nodes like the United States, United Kingdom, and Germany indicate these countries' pivotal roles in global research networks, serving as major hubs of collaboration. Peripheral nodes such as Fiji, Macao, and the Philippines

suggest these countries have fewer connections, possibly indicating emerging or more localized research activities. The network spans continents, highlighting extensive international cooperation in the field. European countries (like France and Germany) and Asian countries (such as South Korea and Japan) show dense interconnections, suggesting robust intra-regional collaborations, while links between more distant countries, such as Brazil and Spain or Australia and Canada, underscore the global reach and interdisciplinary nature of the research collaborations.

4.3 Citation Analysis

Table 1. Top Cited Literature

Citations	Author's	Title
1221	[18]	The elements of statistical learning: data mining, inference and prediction
1128	[19]	Mandatory IFRS reporting around the world: Early evidence on the economic consequences
744	[15]	International financial reporting standards (IFRS): Pros and cons for investors
725	[4]	The Economics of Disclosure and Financial Reporting Regulation: Evidence and Suggestions for Future Research
468	[20]	Market reaction to the adoption of IFRS in europe
448	[21]	Mandatory IFRS reporting and changes in enforcement
438	[22]	Does mandatory adoption of international financial reporting standards in the European Union Reduce the cost of equity capital?

421	[23]	Does mandatory adoption of IFRS improve accounting quality? Preliminary evidence
418	[24]	IFRS adoption and accounting quality: A review
378	[25]	The impact of mandatory IFRS adoption on foreign mutual fund ownership: The role of comparability

4.4 Keyword Co-Occurrence Analysis

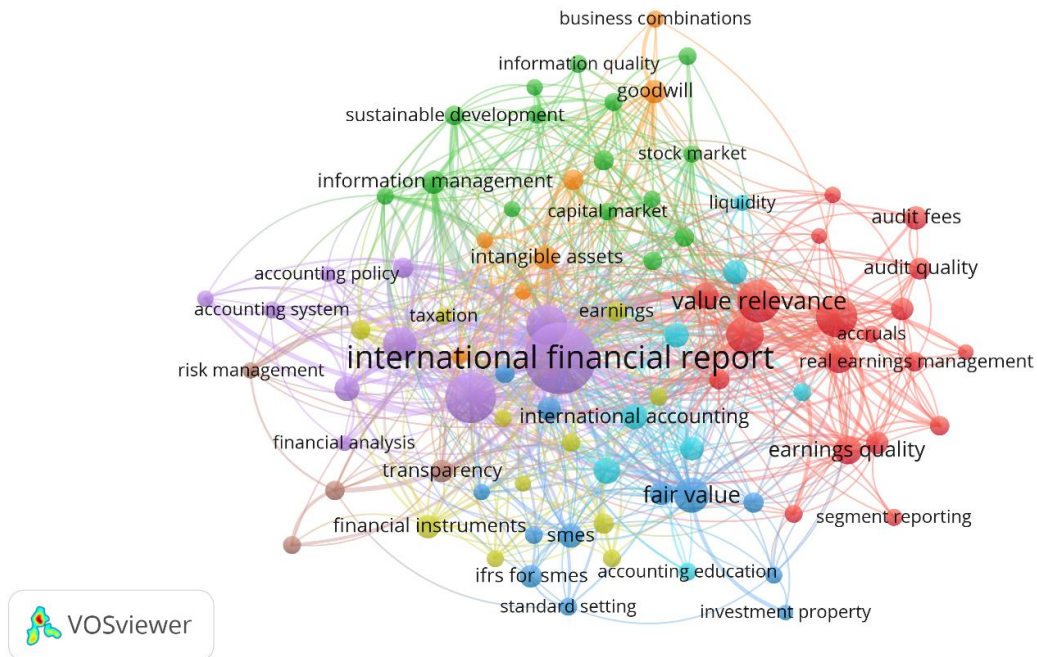


Figure 4. Network Visualization
Source: Data Analysis, 2024

This visualization maps out the key thematic areas and terminologies prevalent in the research surrounding international financial reporting and accounting standards. Each node represents a specific term or concept, and the size of each node likely indicates the relative prominence or frequency of that term in the literature. The links between nodes represent the degree of association between these terms, suggesting how often they are discussed together in the literature.

The nodes are color-coded, potentially to represent different clusters or thematic groups within the broader research landscape. For example, central and large nodes like "international financial report" and "earnings quality" are surrounded by related concepts such as "fair value," "accruals," and "audit quality," suggesting these areas are heavily interconnected and central to

discussions on financial reporting standards. This grouping might indicate a focus on the quality and integrity of financial reporting as influenced by international standards. Another visible cluster can be observed around "risk management" and "financial analysis," which connects to "transparency" and "financial instruments." This cluster may represent a more finance-oriented strand of the research, focusing on how accounting standards affect financial stability, risk assessment, and management practices within firms. The proximity of these terms to "SMEs" and "IFRS for SMEs" suggests a specific focus on how small and medium enterprises manage financial risks and reporting under international standards.

The visualization also shows some less connected nodes like "sustainable development" and "information management," which, while part of the

broader discussion, seem to form peripheral areas of research. These might represent emerging or niche areas that connect financial reporting standards with broader business practices like sustainability and information

technology. The presence of such terms indicates an interdisciplinary approach to understanding the impact of financial reporting standards, incorporating broader business impacts and societal considerations.

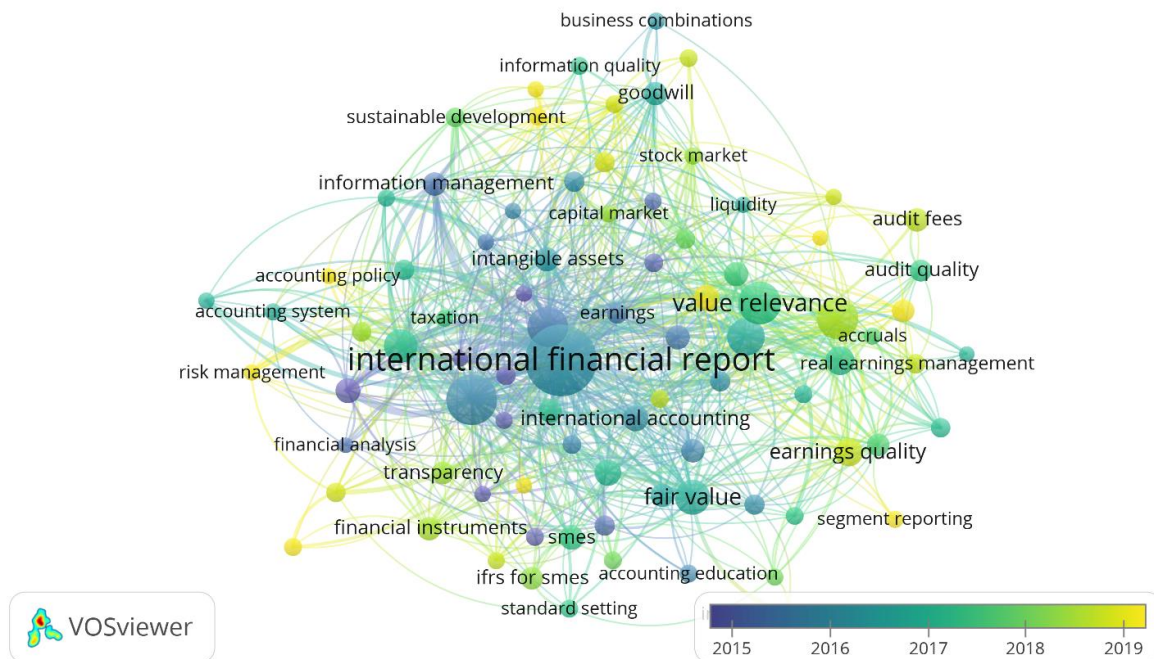


Figure 5. Overlay Visualization

Source: Data Analysis, 2024

This visualization provides a temporal analysis of key topics and their relationships in the field of international financial reporting from 2015 to 2019. Each node represents a concept frequently discussed in the literature, and the size of each node may indicate the volume or importance of that concept within the field during the specified period. The varying colors of the nodes correspond to different years, illustrating the prominence of each topic over time. Lines connecting the nodes signify the relationships between topics, with the proximity of nodes suggesting a stronger or more frequent association in the literature. In the visualization, central nodes like "international financial reporting," "financial analysis," and "value relevance" appear to be consistently significant throughout the period. These nodes are larger and centrally located, indicating their ongoing relevance

and the density of research surrounding them. Nodes colored in green and blue, signifying more recent years (2018 and 2019), such as "audit quality" and "earnings quality," suggest an increasing focus on the quality aspects of financial reporting. This shift may reflect a growing academic and regulatory interest in enhancing the integrity and reliability of financial statements globally. Peripheral nodes such as "sustainable development" and "information management," appearing in lighter colors (indicative of earlier years), suggest that these topics were of emerging interest earlier in the period but may not have sustained the same level of focus. The evolving color gradient of the nodes over time provides insights into how the academic discourse in financial reporting is responding to broader economic, technological, and regulatory changes.

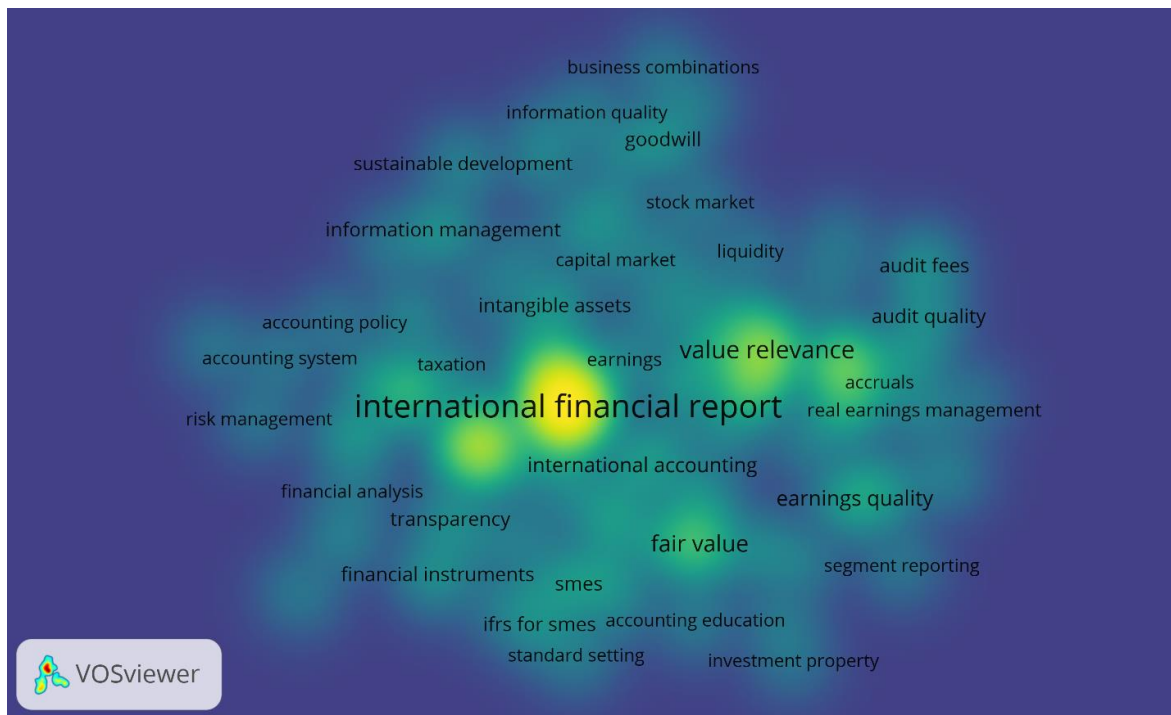


Figure 6. Overlay Visualization

Source: Data Analysis, 2024

This VOSviewer heatmap visualization presents a clustering of key terms associated with international financial reporting, revealing the density and focal areas of academic or professional discussions. The intensity of the colors represents the concentration of activity or interest around certain topics. The term "international financial report" at the center with a strong, bright coloration suggests it is a core subject with high levels of discussion and connectivity to other topics. Surrounding it, terms like "value relevance," "earnings quality," "audit quality," and "fair value" also appear prominently, indicating these are critical aspects commonly explored in relation to international financial reporting. These central terms are likely to represent well-established areas within the field that have sustained significant academic interest and are foundational to understanding or implementing international financial reporting standards. The heatmap also shows less intensely colored nodes such as "sustainable development," "information management," and "capital market," suggesting these topics are less frequently associated with international financial

reporting but are still relevant. Their peripheral placement and cooler coloration indicate emerging or niche areas that could be growing in importance. Such terms might capture evolving trends in the field, potentially signaling shifts towards integrating broader business practices and sustainability considerations into financial reporting.

DISCUSSION

The bibliometric analysis presented in this study provides a comprehensive overview of the research landscape surrounding the International Financial Reporting Standards (IFRS) and their impact on financial statement quality. By examining the trends, frequency, and relationships among key terms from the collected data, we can derive significant insights into the evolution of IFRS-related research, the current focus areas, and potential gaps in the literature.

Central Themes and Evolution

The analysis identifies "international financial reporting," "earnings quality," and "value relevance" as central themes persistently present in the literature. These core areas have not only attracted sustained

scholarly attention but have also formed the backbone of the discourse surrounding IFRS. The focus on "earnings quality" underscores the global concern with enhancing the accuracy and reliability of financial reporting—a primary goal of adopting IFRS. Moreover, the prominence of "value relevance" indicates a widespread interest in understanding how IFRS adoption affects the financial information's utility for stakeholders, particularly investors. Over the years, we observed a shift in thematic emphasis, with newer terms like "audit quality" and "fair value" becoming more prominent. This shift likely reflects regulatory and market changes that influence accounting practices globally. For instance, the increased scrutiny of audit practices post-financial crises has elevated "audit quality" as a critical area of interest. Similarly, the broader adoption of fair value measurement under IFRS has magnified the importance of understanding its implications on financial statements.

Emerging Trends

Peripheral yet brightly colored nodes in the later years, such as "sustainable development" and "information management," suggest emerging trends that integrate broader business practices with financial reporting. The rise in sustainability reporting requirements and the increasing importance of non-financial information highlight the expanding scope of accounting standards to address wider economic, environmental, and social issues. This trend towards integrated reporting reflects a shift in how companies are expected to communicate their value creation story to stakeholders. Additionally, the integration of "information management" within the financial reporting discourse points to the growing impact of technology and data analytics in shaping accounting practices. As digital transformation continues to influence all business areas, including finance, the way financial data is managed, processed, and reported is critical. This could represent a fertile ground for future research, particularly in exploring how technological advancements

such as blockchain or artificial intelligence could revolutionize traditional financial reporting.

Evolution of IFRS Research

The publication trends depicted in the initial graph demonstrated a clear growth in research output related to IFRS, particularly noticeable after 2008. This surge likely corresponds with the global financial crisis of 2007-2008, which underscored the need for enhanced transparency and comparability in financial reporting. As countries and companies grappled with financial complexities, the role of standardized accounting practices under IFRS became increasingly vital. The subsequent increase in scholarly output can be interpreted as a response to these global economic challenges, with academia seeking to address the gaps and issues exposed by the crisis. Furthermore, the sharp rise in publications by 2018 suggests a maturation phase of IFRS implementation where the initial challenges have been largely understood, and the focus has shifted towards optimizing and refining these standards. The slight decline and fluctuations post-2018 could indicate a period of stabilization where major issues have been addressed, and the field is now consolidating its findings.

Global Convergence of Accounting Practices

The network analysis of country collaborations highlighted extensive global interactions in IFRS research. Prominent nodes from diverse regions—ranging from North America and Europe to Asia and Australia—illustrate a robust exchange of ideas and joint research efforts. This widespread collaboration underpins the global impact of IFRS, transcending geographical and economic boundaries to foster a more uniform approach to financial reporting. Such partnerships are crucial in harmonizing practices across different legal, economic, and cultural contexts, which is a fundamental goal of IFRS. Interestingly, emerging economies are increasingly represented in the network, suggesting that the adoption and adaptation of IFRS in these regions are becoming critical areas of academic and practical focus. The

involvement of countries like Brazil, India, and South Africa underscores a shift towards inclusive global financial governance where the experiences and challenges of developing contexts are gaining visibility and importance in shaping international standards.

Challenges and Future Directions

Despite the progress in IFRS research and implementation, several challenges persist. The variability in enforcement and adaptation across different jurisdictions remains a significant hurdle. While IFRS aims to standardize financial reporting, the differences in regulatory environments, cultural nuances, and economic conditions lead to disparate practices and challenges in uniform application. Future research needs to continue addressing these disparities, focusing on comparative studies that seek to understand and propose solutions for more effective implementation across diverse contexts. Moreover, as the financial world becomes increasingly complex with the advent of new financial instruments, cryptocurrencies, and other innovations, IFRS standards and research will need to adapt swiftly. The academic community must anticipate and respond to these developments by ensuring that financial reporting remains

relevant, reliable, and robust in the face of rapidly changing financial landscapes.

5. CONCLUSION

The bibliometric analysis of the impact of International Financial Reporting Standards (IFRS) on financial statement quality over a span of nearly 25 years reveals a dynamic and evolving scholarly landscape. This study underscores the significant growth in research output, particularly in response to global financial crises and the increasing need for transparency in financial reporting. The collaborative networks identified across diverse geographic regions reflect the global consensus and efforts toward harmonizing financial reporting standards. Emerging themes, such as sustainability and technology integration, signal shifts in the research focus, pointing towards future directions that encompass broader economic, environmental, and technological contexts. This review not only highlights the progress and widespread adoption of IFRS but also outlines the ongoing challenges and areas requiring further research and development to enhance the efficacy and relevance of financial reporting in a rapidly changing global economy.

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