

# The Role of Accounting approaches under of the knowledge economy in achieving competitive advantage

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## Abstract

**T**hat the current development in science and technology has led to the development of all areas of economic, political, social, educational and legal, who helped move the economy from the industrial economy, which relies on quantitative production to knowledge-based economy, which relies heavily on the knowledge and information, making knowledge of economic terms constitute the conceptual framework of the knowledge economy, and that has made this economy seeks to information, and makes it his main objective . It is well known that the environment knowledge economy fade the limitations of space and time, which creates challenges and opportunities for economic units, so you need Iraqi universities to Platform accounting mail helps provide graduates Accountants and in accordance with the requirements of the knowledge economy, and this means that the Curriculum Standard accounting has become processions with the development that has occurred in the business environment, hence there was a need to develop a curriculum accounting traditional face dramatic changes resulting from the state motor of the business environment, and through some improvements in the curriculum of accounting and teaching method which leads to the development of the curriculum of accounting in accordance with the requirements of the knowledge economy and achieve competitive advantage . has research found many of the conclusions, most notably the possibility of employing modern technology in the service of the accounting curriculum and teaching methods and in accordance with the requirements of the knowledge economy, in order to develop the accounting curriculum traditional products accounting department be adequate to achieve a competitive advantage, The research found that the proposed model provides acceptable results that will improve the accounting curriculum in general, so the researcher recommends applying the proposed model accounting for the platform in Iraqi universities.

**Keywords:** Accounting, knowledge economy.

## Introduction

The world is living today a new reality characterized by dynamism and rapid change in the concepts of traditional place and time in a manner that is compatible with the incubating environment for this change and the revolutions that the world economy went through from the beginning of the first revolution (the agricultural revolution) and through the second revolution (the commercial revolution) and the steam revolution (the industrial revolution) through to The information and communications technology revolution (the technology revolution).

These revolutions have paved the way for the economy to move towards the Imam, especially the recent revolution (information and communications technology) that played a fundamental role in the orientation towards the so-called knowledge economy, and it will be a real pillar for all factors of production in all countries of the world that seek to rise and prove their superiority, and lead to human thinking And obtaining information by using information and communication technology to produce and distribute knowledge in order to achieve human development, increase creativity and innovation, and achieve prosperity for all individuals. It is known that the traditional curricula of university accounting education are not keeping pace with the rapid global developments in the profession of accounting or accounting sciences, as these

curricula did not witness fundamental changes for a period not long ago and therefore they do not prove the needs of the labor market and do not meet the requirements of the accounting profession in the era of knowledge which is one of its pillars. The accelerated linear technological and information development. The current state of accounting education and the new reality of the knowledge economy era and its future possibilities have found important and dangerous challenges, especially with expectations of increasing intensity and acceleration of these challenges in the future. Under the developments and changes that the world is witnessing in various scientific, cognitive, cultural, social, economic and political fields. On the basis of that, the aim of the research is limited to identifying the shortcomings of the traditional curriculum for accounting education, and to reflect the implications of the knowledge economy on it, and then formulating a proposed model for the accounting curriculum in line with the requirements of the knowledge economy.

### **Research Methodology**

#### **Research problem:**

The current development in science and technology has led to development in all economic, political, social, educational and legal fields. Therefore, this development must be employed in the service of educational systems in general and accounting in particular. This means that the educational systems (accounting approaches) suffer from some of the deficiencies that It does not fit with the requirements of the knowledge economy, and the research problem can be clarified through the following questions:

- 1- Are the accounting curricula currently in place in Iraqi universities compatible with the requirements of the new economy and the labor market?
- 2- Is there a possibility to employ modern technology in the service of accounting curricula and educational methods?
- 3- Are the products of the accounting department (graduates of the accounting department) in accordance with current developments capable of achieving the competitive advantage of companies specialized in education?

#### **Research Aims:**

The research seeks to achieve the following goals:

- 1- Providing a theoretical framework for the knowledge economy.
- 2- Clarifying the faults of accounting approaches.
- 3- Explaining the effects of the knowledge economy on accounting approaches.
- 4- Clarify the role of modern accounting approaches in competitive advantage.

#### **Research hypothesis:**

The research seeks to test two basic hypotheses:

- 1- The knowledge economy contributes to improving accounting approaches.
- 2- The modern accounting methodology contributes to achieving competitive advantage.

#### **Research importance:**

The importance of research through the effects of the knowledge economy on all areas in general and accounting approaches in particular, and the requirements of competitive advantage in the labor market that require that the graduate from the accounting department be of high efficiency. Therefore, accounting approaches must be adapted to suit the requirements of the knowledge economy.

### **Knowledge Economy - An Introductory View**

The current transformation of the economy and its transition from the industrial economy to the knowledge economy, which relies mainly on knowledge, is the main component of creating wealth and achieving competitive advantage. Knowledge has been defined as the comprehensive awareness of facts and things, clear understanding, thinking, visualization, imagination, remembering and learning, as all of these processes interact leading to the individual carrying out certain behaviors and behaviors based on his way of thinking that represents an accumulated knowledge product (Al-Shammari and Al-Leithi 2008: 26). Knowledge is the power in today's economic units and the key to solving obscure business problems, as well as being defined as understanding and awareness acquired through observation, interpretation, and study. There are two dimensions of knowledge which are awareness of what means availability of

information and judgment, i.e. assessing this information in the sense of beneficial benefiting from it (Al-Shammari 2006: 18). Knowledge includes various forms and types (Tawfiq 2004: 33):

- 1- Tacit knowledge
- 2- Candid knowledge

### **The importance of knowledge and its characteristics**

The importance of knowledge for economic units emerges not with the knowledge itself but with the addition of its value to it first and the role it plays in transforming the economic unit into a new knowledge-based economy. Secondly, the importance of knowledge has been defined as follows (Ali, 2012: 20):

- 1- Knowledge contributed to the flexibility of economic units by pushing them to adopt forms of coordination, design and more flexible structures.
- 2- Providing knowledge with scope for economic unity to focus on the departments that create more and stimulate creativity and continuous innovation for its members.
- 3- Knowledge led to the transformation of economic units into knowledge societies, which radically change the economic unit to adapt to the rapid change in the business environment and to face the increasing complexity in it.
- 4- Economic units can take advantage of the same knowledge as a final good by selling and trading it, or using it to modify a specific product or to find new products.
- 5- Administrative knowledge guides managers of economic units on how to manage their economic units.
- 6- Knowledge has moved the true foundation of how economic unity is created, developed, matured and reshaped again.

### **The concept of knowledge economy**

The high growth rates that characterized the information economy and the knowledge industry have led to changes in economic thought in general and in sustainable development thinking in particular through the emergence of the knowledge economy that was used for the first time in the year of the American economy (Druker) in (1696 AD) in the twelfth chapter From his book *The Age of Stopping* (Ali, 2012: 27). Where (Druker) believes that the world is already dealing with cognitive industries, data is its primary materials and the human mind is its tool and ideas are its products. Knowledge economy has been defined as a branch of modern economics based on a new and deep understanding of the role of knowledge and human capital in achieving Economic progress and development and increasing well-being, stability and progress for society. It has been called (R.SOWOW) as a branch of political science aimed at improving the well-being of individuals and society by studying the systems of production and design of knowledge and the parts of the interventions necessary to develop these systems and thus it generates theoretical models through research And develops scientific and technical tools and their application to the real world (Al Shabib: 5) Knowledge economy is defined in the context of the broad concept of knowledge as the economy that creates wealth through knowledge processes and services (creation, improvement, sharing, learning, application, and use of knowledge).

The knowledge economy is based on four main pillars (Al-Hashemi and Al-Azzawi, 2010: 25):

- 1- Innovation that is based on research and development.
- 2- Infrastructure based on information and communication technologies.
- 3- Governance that is based on a strong economic foundation.
- 4- Education is the most important and basic factor in productivity and economic competitiveness.

It is worth noting that the concept of a knowledge economy is not limited to that, but rather an integrated system of elements that must be available, the most important of which are qualified human resources with high technical skills, whose construction depends on spreading the culture of creativity and innovation through a strong and effective educational system with outputs consistent with the requirements of growth in the state .

### **Characteristics, features and requirements of a knowledge economy**

There are a set of characteristics that characterize the knowledge economy, which has become the dominant feature of the economies that have entered the stage of liberation from the old restrictions and entering the era of the Internet that can be summarized as follows (Al-Hashemi and Al-Azzawi 2010: 35) (Al-Shammari and Al-Leithi, 2008):

- 1- The focus of economic activity on the production and manufacture of knowledge.
- 2- Moving from thinking on the basis of quality to thinking on the basis of speed synthesis.
- 3- Approving continuous learning and training and retraining.
- 4- The knowledge economy does not know the factors of randomness or chance. Everything is planned and organized.
- 5 The knowledge economy has high flexibility and ability to adapt to changes and developments.
- 6- Intellectual and cognitive products (outward knowledge or information) generally tend by virtue of their nature to be a public good, and as soon as they are produced, they can be shared by others at little marginal cost.

The knowledge economy is distinguished by a set of features that distinguish it from the traditional economy, and those interested in the field of the knowledge economy have considered it from different perspectives according to the difference in their specializations and their scientific and practical backgrounds, and they agreed on the following features, (Khalaf, 2007: 10-12):

- 1- Focus on customer service.
- 2- Extended adaptation to satisfy customers' desires.
- 3- Globalization.
- 4- E-commerce.
- 5- The end of the employment phenomenon for life.
- 6- The need for lifelong learning.
- 7- The Foundation in one.
- 8- An economy of abundance rather than an economy of scarcity.
- 9- Difficulty applying laws, restrictions, and taxes on a national or local basis, as long as the knowledge is available anywhere.

### **Knowledge Economy requirements**

In order for the new economy to continue giving and reviving, there are a set of requirements that must be met, the most prominent of them (Ali: 2012. 39.):

1. Attention to scientific research, creativity and innovation to help generate useful knowledge in various fields and to activate research and development as an engine for change and development.
2. Work to spread knowledge through education, training and information in order to build a person who has the knowledge, skills and capabilities that enable him to work effectively and competently.
3. Providing an interactive environment that urges people to contribute in the foregoing, showing their capabilities and encouraging them to give. Here, the advantage of human diversity is highlighted in talents and abilities.
4. The effective use of information and communications technology because of its impact on the course of the economy in particular and social life in general.
5. Focusing on the necessity of using knowledge, skills and abilities in the best possible way in a way that supports the community's giving and enhances its development.
6. Dependence mainly on the use in human resources, after which the individual knowledge capital that characterizes the knowledge economy, including a wide use of research and applied studies carried out by highly qualified individuals, is used.
7. Good governance: which is based on strong economic foundations that can provide all legal and political frameworks that aim to increase productivity and growth.
8. Ownership of knowledge: The ownership of any new knowledge must be given to those who created it, such as (copyright).
9. Customer Satisfaction: After the product was the decision maker, the customer became the decision-maker and the opinion, and therefore the product became required by more than one new innovation.

10. Adopting economic reforms based on market economy and openness to improve economic growth rates and enter a cycle of growth and productivity and high rates of entry and investment.

Information and communication technology can be defined as a set of knowledge fields, including scientific, technical, engineering, human, and social, administrative procedures, different technologies and human efforts exerted in all the different information, storing, processing, transferring and retrieving it, which arises from interactions between these technologies and knowledge and man (Abdullah, 2004: 282).

### **Accounting approaches under of the knowledge economy**

The educational curricula currently face many challenges, including the technology revolution that relies on advanced scientific knowledge. Therefore, it has become necessary to search for new methods and means to meet these challenges and changes and adapt quickly to them, and even to influence them positively. Those in charge of designing and developing educational curricula are required to develop those challenges. And changes in mind.

### **Definition of accounting approaches**

The curricula are defined as a set of information, facts and concepts that the professor is working on acquiring for the student with the aim of preparing them for life and developing their capabilities by knowing and benefiting from the experiences of others.

The APB of the American Institute of Certified Public Accountants (AICPA) provided an accounting definition in 1970 as a service activity, whose primary function is to provide quantitative information - of a financial nature - about a particular economic unit, and its purpose is to be useful to those with a relationship in making rational economic decisions. Accounting was defined as defining, measuring, recording, and communicating the results of operations and economic events of an economic unit to users. Accounting curricula have been defined as a group of specialized and general courses that are dominated by the traditional nature, which loses the student who studies it the ability to deal with the labor market and is an ongoing need to develop his skills (Al-Hassan, 1995: 4).

### **Modern accounting approaches**

Other materials and requirements must be added in addition to the old accounting approaches to reinforce these curricula. If the college is able to be the first product of knowledge, then this is an indication for improving education and accordingly we can say that our colleges and universities are the ones that will determine our future so we do not exaggerate if we say that the transition towards an economy Knowledge should start from educational system reforms in general and accounting curricula in particular.

Despite the efforts made by the Ministry of Education in Iraq in developing its educational and educational system in general and the accounting system (accounting approaches) in particular. To keep pace with contemporary changes, general indicators indicate a real gap between what is present and what is desired in the future by the political leadership The supreme goal of making Iraq one of the developed countries (Marwan, 2009, 24).

### **The concept of modern accounting approaches:**

The curriculum must generally provide the knowledge required for the learning and teaching process as it represents "the set of meanings, facts, concepts and intellectual and scientific developments that form for the individual as a result of his repeated attempts to understand the surrounding phenomena and is an important tool in achieving progress and an essential step in human development." The current state of accounting education and the new reality of the knowledge economy era and its future prospects have found important and serious challenges, especially with expectations of increasing intensity and acceleration of these challenges in the future Under of the developments and changes that the world is witnessing in various scientific, cognitive, cultural, social, economic and political fields (Al-Muliji, 2012: 10,11 ).

**Quality implications of accounting approaches for competitive advantage**

The quality of university teaching is defined by the ability to make it appropriate in terms of its role and position in society, its educational, research, service, and productive tasks and its relationship with countries and the world and public financing and its interaction with levels of education from the need of modern economies (knowledge economy) to graduates who are able to develop their knowledge continuously and show the qualities of researchers and employers in A constantly changing market (Muhammad, 2006: 20).

**Results: Presentation and analysis of the results of the field study:**

A questionnaire was done to obtain valuable information proving the achievement of competitive advantage by developing accounting approaches Under of the knowledge economy, and the effective use of information and communications technology because of its impact on the course of the economy in particular and social life in general to increase the knowledge of graduating students to achieve the elements of competitive advantage ( Excellence, quality and cost reduction), as the number of respondents reached (20) respondents (4) who hold a PhD, and (16) from a master's degree, which are illustrated in Table (1) as shown below.

Table (1) characteristics of the research sample

Percentage	Frequency	Categories	Properties
%20	4	Ph.D.	Academic achievement
%80	16	M.A.	
0	0	diploma	
0	0	Other	
%100	20	Total	
%85	17	Accounting	Scientific specialization
%5	1	Banking and Financial Sciences	
%10	2	Business Administration	
0	0	Other	
%100	20	Total	

It is clear from the results of the questionnaire distributed to the members of the sample that respondents have good qualifications, as the largest percentage of respondents are holders of a master’s degree, as the percentage of masters holders (80%) and holders of doctorate degrees (20%) on the one hand, and on the other hand The percentage of respondents in the accounting specialization (85%) and the business administration in finance and banking (15%), which indicates that the percentage (100%) of respondents are from scientific disciplines with high knowledge in the knowledge economy and determine the quality of modern accounting approaches and their impact on achieving Competitive advantage.

The table shows that (100%) agreed that the knowledge economy leads to the free circulation of information and knowledge among users all over the world, and also (100%) of the respondents agreed that the knowledge economy depends on the education and training of all individuals continuously, including It achieves a competitive advantage, and it has also been found that (75%) of the respondents agreed that developing accounting approaches Under of the knowledge economy leads to achieving a competitive

advantage and (25%) agreed somewhat on that, and (95%) of the respondents agreed to Increasing the hours of practical application within the curricula of the educational approach leads to raising the skills of graduates upon entering the labor market and (5%) agreed somewhat on that, while (85%) of the respondents agreed to use the interactive whiteboard and enter it in the accounting educational curriculum helps in speeding information acquisition And knowledge while (15%) somewhat agreed on that, while (45%) of the respondents agreed that knowledge led to the transformation of economic units into knowledge societies to adapt to rapid changes in the business environment, while the percentage (50%) agreed somewhat What on That, and (85%) agreed to employ effective information and communication technology because of its effects on the course of economics and social life, and (15%) somewhat agreed on that, and (65%) of the respondents agreed that linking training plans Technical and vocational economic development plans to meet global challenges and provide the market with highly qualified cadres, while (25%) somewhat agreed on this, and (100%) of the respondents agreed that modern accounting curricula are a way to increase and facilitate student participation in the classroom and motivate them to increase their knowledge And (75%) of the respondents agreed that modern accounting curricula provide an increase in the knowledge of graduating students to achieve quality and competitive advantage, and (25%) somewhat agree on this, and (100%) of respondents agree that modern accounting approaches provide an increase in knowledge Graduated students to achieve excellence and competitive advantage, and (80%) of the respondents agreed that modern accounting curricula provide cost savings to achieve competitive advantage and (15%) agree What is wrong with that?

In summary of the foregoing, it can be said that the role of the knowledge economy in developing modern accounting approaches will contribute to achieving full knowledge of graduates, which leads to increasing their skills when entering the labor market in order to achieve them a competitive advantage, and Under of the results reached, the two basic assumptions are:

- 1- The knowledge economy contributes to improving accounting approaches.
- 2- The modern accounting methodology contributes to achieving competitive advantage.

### **Conclusions**

From the foregoing in the course of the research, the following conclusions were reached:

1. The knowledge economy is an evolving pattern that relies on the use of information and communication technology through which information and knowledge is communicated to all users.
2. Modern accounting curricula provide Under of the knowledge economy, with detailed, relevant, important, aggregate and immediate information for students, according to the needs of the labor market, and in line with the requirements of the knowledge economy and competitive advantage.
3. Modern accounting curricula are considered a means to increase and facilitate students' participation in the classroom and motivate them to increase their knowledge.
4. Increasing the number of hours of practical application increases the skills of graduates from the accounting department when they enter the workforce.
5. Increasing the knowledge of graduating students under the modern accounting curricula leads to achieving the elements of competitive advantage (quality, excellence and cost reduction).

### **Recommendations:**

In the light of the conclusions reached, the researcher recommends the following:

- 1- Information and communications technology should be used in accounting education.
- 2- The current model should be relied upon in the modern accounting curricula in Iraqi universities, because it provides detailed, relevant, important, aggregate and immediate information to students and according to the needs of the labor market, and in line with the requirements of the knowledge economy and competitive advantage.
- 3- Modern accounting curricula should be used as a means to increase the student's ability to prove his knowledge.

- 4- The hours of practical application should be increased and integrated with curriculum curricula in Iraqi universities and the creation of specialized halls for the training process.
- 5- Students should take advantage of modern accounting approaches to increase their knowledge to achieve a competitive advantage

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