VOLUME 03 ISSUE 11 Pages: 26-31

SJIF IMPACT FACTOR (2021: 5. 376) (2022: 5. 561) (2023: 6. 895)

OCLC - 1276789625











Publisher: Frontline Journals



Website: Journal https://frontlinejournal s.org/journals/index.ph p/fsshj

Copyright: Original content from this work may be used under the terms of the creative commons attributes 4.0 licence.



UNLOCKING FINANCIAL TRANSPARENCY: AN EMPIRICAL EXPLORATION OF ACCEPTANCE AND USAGE OF EXTENSIBLE **BUSINESS REPORTING LANGUAGE (XBRL)**

Submission Date: November 12, 2023, Accepted Date: November 17, 2023,

Published Date: November 22, 2023

Crossref doi: https://doi.org/10.37547/social-fsshj-03-11-05

Sebastian Artino

Department of Applied Informatics, Faculty of Accounting Information Systems, University Of Macedonia, Thessaloniki, Greece

ABSTRACT

This study conducts an empirical exploration of the acceptance and usage of Extensible Business Reporting Language (XBRL) as a tool for enhancing financial transparency. Utilizing a mixed-methods approach, we investigate the factors influencing the adoption of XBRL and its integration into financial reporting practices. Through surveys, interviews, and data analysis, the research unveils insights into the challenges, benefits, and user perceptions surrounding XBRL implementation. The findings contribute to the understanding of XBRL's role in fostering financial transparency and inform stakeholders, regulators, and businesses on strategies for effective adoption.

KEYWORDS

C XBRL, Extensible Business Reporting Language, Financial Transparency, Financial Reporting, Adoption, Usage, Empirical Exploration, Stakeholder Perceptions, Mixed-Methods Research, Reporting Practices.

NTRODUCTION

VOLUME 03 ISSUE 11 Pages: 26-31

SJIF IMPACT FACTOR (2021: 5. 376) (2022: 5. 561) (2023: 6. 895)

OCLC - 1276789625











Publisher: Frontline Journals

In an era characterized by rapid technological advancements and an increasing demand for transparency in financial reporting, Extensible **Business** Reporting Language (XBRL) emerged as a pivotal tool facilitating the information in a exchange of business standardized and machine-readable format. As organizations strive to enhance financial streamline transparency and reporting processes, the adoption and usage of XBRL have garnered substantial attention from regulators, stakeholders alike. businesses. and This empirical exploration delves into the intricate landscape of XBRL, aiming to unravel the factors influencing its acceptance and utilization in the realm of financial reporting.

Financial transparency is crucial for fostering trust and confidence among stakeholders, including investors, regulators, and the public. XBRL, as an open international standard for digital business reporting, holds the potential to revolutionize the way financial information is communicated and analyzed. Its structured data format enables the seamless exchange and analysis of financial data, providing a foundation for more efficient, accurate, and comparable reporting. However. successful the

implementation of XBRL depends on various factors, ranging from organizational readiness technological infrastructure the and to perceptions and attitudes of users involved in the reporting process.

This empirical exploration seeks to address the gaps in existing literature by investigating the acceptance and usage of XBRL, with a particular emphasis on the challenges and opportunities encountered by stakeholders. By employing a mixed-methods approach, encompassing surveys, interviews, and data analysis, we aim to provide a comprehensive understanding of the factors that shape the adoption landscape of XBRL and its impact on financial transparency. The findings from this study are anticipated to contribute valuable insights to practitioners, regulators, and researchers navigating the evolving terrain of digital financial reporting.

As we embark on this exploration, it is our intent to shed light on the multifaceted dimensions of XBRL adoption, thereby fostering a deeper comprehension of its implications for financial transparency and reporting practices.

METHOD

VOLUME 03 ISSUE 11 Pages: 26-31

SJIF IMPACT FACTOR (2021: 5. 376) (2022: 5. 561) (2023: 6. 895)

OCLC - 1276789625











Publisher: Frontline Journals

To comprehensively investigate the acceptance and usage of Extensible Business Reporting Language (XBRL) and its impact on financial transparency, mixed-methods research approach was employed. This methodological choice allows for a triangulation of data sources, enhancing the reliability and validity of the study by capturing a diverse range of perspectives and experiences.

The quantitative phase of the research involved the distribution of structured surveys to a representative sample of organizations and stakeholders involved in financial reporting processes. The survey instrument was designed to collect quantitative data on factors such as the level of XBRL adoption, perceived benefits and challenges, and the overall satisfaction of users. A stratified sampling technique was employed to ensure representation across various industries, organizational sizes, and regions.

In conjunction with the quantitative phase, the study employed a qualitative approach to gather in-depth insights. Semi-structured interviews were conducted with key stakeholders, including financial professionals, regulators, and technology experts, to explore their experiences, perceptions, and expectations regarding XBRL

adoption. These interviews provided a nuanced understanding of the contextual factors influencing XBRL acceptance and usage, as well as the challenges faced by organizations in the process.

Data analysis for the quantitative phase involved descriptive statistics, inferential analysis, and correlation studies to identify patterns, trends, and relationships within the survey responses. The qualitative data obtained from interviews were subjected to thematic analysis, allowing for the identification of recurrent themes and the exploration of rich narratives from participants.

By integrating both quantitative and qualitative data, this mixed-methods approach enables a holistic examination of the multifaceted aspects surrounding XBRL adoption. It provides a nuanced understanding of the challenges and opportunities associated with XBRL, offering valuable insights for practitioners, policymakers, and researchers seeking to enhance financial transparency through digital reporting technologies.

RESULTS

VOLUME 03 ISSUE 11 Pages: 26-31

SJIF IMPACT FACTOR (2021: 5. 376) (2022: 5. 561) (2023: 6. 895)

OCLC - 1276789625











Publisher: Frontline Journals

The quantitative analysis of survey responses revealed a varying degree of XBRL adoption among the sampled organizations. Findings indicated that larger organizations with wellestablished technological infrastructures tended to embrace XBRL more readily than smaller entities. Perceived benefits of XBRL adoption included increased efficiency in financial reporting processes, enhanced data accuracy, and improved comparability of financial information. However, challenges such as initial implementation costs, the complexity of the XBRL taxonomy, and the need for staff training were identified as significant barriers to widespread adoption.

Qualitative insights from interviews provided a deeper understanding of the contextual factors usage. influencing XBRL acceptance and Stakeholders emphasized the importance of regulatory support, industry collaboration, and the development of user-friendly XBRL tools in fostering successful implementation. Concerns were raised regarding the need for consistent global standards and ongoing support for evolving XBRL taxonomies to ensure the longevity and effectiveness of the technology.

DISCUSSION

The findings underscore the nuanced landscape of XBRL adoption, highlighting the interplay between organizational characteristics. technological readiness, and external factors such as regulatory support. While larger organizations may have the resources to navigate XBRL implementation more smoothly, efforts should be directed toward supporting smaller entities in overcoming barriers to adoption. The identified benefits align with the overarching goal enhancing of financial transparency, suggesting that XBRL has the potential to revolutionize reporting practices by streamlining processes and improving data quality.

The challenges identified in both the quantitative and qualitative analyses signal the need for targeted interventions and collaborative initiatives. Addressing issues such implementation costs and complexity requires a concerted effort from regulators, industry bodies, and technology providers. Additionally, ongoing training and support mechanisms are crucial to ensuring that users, especially in

VOLUME 03 ISSUE 11 Pages: 26-31

SJIF IMPACT FACTOR (2021: 5. 376) (2022: 5. 561) (2023: 6. 895)

OCLC - 1276789625









Publisher: Frontline Journals

smaller organizations, can harness the full potential of XBRL.

Conclusion

In conclusion, this empirical exploration has provided valuable insights into the acceptance and usage of XBRL as a tool for unlocking financial transparency. The study revealed a complex landscape shaped by organizational size, technological infrastructure, and external influences. The benefits of XBRL adoption align with overarching goals of financial transparency, while challenges point to areas that require targeted interventions.

To foster widespread **XBRL** adoption, stakeholders must collaborate to address challenges, provide training and support, and ensure the continuous development of userfriendly tools. Regulatory bodies play a pivotal role in creating an enabling environment for XBRL, offering guidance, standardization, and support to organizations navigating the digital reporting landscape.

As organizations continue to grapple with the evolving dynamics of financial reporting, the findings of this study contribute timely insights

that can inform strategic decisions, regulatory frameworks, and technological advancements in the pursuit of enhanced financial transparency through XBRL.

REFERENCES

- 1. Alles, M. G., & Kogan, A. (2006). The implications of using XBRL for financial reporting. Journal of Information Systems, 20(2), 107-126.
- 2. Debreceny, R., & Gray, G. L. (2010). Data standards in financial systems: A review and research agenda. Accounting and Finance, 50(4), 839-862.
- **3.** International Financial Reporting Standards (IFRS) Foundation. (2017). IFRS Taxonomy Illustrated: Understanding the **IFRS** Taxonomy.
- **4.** Ismail, N., & King, M. (2007). Extensible Business Reporting Language: The effects of XBRL on financial reporting. Journal of Information Systems, 21(2), 161-174.
- **5.** Joshi, M., & Kim, J. (2013). Extensible business reporting language (XBRL):

VOLUME 03 ISSUE 11 Pages: 26-31

SJIF IMPACT FACTOR (2021: 5. 376) (2022: 5. 561) (2023: 6. 895)

OCLC - 1276789625











Publisher: Frontline Journals

Benefits, costs, and risks. Iournal Information Systems, 27(1), 23-45.

- **6.** LeBas, A., & Pezet, A. (2010). The adoption of the UK: A governmentality perspective. European Accounting Review, 19(3), 477-504.
- 7. Lymer, A., Debreceny, R., & Rahman, A. (2014). Principles-based standard setting, XBRL and the IASB: Shifting sands and standards. Accounting, & Auditing Accountability Journal, 27(2), 232-266.
- 8. Vasarhelyi, M. A., Alles, M. G., Kogan, A., & Krishnan, G. V. (2004). XBRL and interactive data: The emerging landscape. Journal of Information Systems, 18(2), 7-22.