

## **ABSTRACT**

International Financial Reporting Standards (IFRS) convergence has gained steady support in the world. As the Malaysian Accounting Standard Board (MASB) announced their plan to bring Malaysia to full IFRS convergence by 1 January 2012, it is necessary for Malaysian public listed companies to be well prepared for the IFRS convergence. This study seeks to survey external drivers that influence the preparedness of companies for IFRS convergence by applying institutional theory perspectives as well as examine internal barriers that may impede the implementation of IFRS through the lens of resource-based view. Hierarchical multiple regressions is used to analyze data from 150 responding public listed companies in Malaysia. Based on the result of analysis, the study evidences the influences of coercive forces from stakeholders and normative forces from professional bodies on the preparedness of companies for IFRS convergence. However, no association found between imitation tendencies in the organization field with the preparedness of companies for IFRS convergence. Result also revealed that internal barriers significantly impede the IFRS convergence process. Further, no significant association found on both control variables of types of industries as well as types of audit firms with the preparation for IFRS convergence. Findings from this study have implications for regulatory bodies, standard setter, professional bodies, public listed companies and other stakeholders toward the full convergence with IFRS.

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