Strategic Deviance and Accounting Conservatism ——from the Perspective of Nonlinearity

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Abstract— Strategic positioning is a key factor in the accounting information quality of enterprises. Based on the enterprise-year data of A-shared listed enterprises in Shanghai and Shenzhen Stock Exchanges from 2011 to 2020, this paper theoretically analyzes the influence of strategic deviance on accounting conservatism and empirically examines their relationship with the assistance of the Stata software. Results show that there is an inverted u-shaped relationship between strategic deviance and accounting conservatism. It can be concluded that though deviating from the conventional strategy of industry within a certain limit improves accounting conservatism, external stakeholders, regulators and policymakers should still pay close attention to whether enterprises with excessively great strategic deviance do badly in meeting the requirement for accounting conservatism.

Keywords- Strategic Deviance; Accounting Conservatism; Listed Enterprise

1. Introduction

The strategy adopted by an enterprise not only determines its development direction and path planning but also serves as the starting point of a series of business decisions. According to the theory of organizational management, the conventional strategy of an industry generally forms through long-term exploration, so it condenses the group wisdom of enterprises in the industry and has strong rationality by and large (Meyer and Rowan, 1977; Dimaggio and Powell, 1983) [1,2]. Although in theory most enterprises will adopt conventional strategies, in practice an enterprise that directly mimics the conventional strategy tends to face a more competitive environment and lack competitive advantages due to the homogenization trap (Geletkanycz and Hambrick, 1997; Deephouse, 1999) [3,4].

Therefore, for many listed enterprises in China's capital market, with the competition increasingly fierce, it is normal that there is considerable difference between the strategies they adopt and the conventional strategies of the industries in which they operate (Wang et al., 2017) [5]. How far the strategy adopted by an enterprise deviates from the conventional strategy is defined as the degree of strategic deviance (Tang et al., 2011) [6]. The theory of organizational ecology believes that the increasing competition tension and niche overlap density will aggravate the pressure of resource plunder between enterprises, so some enterprises may choose greater strategic deviance to alleviate the pressure of resource competition (He and Xu, 2017) [7]. An enterprise adopting deviated strategy generally hope to enhance the difficulty of being copied or surpassed, obtain unique competitive advantages and improve the ability of sustainable development through extraordinary development (Zhang and Zhang, 2021) [8]. Nevertheless,

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compared with enterprises adopting conventional strategies, they face higher uncertainty and operational risks (Hou et al., 2018) [9].

Financial-related decisions of an enterprise need to be made based on its strategic positioning. Accounting conservatism is one of the most basic accounting principles in financial reporting, and high-level accounting conservatism is one of the most critical properties of high-quality financial information. In essence, in the face of uncertain economic matters, the principle of accounting conservatism requires enterprises to make bad news (i.e., loss) recognized more timely than good news (i.e., earnings) (Basu, 1997) [10]. Although studies focusing on the relationship between the strategic positioning of enterprises and accounting information quality have existed, there is no research examining the economic consequences of strategic deviance from the perspective of accounting conservatism. However, as more and more enterprises begin to adopt deviated strategies, it is of great significance to explore how their strategic choices will affect accounting information quality from multiple perspectives in theory and practice. Therefore, based on the existing research, this paper further examines the influence of strategic deviance on accounting conservatism. Results suggest that there is an inverted u-shaped relationship between strategic deviance and accounting conservatism. Having passed robustness tests, the conclusion is proven to be credible.

The possible contributions of this paper are as follows. Firstly, since there is no research based on the perspective of accounting conservatism to explore the influence of strategic deviance on accounting information quality, the research in this paper not only yields an incremental result for research on the key factors of accounting conservatism, but also makes academia learn more about potential economic consequences of strategic choices by enterprises. Secondly, in terms of practice, the research finding is beneficial to external stakeholders, regulatory authorities and policymakers to pay full attention to whether there is high risk of low-quality accounting information quality in an enterprise with excessively great strategic deviance.

2. Literature Review

Existing research suggests that factors related to enterprise's strategy significantly affect the accounting information quality. For instance, a study finds that the influence of business models on earnings information quality exceeds that of accounting standards or internal governance (Dichev et al., 2013) [11]. Moreover, it is acknowledged that due to higher financing demands, enterprises with radical or exploratory strategies are more strongly motivated to conduct earnings management or lower the level of accounting conservatism, resulting in higher risk of stock price crash (Liu, 2016; Sun et al., 2016; Habib and Hasan, 2017) [12-14]. Additionally, the further finding suggests that strategically radical enterprises are more likely to conduct accrual earnings management, while strategically conservative enterprises are more inclined to conduct real earnings management (Yan et al., 2020) [15]. A few studies also focus on the relationship between deviated strategy and properties of accounting information quality, including the value relevance of accounting earnings and the path choice of earnings management (Ye et al., 2014; Ye et al., 2015) [16,17]. However, there are no research findings about the economic consequences of strategic deviance from the perspective of accounting conservatism.

3. Theoretical Analysis & Research Hypothesis

3.1 The Potential Positive Influence of Strategic Deviance on Accounting Conservatism

Because strategic deviance may bring about significantly extreme performance and huge performance fluctuation, external stakeholders of enterprises with deviated strategies are considerably sensitive to the potential operating risk, the information asymmetry even the agency problem caused by their strategic choices. As evidence, existing research indicates that deviating more from the conventional strategy leads to getting fewer loans, paying higher audit fee and bearing higher costs of equity capital (Li and Shi, 2016; Wang et al., 2017; Wang and Wu, 2017) [5,18,19]. Likewise, it is widely acknowledged that financiers have demands for high-level accounting conservatism. To be specific, they will intervene with choices by enterprises over accounting policies and require enterprises to provide conservative accounting information (Wang, 2020) [20]. Enterprises with deviated strategies must continuously invest a lot in advertising expenditure and special assets in order to make the difference perceived, resulting in high financing demands. In an effort to get more funds and control financing costs, there are grounds for enterprise authorities to improve accounting conservatism to cater to the requirement of financiers.

3.2 The Potential Negative Influence of Strategic Deviance on Accounting Conservatism

Firstly, the level of accounting conservatism in enterprises with great strategic deviance will be restricted by objective environmental uncertainty. Due to the uncertainty of business environment, either the degree of recognition of good or bad news is more limited for these enterprises. Furthermore, the existing research indicates that when confirmabilities of both kinds of news decline, enterprise authorities are subjectively inclined to keep the degree of recognition of good news higher than that of bad news (Bentley et al., 2013) [21]. Thus, the high uncertainty of the accounting information environment faced by enterprises with deviated strategies may eventually damage accounting conservatism.

Secondly, internal stakeholders of enterprises with great strategic deviance have the incentive and ability to manipulate accounting policies and provide the outside with radical accounting information, causing a decrease in accounting conservatism. The incentive comes from the following two aspects. Above all, to deal with the negative influence of huge performance fluctuation associated with strategic deviance on refinancing qualification or even delisting risk, to meet the performance requirement of creditors, or just to chase a better market response, enterprise authorities may beautify accounting information at the expense of accounting conservatism. Additionally, the operating performance of an enterprise with great strategic deviance tends to be unstable, which has a negative effect on the salary level, job security and reputation of managers in the manager market. Therefore, managers of these enterprises are strongly motivated to smooth unfavorable earnings fluctuations by adopting radical accounting policies. On the basis of the strong incentive, adopting deviant strategies enables internal stakeholders to manage accounting conservatism. For an enterprises with conventional strategy highly understood by outsiders because of the existence of comparable industry standards and competitors, insiders find it difficult to disguise their misconduct in accounting information quality. By contrast, there exists information asymmetry between an enterprise with great strategic deviance and the outside, making it more challenging for external stakeholders to assess the rationality of

accounting information recognition according to horizontal industry standards and vertical historical information, which may cause the weakening of supervision power. To put it another way, strategic deviance can provide enterprise insiders with a friendly environment to manage accounting conservatism.

Thirdly, the negative influence of strategic deviance on accounting conservatism may have to do with different risk control demands. Studies suggest that accounting conservatism can avoid the situation that unexpected bad news badly damages enterprise's market reputation, so that it can serve as a tool for reputation loss risk management in the capital market (Liu, 2016) [12]. For an enterprise adopting the conventional strategy with a higher degree of product homogeneity, the survival risk caused by the product itself in the changing market is huge, so it is more critical for it to control other kinds of risks in order to keep the total risk at a low level and ensure survival. On the contrary, an enterprise with deviated strategy lacks the need to control risks by improving accounting conservatism for not being trapped in product homogenization.

3.3 The Nonlinear Relationship between Strategic Deviance and Accounting Conservatism

According to the analysis above, strategic deviance may either improve the level of accounting conservatism or lead to low-level accounting conservatism.

Firstly: As mentioned before, insiders of enterprises with deviated strategies may either cater to the demand of financiers on accounting conservatism to make up for their worries about information asymmetry and agency problem caused by strategic deviance, or manage accounting conservatism to hide potential unfavorable performance fluctuation for the purpose of meeting the requirement of financiers, obtaining earnings from the capital market or managerial entrenchment. According to early research, there has been no agreement on whether creditors can identify earnings management (Lu et al., 2008; Liu and Qu, 2014) [22,23]. However, with external stakeholders enhancing their ability to identify accounting information manipulation, coupled with the limited level of information asymmetry, an enterprise whose degree of strategic deviance is not high enough is likely to bear a high price for managing accounting conservatism, including a loss of market reputation or even legal liability. Therefore, when the degree of strategic deviance increases in the range of a low level, its governance effect on accounting conservatism plays a dominant role, in that insiders of these enterprises will choose to improve accounting conservatism rather than damage it. Nonetheless, when the degree of strategic deviance keeps going up over a certain level, because the information asymmetry turns significant enough to provide cover for the misconduct, internal stakeholders will begin to manipulate accounting conservatism at a low level of risk to achieve various goals instead of improving it. Thus, when the degree of strategic deviance has reached an excessive level, it negatively affects accounting conservatism.

Secondly, in the context that a large number of enterprises choose to adopt deviated strategies, the weakened low level of product heterogeneity can't effectively deal with the market risk for an enterprise whose strategic deviance is insufficient. That is to say, only when the degree of strategic deviance reaches a certain level, can the lack of demand on improving accounting conservatism to control risk of an enterprise be significantly different from others.

Thirdly, in that the phenomenon that either the degree of recognition of good or bad news is limited due to objective circumstances is not apparent when strategic deviance is moderate, the

negative influence of objective uncertainty on accounting conservatism may only exist when the degree of strategic deviance is excessively high.

Based on the analysis above, the hypothesis is proposed: There exists an inverted u-shaped relationship between strategic deviance and accounting conservatism. That is, the degree of strategic deviance is positively correlated with accounting conservatism when it is at a low level, while increasing the degree of strategic deviance has a negative effect on accounting conservatism when it turns excessively high.

4. Research Design

4.1 Sample Selection & Data Source

A-shared listed enterprises in Shanghai and Shenzhen Stock Exchanges from 2011 to 2020 are selected as samples for hypothesis testing. Original samples from listed enterprises under special treatment or delisted, from finance and insurance industries and with missing data are removed. A total of 24,774 enterprise-year sample observations are obtained. In order to exclude the interference of outliers on empirical result, all continuous variables are winsorized at the level of 1% above and 1% below. The data is mainly from the CSMAR database. Excel and the Stata 17 software are used in data processing and analysis.

4.2 Variable Definition

4.2.1 Independent Variable: Strategic Deviance

Referring to the practice of Ye et al. (2014) [16], the strategic positioning of an enterprise can be measured based on the following six dimensions, including: 1. the intensity of advertising input: the ratio of advertising expenditure to operating income; 2. the intensity of R&D input: the ratio of R&D expenditure to operating income; 3. the degree of renewal of fixed assets: the ratio of the net value of fixed assets to the original value of fixed assets; 4. the efficiency of indirect expenses input: the ratio of overhead to operating income; 5. the capital intensity: the ratio of the book value of fixed assets to the number of employees; 6. the financial leverage: the ratio of the sum of short-term loans, long-term loans and bonds payable to net assets. Taking the availability of data into consideration, advertising expenditure is replaced with marketing expenses and R&D expenditure is replaced with the book value of intangible assets.

Based on the above: Firstly, obtain the values of the six indicators above for each enterprise-year. After that, obtain the standardized indicators based on industry-year averages and standard deviations, which can reflect the extent to which each dimension of the strategy deviates from the average level. Then, average six standardized indicators to obtain the variable SD, which can reflect the overall strategic deviance of an enterprise from the conventional strategy.

4.2.2 Dependent Variable: Accounting Conservatism

Accounting conservatism is measured with the K-W model (Khan and Watts, 2009) [24]. After substituting Equation (2) and Equation (3) into Equation (1), complementing cross terms, performing an OLS regression on the obtained equation by year, and then substituting the estimated coefficients back to Equation (3), the variable Cscore is obtained, which is a positive indicator of accounting conservatism.

In Equation(1)-(3): Eps is defined as earnings per share excluding non-recurring gains and losses, P is defined as the closing price of stock at the end of the year, Ret is defined as the stock return rate after market adjustment from May of this year to April of the next year, Size is defined as the natural logarithm of total assets at the end of the period, Lev is defined as the ratio of total debts to total assets at the end of the period, and Mb is defined as the ratio of an enterprise's market value to its book value. Moreover, Dret is set as a dummy variable, whose value is set to 1 if the Ret value is minus, otherwise 0.

$$\frac{EPS_{i,t}}{P_{i,t-1}} = \beta_0 + \beta_1 Dret_{i,t} + \beta_2 Ret_{i,t} + \beta_3 Dret_{i,t} * Ret_{i,t} + \varepsilon_{i,t} \quad (1)$$

$$\beta_2 = Gscore_{i,t} = \mu_0 + \mu_1 Size_{i,t} + \mu_2 Mb_{i,t} + \mu_3 Lev_{i,t} \quad (2)$$

$$\beta_3 = Cscore_{i,t} = \lambda_0 + \lambda_1 Size_{i,t} + \lambda_2 Mb_{i,t} + \lambda_3 Lev_{i,t} \quad (3)$$

4.2.3 Control Variable

Referring to the existing practices, a series of control variables, including but not limited to Size, Lev, Mb, Roa and Loss, are added to models. Table 1 shows the details of the definition of control variables.

4.3 Model Setting

Models used for hypothesis testing are shown as Equation (4) and Equation (5). In models, the subscript i represents individual (i.e., enterprise), the subscript t represents year, CV represents the control variable series, $\mu_i$represents the individual fixed effects, $\lambda_t$represents the year fixed effects which are controlled by adding dummy variables of year, and $\varepsilon_{i,t}$ represents the stochastic disturbance. In order to exclude the possible influences of heteroscedasticity and serial correlation on regression results, robust standard errors after cluster adjustment are estimated in model regressions.

$$Cscore_{i,t} = \alpha + \beta SD_{i,t} + \gamma CV_{i,t} + \mu_i + \lambda_t + \varepsilon_{i,t} \quad (4)$$

$$Cscore_{i,t} = \alpha + \beta SD_{i,t} + \delta SD_{i,t}^2 + \gamma CV_{i,t} + \mu_i + \lambda_t + \varepsilon_{i,t} \quad (5)$$

Table 1 Control Variable Definition

Variable Name	Variable Definition
Size	as shown in the text
Lev	as shown in the text
Mb	as shown in the text
Roa	current net profit / total assets at the end of the period
Loss	dummy variable; if the current net profit is minus, it is set to 1, otherwise 0
Growth	the growth rate of operating income
ListAge	the natural logarithm of the number of years since listed
Soe	dummy variable; if the largest shareholder is state-owned, it is set to 1, otherwise 0
Sh1	the shareholding ratio of the largest shareholder
Board	the natural logarithm of the number of directors
Idr	the ratio of the number of independent directors to the number of all directors
Dual	dummy variable; if there is a duality of CEO and board chairman, it is set to 1, otherwise 0

5. Empirical result & analysis

5.1 Descriptive Statistics Analysis

Descriptive statistics of key variables are presented in Table 2. The average Cscore value (0.0563) is positive, and the standard deviation of the Cscore values is 0.0585, which indicates that levels of accounting conservatism of listed enterprises in China generally satisfy the requirement of the accounting principle, though vary a lot. The average SD value reaches up to 0.6786, indicating that a lot of listed enterprises choose strategies deviating from the conventional for the sake of gaining competitive advantages. Statistic values of key variables are all consistent with the previous findings.

5.2 Correlation Analysis

Correlation analysis of key variables are presented in Table 3. It suggests that Cscore is positively correlated with SD at the 1% level of significance, preliminarily supporting part of the hypothesis. Additionally, it can be concluded that the model setting does not face a severe multicollinearity problem from the correlation coefficient values.

5.3 Regression Result Analysis

Table 4 reports the regression results of hypothesis testing. Due to the limited space, only key parts of the results are presented in this paper.

The coefficient of the independent variable SD is significantly positive at the 10% level in Column (1) and at the 1% level in Column(2), while the coefficient of SD^2 is significantly negative at the 1% level in Column(2), preliminarily supporting the hypothesis. It can also be concluded that the relationship between SD and Cscore is nonlinear rather than linear from the difference in significance of coefficients of SD in Column (1) and Column (2). Notably, the coefficient of Lev is significantly positive at the 1% level in all columns, which indicates that the analysis before proposing the hypothesis is reasonable. In order to further verify the existence of the inverted u-shaped relationship between Cscore and SD, the utest command of the Stata software is used to test the regression in Column (2). The utest command of Stata can provide an exact test of whether the u-shaped or inverted u-shaped relationship exists within a certain interval. The result of utest shows that: the slope between Cscore and SD is significantly positive (0.0107, $p<0.01$) when the SD value is small and then turns significantly negative (-0.0228, $p<0.01$) as the SD value increases, the extreme point of the SD value (1.611247) is in the 95% Fieller interval, and the p-value of the overall test of the presence of inverted u-shape relationship is less than 0.01. Notably, the extreme point (i.e., critical value) is the abscissa of the vertex of the quadratic function about SD obtained according to the regression of Equation (5) presented in Column (2).

Based on the results above, samples are divided into one group with the SD values less than the extreme point (Group1) and the other group with the SD values greater than the extreme point (Group2). Considering that the sample size of the latter group may be small, replace the control for individual fixed effects in Equation (5) with the control for industry fixed effects, and obtain regression results presented in Column (3) and Column (4) as the basis of separate regressions of two groups whose results are presented in Column (5) and Column (6). The coefficient of SD is negative but not significantly negative in Column (3), which further suggests that there may

be no linear relationship between SD and Cscore. The coefficient of SD is significantly positive at the 10% level and the coefficient of SD^2 is significantly negative at the 5% level in Column (4), consistent with Column (2) as well as supporting the hypothesis. Similarly, the inverted u-shaped relationship presented in Column (4) also passes the utest. Through the regression in Column (4), the research obtains the extreme point of SD (1.052825) and divides samples into two groups. The result of the regression on samples from Group1 presented in Column (5) shows that the coefficient of SD is positive but not significantly positive, and the result of the regression on samples from Group2 presented in Column (6) shows that the coefficient of SD is significantly negative at the 10% level. It can be concluded that increasing the degree of strategic deviance at a low level improves accounting conservatism while having a perverse effect at a high level.

In summary, the hypothesis has been strongly supported by all the regression results above.

Table 2 Descriptive Statistics of Key Variables

Variables	N	mean	sd	min	max
Cscore	24,774	0.0563	0.0585	-0.2358	0.3747
SD	24,774	0.6786	0.3500	0.1129	4.8071
Size	24,774	22.2064	1.2765	19.8676	26.1555
Lev	24,774	0.4294	0.2071	0.0546	0.9043
Mb	24,774	2.0430	1.3334	0.8623	8.7515
Roa	24,774	0.0344	0.0643	-0.2906	0.1885
Loss	24,774	0.1061	0.3080	0.0000	1.0000
Growth	24,774	0.1635	0.4204	-0.5850	2.7097
ListAge	24,774	2.0025	0.9354	0.0000	3.2581
Soe	24,774	0.3651	0.4815	0.0000	1.0000
Sh1	24,774	0.3458	0.1467	0.0931	0.7429

Table 3 Correlation Analysis of Key Variables

Variables	Cscore	SD	Size	Lev	Mb	Roa	Loss	Growth	ListAge	Soe	Sh1
Cscore	1.000										
SD	0.029***	1.000									
Size	0.356***	0.004	1.000								
Lev	0.524***	0.116***	0.507***	1.000							
Mb	-0.408***	0.109***	-0.403***	-0.269***	1.000						
Roa	-0.248***	-0.227***	0.013**	-0.354***	0.118***	1.000					
Loss	0.117***	0.235***	-0.065***	0.190***	0.037***	-0.680***	1.000				
Growth	-0.038***	-0.051***	0.038***	0.019***	0.022***	0.223***	-0.193***	1.000			
ListAge	0.193***	0.109***	0.416***	0.373***	-0.035***	-0.190***	0.118***	-0.071***	1.000		
Soe	0.110***	0.039***	0.352***	0.286***	-0.152***	-0.070***	0.018***	-0.075***	0.449***	1.000	
Sh1	0.015**	-0.026***	0.211***	0.059***	-0.108***	0.139***	-0.097***	-0.001	-0.071***	0.212***	1.000

*** p<0.01, ** p<0.05, * p<0.1

Table 4 Regression Result

Variables	Cscore	(2) Cscore	(3) Cscore	(4) Cscore	(5) Cscore	(6) Cscore
SD	0.0025*	0.0115***	-0.0002	0.0031*	0.0007	-0.0034*
	(0.0013)	(0.0028)	(0.0007)	(0.0016)	(0.0010)	(0.0019)
SD^2		-0.0036***		-0.0015**		

		(0.0011)		(0.0007)		
Size	0.0046***	0.0046***	0.0016***	0.0016***	0.0014***	0.0030***
	(0.0008)	(0.0008)	(0.0003)	(0.0003)	(0.0003)	(0.0009)
Lev	0.1297***	0.1298***	0.1298***	0.1298***	0.1309***	0.1306***
	(0.0027)	(0.0027)	(0.0016)	(0.0016)	(0.0017)	(0.0047)
Mb	-0.0040***	-0.0039***	-0.0070***	-0.0070***	-0.0073***	-0.0052***
	(0.0005)	(0.0005)	(0.0003)	(0.0003)	(0.0004)	(0.0009)
Roa	-0.0355***	-0.0360***	-0.0546***	-0.0550***	-0.0508***	-0.0478***
	(0.0080)	(0.0079)	(0.0059)	(0.0059)	(0.0060)	(0.0172)
Other CVs	Yes	Yes	Yes	Yes	Yes	Yes
R-squared	0.6948	0.6951	0.7498	0.7499	0.7564	0.7337
Year FE	Yes	Yes	Yes	Yes	Yes	Yes
Individual FE	Yes	Yes	No	No	No	No
Industry FE	No	No	Yes	Yes	Yes	Yes
Robust standard errors in parentheses; *** p<0.01, ** p<0.05, * p<0.1						

5.4 Robustness Test

To begin with, replace the measurement method of the independent variable. To be specific, because the measurement methods of the first and second dimensions of strategy may not be accurate enough, replace SD with SDRT obtained excluding these two dimensions. The regression results still strongly support the hypothesis.

Additionally, add the industry fixed effects into Equation (5) to test whether the conclusion will change. Moreover, samples from 2015, 2016 and 2020 are removed to exclude the interference of exogenous shocks from the stock market disaster and the COVID-19 pandemic. In the two robustness tests above, the research finding still proves to be robust.

Due to the limited space, the results of robustness tests are not presented in this paper.

6. Conclusion

Taking A-share listed enterprises in China from 2011 to 2020 as samples, this paper analyzes in theory and empirically tests the influence of adopting deviated strategies on the accounting conservatism of enterprises. Results show that there exists an inverted u-shaped nonlinear relationship between strategic deviance and accounting conservatism. To be specific, although moderately increasing the level of strategic deviance plays a positive role in improving accounting conservatism, when the degree of strategic deviance has reached an excessive level, the greater the strategic deviance is, the worse the enterprise does in meeting the requirement of accounting conservatism.

The research finding suggests that, from the perspectives of external stakeholders, regulators and policymakers, they should not only correctly understand the governance effect of adopting deviated strategies on accounting conservatism with regard to enterprises with moderate strategic deviance, but also watch out for whether these exist signs of accounting conservatism manipulation with regard to enterprises with excessively great strategic deviance. That is to say, external stakeholders should extraordinarily strengthen the supervision over accounting information quality when facing enterprises whose strategies deviate from conventional strategies excessively. Additionally, from the viewpoint of enterprises themselves, an enterprise with

excessive strategic deviance should also make reasonable adjustments to its strategic positioning, not only to avoid its strategic choice providing an umbrella for accounting conservatism manipulation by internal stakeholders out of self-interest, but also to alleviate the negative influence of objective uncertainty on accounting conservatism.

Based on the research in this paper, the mechanisms of the influence of strategic deviance on accounting conservatism and the governance roles of internal and external governance mechanisms on their relationship are worthy of further study.

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