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### MEASURING THE GAP BETWEEN THE SYRIAN ACCOUNTING QUALIFICATIONS AND THE INTERNATIONAL ACCOUNTING EDUCATION BASED ON IES 2 AND IES 3

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#### ABSTRACT

*The accountancy profession is responsible for providing, auditing, and analyzing financial and non-financial information needs of a broad range of decision makers. The accountancy profession's ability to satisfy users' information needs and also to testify this information protects the public interest and contributes to the economy. Since accountants are providers, auditors, and analysts of information, they significantly impact the business environment, and the overall society. Therefore, accountants' qualifications and skills need to be upgraded and evaluated periodically. This upgrading and evaluation need some sort of references or standards. This paper measures the gap between the Syrian accounting qualifications (curricula and skills) and the international accounting education based on International Education Standards, specifically on IES 2 and IES 3 as a benchmark. Results indicate a large gap in terms of IES 2, and a medium gap in terms of IES 3.*

**Keywords:** Accounting education, Accountants' skills, International education standards (IESs), IES 2, IES 3, Qualification gap, Syrian accountants.

#### Contribution/ Originality

This study contributes in the existing literature by using the International Education Standards as a benchmark for measuring the gap between these standards and the Syrian accountants' qualifications.

#### 1. INTRODUCTION

Accounting education has gained increasing international interest in the last two decades. The World Bank indicates that it is not possible to have a sustainable growth without trained, qualified and well-educated accountants (World Bank, 2009). Actually, the emergent financial markets suffer from asymmetrical information, and poor accounting practices in terms of financial reporting and information disclosure (Saudagaran, 2004). He thought that for these markets to work effectively, procedures and policies should be in place to make information available. He concluded that the quality of accounting education affect the quality of these practices.

Accounting education faced by harsh criticism was unable to respond to the environmental changes. Therefore, the accounting paradigm needs transformation (Black, 2012; Behn, 2012a; Behn *et al.*, 2012b). The New-Classic Report, issued by Bedford Committee on Future Accounting Education (AAA, 1986) states the necessity of paradigm transformation in accounting since accounting competency is not adequate for the 21<sup>st</sup> century. This competency lacks the innovative thinking, self-learning, continuous education, and communication skills (AAA, 1986).

In response to criticism, the International Education Standards (IESs) have been issued by the International Accounting Education Standards Board (IAESB), which is founded as an independent body by the International Federation of Accountants (IFAC).

Karremen *et al.* (2007) points out that the IES and its Framework will be the most effective. He indicates that there is a significant gap between the IES and the education programs in a number of countries. Other authors have questioned the validity of accounting education systems (Demski, 2007; Fogarty and Markarian, 2007).

This paper explores the content of professional accounting education programs in three of the largest Syrian universities (Damascus University, Aleppo University, and Tishreen University) based on IES 2. The paper also measures the professional skills and general education based on IES 3, using a sample of 100 Syrian accountants working in various industries divided between public and private sectors. Differences between Syrian accountants' skills were examined by several characteristics: professional examination, age, year of graduation, source of university degree, and public/private work.

## 2. LITERATURE REVIEW

Demski (2007) argues that accounting education systems are treated as accumulated systems of rules. Albrecht and Sack (2000) point out to the risky future of accounting education. Fogarty and Markarian (2007) conclude that accounting education becomes more and more traditional without responses to the new needs. The accounting education should not be a system for collecting data, it should be a system for producing strategic information to help various users in the decision-making process (AICPA, 2011).

Karremen (2002) suggests that accounting education needs restructuring to offer new knowledge and skills for accountants to enable them working in a rapid and changing environment. Accounting education improvements have lacked an integrative approach for implementing recommendations (Black, 2012). Accounting academics and professional bodies called for comprehensive reform (Behn, 2012a; IFAC, 2013).

Rapid changes in environment of accounting pose a critical need for a global approach to accounting education (Abbasi, 2013). These circumstances call for more research on accounting education and more reliable measurement between the national and international.

Many papers were wrote about deficiencies in accounting education (Accounting Education Change Commission, 1990; Albrecht and Sack, 2000) suggested that this era requires significant changes in accounting profession practices in order to face the increasing changes in business

environment. A uniform set of international accounting standards would be useful, and it could be a benchmark for accounting education systems cross countries (Karreman *et al.*, 2007).

The new IES Framework issued by the IAESB in 2014 aims to reduce international differences in the requirements of becoming a professional accountant, to increase the global response of accountants, and to provide international benchmarks for international accounting education systems (IFAC, 2014).

The International Accounting Education Standards Board (IAESB) was established by the International Federation of Accountants (IFAC) to function as an independent standard-setting body for the accounting profession, charged with the responsibility of instituting and promoting high quality professional standards worldwide (IFAC, 2010).

IFAC and the IAESB provide a global framework for education through IES. These education standards were designed and released by IFAC to achieve overall quality and consistency in global accounting education. The standards prescribe both the essential components of education to become a professional accountant as well as the ongoing education requirements that are necessary to remain competent (Needles, 2005).

IES 2 prescribes the knowledge content of professional accounting education programs that candidates need to acquire to qualify as professional accountants. The primary knowledge part of professional accounting education programs is shown under three major headings: (a) accounting, finance and related knowledge; (b) organizational and business knowledge; and (c) information technology knowledge and competences (IFAC, 2014).

IES 3 Standard prescribes the mix of skills that candidates require to qualify as professional accountants. Individuals seeking to become professional accountants should acquire the following skills: (a) Intellectual skills; (b) Technical and functional skills; (c) Personal skills; (d) Interpersonal and communication skills; and (e) Organizational and business management skills, and General Education (IFAC, 2014).

This paper aims to achieve the following objectives:

1. Measuring the gap between the Syrian accounting education programs and IES 2.
2. Measuring the gap between the Syrian accountants' skills and IES 3.
3. Exploring the differences between accountants' skills in terms of some characteristics of Syrian accountants.

### 3. METHODOLOGY

To achieve the first objective, the curricula of three largest universities (Damascus University, Aleppo University, and Tishreen University) in Syria were assessed in terms of Existing Course which was assigned number 1, and Not-Existing Course which was assigned number 0. The assessment is based on IES 2.

To achieve the second objective, a questionnaire was distributed on a random sample of 100 accountants working on various industries within public and private sectors in Syria, 74 of them responded to the questionnaire. The questionnaire asked respondents to evaluate their skills and

their general education, based on IES 3, on a scale of 5 points (1 indicates very weak, and 5 indicates very strong). The questionnaire also require additional information relating to the following areas: year of graduation, age, working in public or private sector, professional examination, source of university degree. This information is required to explore the differences in their skills. Data was analyzed using descriptive statistics, t-test for independent samples, and one-way ANOVA.

#### 4. EMPIRICAL FINDINGS

##### 4.1. Measuring the Gap between IES 2 and the Accounting Education Programs

As indicated in Table 1, all Syrian universities (Damascus University, Aleppo University, and Tishreen University) under investigation are alike. Based on IES 2 requirements, the curriculum in these universities is assessed in three areas: accounting, finance and related knowledge; organizational and knowledge; and information technology.

The focus of these universities is mainly on the first area, accounting, finance and related knowledge, and more specifically on accounting solely (financial accounting, costing and management accounting, taxation, and audit. However, finance and financial management courses are rarely recognized for accounting major. Professional values and ethics are not taught as separate courses, however they are mentioned slightly in other courses. In terms of the second area, organizational and business knowledge, and third area, information technology, the percentage of these courses is only 10% and 20%, respectively. Furthermore, there are no requirements for practical experience before graduation.

In conclusion, accounting education programs in these universities emphasize accounting knowledge. Although this emphasis is important, but professional accountancy knowledge component is only part of the prequalification education program as stated by IFAC (2014). Finance, business, organizational and information technology knowledge is rarely acknowledged in the curricula, despite the urgent need for organizational knowledge and IT skills for professional accountants.

Many factors may be attributed to this sort of isolation of accounting and accountants from other courses that should be taught to accounting students. First, the narrow perspective in considering accounting; it is viewed as a bookkeeping function, as an information system . Second, the slow growth in private sector and financial markets affect the level of accounting education. Third, the low level of professional examination compared with other international examinations. The following weaknesses of prequalification education were identified by Needles (2005) as follows: a) the quality of academic education for pre-qualification needs improvement, b) there is too much emphasis on bookkeeping in the accounting curriculum, instructors lack knowledge of international standards and practices, c) there is a lack of adequate resources for higher education, and d) professional ethics is not taught as a separate subject.

Table-1. Assessment of accounting education programs content in Syrian Universities based on IES 2

IES 2 Requirements	Damascus University	Aleppo University	Tishreen University
Accounting, Finance and Related Knowledge Component			
Financial Accounting and Reporting	1	1	1
Management Accounting and Control	1	1	1
Taxation	1	1	1
Business and Commercial Law	1	1	1
Audit and Assurance	1	1	1
Finance and Financial Management	0	0	0
Professional Values and Ethics.	0	0	0
Organizational and Business Knowledge Component			
Economics	1	1	1
Business Environment	0	0	0
Corporate Governance	0	0	0
Business Ethics	0	0	0
Financial Markets	0	0	0
Quantitative Methods	0	0	0
Organizational Behavior	0	0	0
Management and Strategic Decision Making	0	0	0
Marketing	0	0	0
International Business and Globalization	0	0	0
Information Technology Component			
General Knowledge of IT	1	1	1
IT Control Knowledge	0	0	0
IT Control Competences	0	0	0
IT User Competences	0	0	0
One of, or a mixture of, the Competences of, the Roles of Manager, evaluator or designer of Information Systems.	0	0	0

#### 4.2. Measuring the Gap between IES 3 and the Syrian Accountants' Professional Skills

As Table 2 presents, the means of professional skills are below 3.

Table-2. Descriptive Statistics of Syrian Accountants' professional skills

	N	Minimum	Maximum	Mean	Std. Deviation
Intellectual Skills	74	1	3	2.18	.897
Personal Skills	74	1	4	2.62	.735
Communication Skills	74	1	4	2.99	1.066
Organizational Skills	74	1	4	2.36	1.154
Technical Skills	74	1	3	1.59	.701
Valid N (listwise)	74				

These means of skills can be ordered in descending order: communication skills, personal skills, organizational skills, intellectual skills, and technical skills. The first reason for this gap can be attributed to the gap mentioned above; the gap between IES 2 and the accounting education programs. The second reason for this gap would be attributed to some characteristics, which will be examined in the next section.

#### 4.3. Examining the Differences between Professional Skills According to Some Characteristics

- 1) Exploring the differences in professional skills between professional examination groups (doing examination, not doing examination), using t-test for independent samples.
  - Exploring the differences in intellectual skills between professional examination groups:  
Null hypothesis: there is no difference between the two groups.  
Result: Sig is .006, which indicates that a significant difference exists in intellectual skills between the groups. Therefore, the null hypothesis is rejected.
  - Exploring the differences in technical skills between the professional examination groups:  
Null hypothesis: there is no difference between the two groups.  
Result: Sig is .341, which indicates that no significant difference exists in technical skills between the groups. Therefore, the null hypothesis is accepted.
  - Exploring the differences in personal skills between the professional examination groups:  
Null hypothesis: there is no difference between the two groups.  
Result: Sig is .000, which indicates that there is a significant difference in personal skills between the groups. Therefore, the null hypothesis is rejected.
  - Exploring the differences in communication skills between the professional examination groups:  
Null hypothesis: there is no difference between the two groups.  
Result: Sig is .128, which indicates that there is no significant difference in communication skills exists between the groups. Therefore, the null hypothesis is accepted.
  - Exploring the differences in organizational and management skills between the professional examination groups:  
Null hypothesis: there is no difference between the two groups (doing examination, not doing examination).  
Result: Sig is .003, which indicates that there is a significant difference in organizational and management skills between the groups. Therefore, the null hypothesis is rejected.
- 2) Exploring the differences in professional skills between public/private sector groups, using the t-test for independent samples.
  - Exploring the differences in intellectual skills between public/private sector groups:  
Null hypothesis: there is no difference between the two groups.  
Result: Sig is .000, which indicates that there is a significant difference in intellectual skills between the groups. Therefore, the null hypothesis is rejected.
  - Exploring the differences in technical skills between public/private sector groups:  
Null hypothesis: there is no difference between the two groups.  
Result: Sig is .002, which indicates that there is a significant difference in technical skills between the groups. Therefore, the null hypothesis is rejected.
  - Exploring the differences in personal skills between public/private sector groups:

Null hypothesis: there is no difference between the two groups.

Result: Sig is .176, which indicates that no significant difference exists in personal skills between the groups. Therefore, the null hypothesis is accepted.

- Exploring the differences in communication skills between public/private sector groups:  
Null hypothesis: there is no difference between the two groups.  
Result: Sig is .000, which indicates that there is a significant difference in communication skills between the groups. Therefore, the null hypothesis is rejected.
- Exploring the differences in organizational and management skills between public/private sector groups:  
Null hypothesis: there is no difference between the two groups.  
Result: Sig is .000, which indicates that there is a significant difference in intellectual skills between the groups. Therefore, the null hypothesis is rejected.
- 3) Exploring the differences in professional skills between university degree groups (Damascus University, Aleppo University, Tishreen University, Other governmental universities, private universities), using one-way ANOVA analysis.
  - Exploring the differences in intellectual skills between university degree groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that Tishreen University has the highest scores, while the Damascus University has the lowest scores in intellectual skills.
  - Exploring the differences in technical skills between the university degree groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that Tishreen University has the highest scores, while the Damascus University has the lowest scores in technical skills.
  - Exploring the differences in personal skills between the university degree groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that private universities have the highest scores, while the Aleppo University has the lowest scores in personal skills.
  - Exploring the differences in communication skills between university degree groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that Damascus University has the highest scores, while the private universities have the lowest scores in communication skills.

- Exploring the differences in organizational and management skills between the university degree groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that Damascus University has the highest scores, while other governmental universities have the lowest scores in organizational and management skills.
- 4) Exploring the differences in professional skills between the age groups, using one-way ANOVA analysis.
- Exploring the differences in intellectual skills between the age groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that group (30-35) has the highest scores, while group (35-40) has the lowest scores in intellectual skills.
  - Exploring the differences in technical skills and the age groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that group (40-45) has the highest scores, while group (30-35) has the lowest scores in technical skills.
  - Exploring the differences in personal skills between the age groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that group (25-30) has the highest scores, while group (30-35) has the lowest scores in personal skills.
  - Exploring the differences in communication skills and the age's groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that group (40-45) has the highest scores, while group (25-30) has the lowest scores in communication skills.
  - Exploring the differences in organizational and management skills between the age groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups.

The Means Plot shows that group (30-35) has the highest scores, while group (35-40) has the lowest scores in organizational and management skills.

- 5) Exploring the differences in professional skills between graduation-year groups, using one-way ANOVA analysis.
- Exploring the differences in intellectual skills between graduation-year groups:  
Null Hypothesis: there is no difference between the five groups:  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that group (1970-1980) has the highest scores, while group (2000-2014) has the lowest scores in intellectual skills.
  - Exploring the differences in technical skills between graduation-year groups:  
Null Hypothesis: there is no difference between the five groups:  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between the following groups: (1970-1980), (1980-1990) and (2000-2014). The Means Plot shows that group (1980-1990) has the highest scores, while group (1970-1980) has the lowest scores in technical skills.
  - Exploring the differences in personal skills between graduation-year groups:  
Null Hypothesis: there is no difference between the five groups:  
Result: Sig is .006, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between the following groups: (1970-1980), (1980-1990), and (1990-2000). The Means Plot shows that group (1980-1990) has the highest scores, while group (1970-1980) has the lowest scores in personal skills.
  - Exploring the differences in communication skills between graduation-year groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that group (1970-1980) has the highest scores, while group (2000-2014) has the lowest scores in communication skills.
  - Exploring the differences in organizational and management skills between graduation-year groups:  
Null Hypothesis: there is no difference between the five groups.  
Result: Sig is .000, which indicates that there is a significant difference between the groups. The table of Post Hoc Tests shows that this difference exists between all groups. The Means Plot shows that group (1970-1980) has the highest scores, while group (1980-1990) has the lowest scores in organizational and management skills. Table 3 summarizes the differences between the professional skills and the accountants' characteristics.

**Table-3.** Differences between the professional skills and the accountants' characteristics (significant difference is shaded).

	Intellectual Skills	Technical Skills	Personal Skills	Communication Skills	Organizational Skills
Professional examination					
Public/private work					
Degree source					
Age					
Graduation year					

In conclusion, Differences do exist between Syrian accountants regarding professional skills. These differences can be attributed to professional examination, working for the public/private sector, degree source, age, and graduation year. Further research is needed to control for age and graduation year to assess the main characteristics that may influence the acquiring of professional skills. Furthermore, the adherence to IESs enhances the comparability of qualifications. These results agree with previous studies in terms of the level of education systems in developing countries, and the skills required by professional accountants. the World Bank (2005) Reports on the Observance of Standards and Codes (ROSC) on accounting and auditing show that many developing countries fall short in terms of the requirements that are considered good practice at the international level for ensuring that accountants and auditors are sufficiently qualified. Additionally, according to IFAC, most developing countries require only a university degree in accounting to practice as an accountant or auditor.

## 5. CONCLUSIONS

Results indicate that there is a large gap between IES 2 and the accounting education programs provided by Damascus University, Aleppo University and Tishreen University. This gap is attributed to the absence of important courses in accounting education programs in these universities such as finance, financial markets, organizational behavior and management, strategic management, information technology, quantitative methods, and national and international environments. Results also show that there is a medium gap between IES 3 and the professional skills (intellectual, technical, personal, communication, organizational and management) acquired by the Syrian accountants. This gap can be attributed to 1) the gap between IES 2 and accounting education programs, and 2) some characteristics of the accountants: doing professional examination, working in the private or the public sector, old, year of graduation, and source of university degree. However, there is no difference in technical skills and communication skills due to doing the professional examination. Additionally, there no difference exists in personal skills due to private/public sector work.

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