

Print ISSN: 2288-4637 / Online ISSN 2288-4645
doi:10.13106/jafeb.2022.vol9.no6.0313

Conformance of Accounting Education in Saudi Arabia Universities to the International Accounting Education Standards: An Exploratory Study*

Ahmed Abdullah Saad AL-DHUBAIBI¹

Received: March 25, 2022 Revised: June 06, 2022 Accepted: June 15, 2022

Abstract

The goal of this research is to see how closely accounting programs in Saudi Arabian colleges comply with the International Accounting Education Standards (IESs). Further, it aims to assess the level of awareness and knowledge of IESs among accounting academics and to examine the possible explanatory factors for their variation. A structured questionnaire was sent to accounting faculty members at 37 Saudi universities. Out of 541 distributed questionnaires, a total of 102 usable responses were received from 26 universities. The findings show that accounting programs in Saudi universities are partially compliant with the guidelines of IESs and accounting academics in those universities are moderately aware of IESs. High variation in the level of academics' knowledge of IESs was detected and was significantly influenced by industry work experience, academic ranks, and professional qualification. The findings of this study suggest that Saudi Universities should work closely with the local and international accounting professional bodies, i.e. the Saudi Organization for Chartered and Professional Accountants (SOCPA) and the International Federation of Accountants (IFAC) to improve accounting programs based on the guidelines of IESs to cope with the recent changes in the capital market of the kingdom and the adoption of the International Financial Reporting Standards.

Keywords: Accounting Education, Accounting Curriculums, International Accounting Education Standards, Learning Outcomes

JEL Classification Code: M41, A22, I21

1. Introduction

A substantial number of accounting education researchers criticized the quality of accounting education and accounting graduates in the last decade e.g. (Douglas & Gammie, 2019; Fogarty & Holder, 2012; Lima Rodrigues et al., 2018; Steenkamp & Roberts, 2016; Sunder, 2010). According to

Steenkamp and Roberts (2016), the quality of accounting education and the academic level of undergraduate accounting students have declined in the last years. Their survey of accounting academics from 39 Australian universities revealed that the majority of respondents (academics) face institutional pressure to retain students and increase the students' pass rate. As a result, a considerable number of academics admit that to meet such institutional pressure with the deteriorated academic level of students, they have reduced course contents, weakened the assessment standards, and inflated students' grades.

In response to those concerns, the International Accounting Education Standards Board (IAESB) issued the revised set of high-quality International Accounting Education Standards (IESs) in 2019. The IAESB final handbook contains the framework of IESs for Professional Accountants in addition to the International Education Standards (IES 1-8) with amendments that will be effective as of 2021. Besides developing the professional competencies of accountants, the framework is intended to achieve the following desired outcomes: (1) Reducing

*Acknowledgments:

This project was supported by the Deanship of Scientific Research at Prince Sattam Bin Abdulaziz University under research project # 2021/02/18380.

¹First Author and Corresponding Author. Assistant Professor, Department of Accounting, College of Business Administration, Prince Sattam Bin Abdulaziz University, Saudi Arabia. ORCID: <https://orcid.org/0000-0003-0151-2852>. [Postal Address: Ammar Bin Yasser, Riyadh, Al-Kharj, 11942, Saudi Arabia] Email: a.alhubaibi@psau.edu.sa

© Copyright: The Author(s)

This is an Open Access article distributed under the terms of the Creative Commons Attribution Non-Commercial License (<https://creativecommons.org/licenses/by-nc/4.0/>) which permits unrestricted non-commercial use, distribution, and reproduction in any medium, provided the original work is properly cited.

the global differences in the requirements of practicing accounting profession, (2) Facilitating the global mobility of professional accountants, and (3) Providing international benchmarks of good practice for professional accounting education (IFAC, 2019).

The International Federation of Accountants (IFAC) has built on the work of IAESB and developed a new comprehensive approach to advance accounting education at the global level. The new approach was approved by the IFAC Board in 2019, whereas the IAESB ceased to exist in 2019 with the completion of its work plan. IFAC's new approach to accounting education has been established to assist accountants in overcoming the challenges imposed by the rapid change in the business environment and the highly advanced and sophisticated technology (IFAC, 2020).

The adoption of the International Financial Reporting Standards (IFRS) by more than 120 jurisdictions reinforced the importance of IESs in improving the quality of accounting education to keep pace with the movement of IFRS adoption. The implementation of one set of global accounting standards requires a consistent application of the standards and interpretation of financial reporting by various stakeholders around the world. Previous research emphasized the impact of globalization of accounting standards on accounting education (Alzeban, 2016; Handoyo & Anas, 2019; Needles, 2010) and identified the strategies, benefits, and challenges of integrating the IFRS into the accounting curriculum (Chiang, 2013; Hilton & Johnstone, 2013; Jackling, 2013; James, 2011; Vysotskaya & Prokofieva, 2013).

Business activities in the Kingdom of Saudi Arabia have witnessed rapid developments and have been expanding internationally (Mansour & Hassan, 2021; Sallam, 2021), especially after the Kingdom joined the G20 (a group of twenty of the world's largest economies). The acceleration of the international business and the global acceptance of IFRS as a high-quality set of accounting standards (Ta et al., 2021) have motivated the authorities in Saudi Arabia to consider the adoption of IFRS. Furthermore, the G20 strategic plan includes the call for members to improve the quality of financial reports by adopting one set of high-quality accounting standards for countries around the world. As a result, the competent authorities in the Kingdom of Saudi Arabia decided to adopt the IFRS which is required from the public companies operating in Saudi Arabia starting from 2017. However, the lack of competent accountants needed for IFRS application and the absence of IFRS education in Saudi universities' accounting curriculums were found to be the major hindrances to the effective application of IFRS in Saudi Arabia (Nurunnabi, 2018; Yamani & Almasarwah, 2019).

Taking to account the crucial role of accounting education in the preparation of qualified accountants and auditors capable of implementing the international accounting and

auditing standards, it is crucial to know whether accounting programs in Saudi universities are keeping pace with the high-quality international accounting education standards and whether the knowledge, skills, ethics, and values embedded in the accounting curriculums have been built up based on its guidelines. To the knowledge of the researcher, two studies have tackled this issue; first, AlMotairy and Stainbank (2014) investigated the compliance of accounting education in Saudi Arabia with the International Education Standards (IESs) issued by IAESB (2014 version). The researchers have used archival data and concluded that accounting education in Saudi Arabia does not comply with IESs. Second, Mah'd, and Mardini (2020) conducted a study on the compliance of accounting education in six countries located in the Middle East and North Africa with IESs. However, they have received only three responses from academics in Saudi Arabia which is not a representative sample of the accounting academics in the country.

Hence, this study aims to fill up this gap and find answers to the two main questions; first, to what extent the faculty members at Saudi universities are aware and have knowledge of IESs, and second, to what extent the entry requirements, the knowledge and technical competence learning outcomes, the skills learning outcomes, and the values learning outcomes of the accounting programs (courses) in Saudi universities correspond to those set forth by IESs.

2. Literature Review

For many years, accounting academicians and other stakeholders have been arguing about the decline of accounting education quality (Madsen, 2015). Significant concerns about the ability of the business colleges to equip accounting students with essential skills and competencies to meet the high demand for the accounting profession have been expressed by accounting education researchers e.g. (Bautista-Mesa et al., 2018; Chaffer & Webb, 2017; Douglas & Gammie, 2019; Morrill, 2019; Pincus et al., 2017; Rebele & Pierre, 2019). Recently, several comparative (academic vs. practice) studies reported a significant gap between accounting educators' and employers' perceptions with regard to skills and competencies that should be possessed by accounting graduates (Abayadeera & Watty, 2014; Abou-El-Sood & Ghoniem, 2021; Anis, 2017; Ha et al., 2012; Majzoub & Aga, 2015; Ngoo et al., 2015).

The adoption of IFRS by more than 120 countries worldwide could make the 'uniform global financial reporting' a reality in the foreseen future. Thus, it is essential for each country that has adopted IFRS to improve the accounting education system and to provide the necessary resources for the successful implementation of IFRS (Jackling, 2013). IFAC has paid great attention to this mission through the work of the IAESB by issuing a

set of international accounting education standards that assist in providing a high-quality accounting education worldwide and facilitate the harmonization of accounting education at the global level. IESs have been established to improve accounting education globally by prescribing the entry requirements of accounting education programs and determining the requirements of the initial and continuous professional development of professional accountants (IFAC, 2019).

Researchers and practitioners have reported substantial challenges in the implementation of the global accounting standards i.e., IFRS in their respective jurisdictions (Chiang, 2013; Hilton & Johnstone, 2013; Owais & Dahiyat, 2021; Vysotskaya & Prokofieva, 2013). Thus, researchers of accounting education have advocated the adoption and integration of IESs into accounting curriculums to bridge the gap between accounting education outcomes and the need of the market for highly educated and professionally equipped accountants (Handoyo & Anas, 2019; Karlina & Shauki, 2019; McPeak et al., 2012; Saville, 2007; Sugahara & Wilson, 2013; Wilson et al., 2009). However, the accounting education standards that have been developed to advance the education programs, and hence, the implementation of the global accounting and auditing standards, are ignored largely (Crawford et al., 2014).

Early research on the adoption of global accounting and auditing standards raised the concern of the different applications of the same standards due to the variation of accounting education programs and qualifications of accountants and auditors in different countries (Needles et al., 1992). The quality of accounting education is a critical success factor for the proper application of IFRS and auditing standards by accountants and auditors (Crawford et al., 2014). The competency of professional accountants could be evaluated by their capability to implement IFRS, and the competency of professional auditors by their ability to monitor their application (Humphrey et al., 2011). However, the quality of accounting education has been criticized over the years for being focused on technical content with a lack of emphasis on ethics, transparency, and accountability. For instance, see (Cheung & Agrawal, 2018; Jackling et al., 2007; Murshed, 2019; Palmer et al., 2004; Thomas, 2012). These researchers view the corporate financial fraud that has increased in recent years as explicit evidence of the failure of accounting education to integrate ethics into accounting programs and equip professional accountants with solid ethical behavior. IFAC has addressed these critics by the issuance of IESs in an attempt to standardize accounting education and promote rigorous requirements for professional accountants licensing by IFAC members.

Facilitating the global mobility of professional accountants is the second outcome that is aimed by the framework of IESs for Professional Accountants. Global

professional mobility provides professional individuals a wide range of opportunities, improves profession, and benefits organizations and nations (Accountant, 2012). However, differences in the educational accounting systems create barriers to the global mobility of accounting professionals. Professional accountants migrating from one country to another encounter substantial difficulties related to getting to the profession in the new country (Morrill, 2019), accessing well-paid employment (Albiom et al., 2005), and licensing and accreditation (Duncan et al., 2008). Thomson and Jones (2015) noted the inequality caused by the Canadian formal regulatory and employers' preferences of candidates, which disregard non-western professional accountants. In this regard, Morrill (2019) suggested that bridging programs could help the internationally educated professionals (IEPs) who migrate to Canada to improve their positions and opportunities and get employed by Canadian private companies. Moreover, professional regulatory bodies often have a list of accredited accounting institutions requiring professional accountants to have their professional certification from one of those institutions to be licensed. Courses that are taken from non-accredited institutions are less likely to be recognized (Basran & Zong, 1998).

3. Methodology

3.1. Data Collection

The main purpose of this study is to evaluate to what extent the accounting education in Saudi universities complies with the minimum requirements set forth by the IAESB for high-quality accounting education. Thus, all public and private universities that are providing undergraduate accounting education programs were identified for the data collection purpose. Using the official website of the Ministry of Education, 29 public universities and 8 private universities were listed. Emails of accounting faculty members were obtained from each university's website. A structured questionnaire was then sent to 541 faculty members in 37 Saudi universities. Following that, direct communication was made with the head of the accounting department in each university with a request for cooperation via encouraging their departments' members to respond to the questionnaire. A total of 102 responses were received from 26 universities with an almost 19% response rate.

3.2. Instrument Design

The questionnaire instrument used for data collection consists of three main sections. The first section covers the demographic information of the respondents and their respective universities. Information sought in this section includes the respondents' gender, academic rank, years of

experience in teaching accounting courses, industry work experience, professional qualification, and nationality. Further, respondents were asked to state the medium (language) of teaching accounting courses in their respective universities (either Arabic or English). The second section of the questionnaire aims to assess the level of awareness and knowledge of IESs among accounting academics. On a seven-point Likert scale, respondents were asked to determine how familiar they were with IESs, when did they first know about IESs, their knowledge of IESs contents, and if they had ever read IESs. The third section of the questionnaire seeks to evaluate the degree of correspondence between accounting programs and IESs with regard to the initial professional development (IPD). On a seven-point Likert where “1 = strongly disagree and 7 = strongly agree”, respondents were asked to express their agreement or disagreement to five statements related to the use of IESs in the preparation of accounting courses’ specifications, the entry requirements to accounting programs, the knowledge and technical competence learning outcomes, the skills learning outcomes, and the ethics and values learning outcomes.

3.3. Data Analysis

In addition to the descriptive statistics, the one-sample *t*-test was used to assess first the awareness and knowledge

of IESs among accounting academics and second, to evaluate the compliance of accounting programs and curriculums with IESs. One-sample *t*-test compares an observed mean (the actual mean scores of the response) to hypothesized mean (the mean score of the scale). Hence, the one-sample *t*-test ensures that the actual mean of the sample is significantly different from the mean score of the scale (hypothesized mean) (Zikmund et al., 2010). Further, the independent groups’ *t*-test was used to examine the effect of demographic and educational factors on the level of awareness and knowledge of IESs among accounting academics. Therefore, the independent groups’ *t*-test is aimed to explain the variation in the level of accounting academics’ awareness and knowledge of IESs.

4. Results

The following subsections present the exploratory and empirical results that provide explicit answers to the two main questions of this study. Tables 1 and 2 illustrate the level of awareness and knowledge of IESs among faculty members in Saudi universities, while Table 3 demonstrates the effect of demographic and educational variables on the awareness and knowledge of IESs. Tables 4–6 illustrate the degree of compliance of accounting education in Saudi universities with IESs.

Table 1: Descriptive Statistics for Faculty Members’ Awareness and Knowledge of IESs

	Items	N	Min.	Max.	Mean	Median	Mode	Std. Deviation
a.	How familiar are you with IESs?	102	1	7	4.64	5	5	1.78
b.	When did you first know about IESs?	102	1	7	4.51	5	7	2.21
c.	What is your knowledge of the IESs contents?	102	1	7	4.45	5	5	1.84
d.	Have you ever read IESs?	102	1	7	4.48	5	7	2.09

Notes: Likert scale of 1 to 7: a) “1”: not familiar with it & “7”: extremely familiar; b) “1”: in the last year & “7”: since many years; c) “1”: minimal & “7”: full; d) “1”: never & “7”: most of them.

Table 2: One-Sample *t*-test Results for Faculty Members’ Awareness and Knowledge of IESs

	Items	Test Value = 4; N = 102			
		Mean Score	Mean Difference	One-Sample <i>t</i> -test	
				<i>t</i> -value	<i>p</i> -value
a.	How familiar are you with IESs?	4.64	0.637	3.61***	0.000
b.	When did you first know about IESs?	4.51	0.510	2.33**	0.022
c.	What is your knowledge of the IESs contents?	4.45	0.451	2.48**	0.015
d.	Have you ever read IESs?	4.48	0.480	2.32**	0.022

***The mean difference is significant at the 0.01 level; and **significant at the 0.05 level.

Table 3: Independent Samples T-Test for Respondents' Awareness and Knowledge of IESs Based on Demographic and Educational Factors

Independent Variables	Mean Score								T-Test for Equality of Means							
	Male (n = 75)				Female (n = 27)				t-value				p-value			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Gender	Assist. Prof.															
	4.8	4.56	4.57	4.52	4.19	4.37	4.11	4.37	1.55	0.38	0.336	0.289	0.125	0.704	0.738	0.774
Designation	Lecturer															
	5	4.67	4.83	4.77	4.04	4.28	3.88	3.84	2.31**	0.73	2.30**	1.84*	0.024	0.467	0.024	0.07
Industry Work Experience	Yes															
	4.97	4.9	4.9	4.94	4	3.77	3.6	3.6	2.69***	2.51**	3.57***	3.21***	0.008	0.014	0.001	0.002
Professional Qualification	No															
	5.12	4.88	4.97	4.76	4.41	4.33	4.2	4.35	1.92*	1.17	2**	0.93	0.058	0.245	0.048	0.357
Medium of Teaching	Arabic															
	4.79	4.7	4.67	4.66	4.24	4.03	3.9	4.03	1.42	1.38	1.95*	1.36	0.159	0.171	0.054	0.176

*** The mean difference is significant at the 0.01 level; **significant at the 0.05 level; and *significant at the 0.10 level. Q1: How familiar are you with IESs?; Q2: When did you first know about IESs?; Q3: What is your knowledge of the IESs contents?; Q4: Have you ever read IESs?

Table 4: Descriptive Statistics for Compliance of Accounting Education with IESs

	Items	N	Min.	Max.	Mean	Median	Mode	Std. Deviation
a.	The IESs have been used in the preparation of the accounting courses' specifications.	102	1	7	4.68	5	4a	1.889
b.	The entry requirements to the accounting program (bachelor level) correspond to those set forth by the IES 1.	102	1	7	4.28	4	4	1.720
c.	The knowledge and technical competence learning outcomes of the accounting program (courses) correspond to those set forth by the IES 2.	102	1	7	4.47	5	4a	1.533
d.	The skills learning outcomes of the accounting program (courses) correspond to those set forth by the IES 3.	102	1	7	4.48	5	5	1.559
	The values learning outcomes of the accounting program (courses) correspond to those set forth by the IES 4.	102	1	7	4.60	5	5	1.556

Notes: Likert scale of 1 to 7: "1" = strongly disagree; "7" = strongly agree. a. Multiple modes exist. The smallest value is shown.

Table 5: One-Sample *t*-test Results for Compliance of Accounting Education with IESs

Items		Test Value = 4; N = 102			
		Mean Score	Mean Difference	One-Sample <i>t</i> -test	
				<i>t</i> -value	<i>p</i> -value
a.	The IESs have been used in the preparation of the accounting courses' specifications.	4.68	0.676	3.62***	0.000
b.	The entry requirements to the accounting program (bachelor level) correspond to those set forth by the IES 1.	4.28	0.284	1.67	0.098
c.	The knowledge and technical competence learning outcomes of the accounting program (courses) correspond to those set forth by the IES 2.	4.47	0.471	3.10***	0.003
d.	The skills learning outcomes of the accounting program (courses) correspond to those set forth by the IES 3.	4.48	0.480	3.11***	0.002
e.	The values learning outcomes of the accounting program (courses) correspond to those set forth by the IES 4.	4.60	0.598	3.88***	0.000

*** The mean difference is significant at the 0.01 level; and **significant at the 0.05 level.

4.1. Faculty Members' Awareness and Knowledge of IESs

On a scale of 1 to 7, Table 1 presents the descriptive statistics of the faculty members' responses to four questions related to their familiarity with IESs, Length of time that they have been familiar with IESs, knowledge of IESs' contents, and whether they have read the full standards.

The mean values of the responses to the four questions are above average scores ranging from 4.45 to 4.64, indicating that almost the majority of faculty members are aware of IESs and have a good knowledge of their contents. However, minimum and maximum values were at the extreme points for all questions reflecting high variation in the level of awareness and knowledge of IESs among faculty members. The minimum value of each question response of (1) shows

Table 6: Frequency of Responses for Compliance of Accounting Education with IESs

Items	Frequency (Percent)							
	Strongly Disagree	Disagree	Somewhat Disagree	Either Agree or Disagree	Somewhat Agree	Agree	Strongly Agree	Total
The IESs have been used in the preparation of the accounting courses' specifications.	11 (10.8%)	4 (3.9%)	8 (7.8%)	22 (21.6%)	18 (17.6%)	17 (16.7%)	22 (21.6%)	102 (100%)
The entry requirements to the accounting program (bachelor level) correspond to those set forth by the IES 1.	8 (7.8%)	8 (7.8%)	15 (14.7%)	27 (26.5%)	16 (15.7%)	16 (15.7%)	12 (11.8%)	102 (100%)
The knowledge and technical competence learning outcomes of the accounting program (courses) correspond to those set forth by the IES 2.	4 (3.9%)	7 (6.9%)	15 (14.7%)	24 (23.5%)	24 (23.5%)	19 (18.6%)	9 (8.8%)	102 (100%)
The skills learning outcomes of the accounting program (courses) correspond to those set forth by the IES 3.	5 (4.9%)	7 (6.9%)	12 (11.8%)	24 (23.5%)	29 (28.4%)	14 (13.7%)	11 (10.8%)	102 (100%)
The values learning outcomes of the accounting program (courses) correspond to those set forth by the IES 4.	4 (3.9%)	9 (8.8%)	8 (7.8%)	23 (22.5%)	27 (26.5%)	21 (20.6%)	10 (9.8%)	102 (100%)

that some faculty members never read IESs, have no idea of their contents, and even they don't know that they exist. Later sections will discuss the possible explanatory factors for the variation of IESs awareness and knowledge among academics.

Table 2 displays the results of the one-sample *t*-test for faculty members' awareness and knowledge of IESs. One sample *t*-test is used to ensure that the mean score of each variable scale (test value in Table 2) is significantly different from the actual mean of the sample. Zikmund et al. (2010) stated that the one-sample *t*-test serves to compare an observed mean to the hypothesized population mean. Table 2 shows that the actual mean score of each item (question) is significantly different from the neutral value of each item's scale of 1-7. Respondents were asked how familiar are they with IESs on a scale of 1 to 7 in which "1" = not familiar and "7" = extremely familiar. The actual mean of the sample responses to this question (4.64) is significantly higher than the hypothesized neutral mean of the scale, $t = 3.61$ ($p < 0.01$). Hence, it is concluded that the majority of faculty members in the accounting departments of Saudi universities are familiar with IESs. The actual mean score of the faculty members' responses to the other three questions (first time they knew about IESs, their knowledge of IESs contents, and if they ever read IESs) is significantly higher than the mean of the scale (test value) at 0.05 level; $t = 2.33$ ($p < 0.05$), $t = 2.48$ ($p < 0.05$), and $t = 2.32$ ($p < 0.05$) respectively.

Table 3 presents the results of the independent samples *t*-test that was performed to examine the effect of demographic and educational factors on the awareness and knowledge of IESs contents among accounting faculty members in Saudi universities. In summary, Table 3 displays the effect of five independent variables (gender, designation, industry work experience, professional qualification, and medium of teaching) on four dependent variables represented by four questions in the survey as follows; Q1 = how familiar are you with IESs?; Q2 = when did you first know about IESs?; Q3 = what your knowledge of IESs contents is?; Q4 = have you ever read IESs?.

The research design of the independent samples *t*-test and the statistical assumptions have been ensured. Levene's test for equality of variances is used to examine the homogeneity of variance. This test ensures that responses are of equal variance. When Levene's test has a probability greater than 0.05, it is assumed that the population variances are relatively equal. Hence, the assumption of variance homogeneity has been met, and the data of the equal variance estimate is used to examine the differences between the two groups of the independent variable (the *t*-test results of equality of variance estimates were interpreted). In a few exceptional instances, Levene's test revealed significant variances indicated by the probability value that is less than 0.05. In these cases, the

t-value and the two-tail significance for the unequal variance estimates were interpreted.

The results of the *t*-test showed no significant differences in the awareness and knowledge of the IESs between male and female accounting faculty members. Responses of male and female groups to the four questions are not dissimilar, as indicated by the *t*-values and *p*-values that are all above 0.05. To test for the effect of academic rank, two groups of respondents were selected for the comparison; assistant professors (Ph.D. holders) and lecturers (master holders). The results presented in Table 3 showed significant differences between the two groups with regard to Q1 and Q3. The mean response of the assistant professors group for each question (5 and 4.83) are higher than the mean response of the lectures group (4.04 and 3.88) at $t = 2.31$ ($p < 0.05$) and $t = 2.30$ ($p < 0.05$) respectively. Industry work experience is proved to be the most explicit explanatory factor of the awareness and knowledge of IESs variance. The results of the *t*-test revealed a positive and significant effect of the industry work experience on the level of awareness and knowledge of IESs among accounting faculty members. The mean responses of faculty member group who have a professional experience for the four questions (4.97, 4.9, 4.9, and 4.94) are significantly higher than the mean responses of academics who have no professional experience (4, 3.77, 3.6, and 3.6) at $t = 2.69$ ($p < 0.01$), $t = 2.51$ ($p < 0.05$), $t = 3.57$ ($p < 0.01$), and $t = 3.21$ ($p < 0.01$) respectively. Further, academics who have obtained professional qualifications are more knowledgeable with regard to IESs contents than those with no professional qualifications at $t = 2$ ($p < 0.05$).

4.2. Compliance of Accounting Education in Saudi Universities with IESs

Tables 4 and 5 present the descriptive statistics and one-sample *t*-tests for five statements related to the compliance of accounting programs in Saudi universities with IESs. These statements aimed to investigate the degree of correspondence between accounting programs at the bachelor level which are provided by universities and the concerned standards (entry requirements, knowledge, technical competence, skills, and ethics). The mean scores of responses to the five statements that are presented in Table 4 are all above the average of the scale. Respondents were asked whether IESs guidelines have been used in the preparation of the accounting courses' specifications. Responses to this question showed the highest mean of 4.68 and the highest standard deviation of 1.889 as well. However, the most frequent response to this question is 4 (which is the average score on the scale). The mode and the high standard deviation indicate the high variation between universities in this regard. In general, statistics presented

in Table 4 indicate that accounting programs in Saudi universities are on an average level of compliance with the first four standards related to the educational part within the initial professional development stage with high variation among universities indicated by the minimum, maximum, mode, and standard deviation scores.

Table 5 presents the one-sample *t*-test results for the five statements related to the compliance of accounting education with IESs. With the exception of the entry requirements to the accounting programs, the other compliance indicators showed significant differences from the mean of the scale at the 0.01 level. The results indicate that the requirements of admission to the accounting programs in Saudi universities are not similar to those stated or recommended by IESs; $t = 1.67$ ($p > 0.05$). On the other hand, the learning outcomes (related to knowledge, skills, and ethics) stipulated by the accounting programs within Saudi universities correspond partially to those set forth by IESs; $t = 3.10$ ($p < 0.01$), $t = 3.11$ ($p < 0.01$), and $t = 3.88$ ($p < 0.01$) respectively.

Table 6 summarizes the frequency (percentage) of responses to each compliance statement. 57 respondents representing (56%) of the overall sample showed an agreement with the statement, which states that IESs have been used in the preparation of the accounting courses specifications. While 22 (21.6%) neither agreed nor disagreed about the use of IESs guidelines, 23 (22.5%) respondents asserted that IESs were not used in the preparation of accounting courses' specifications in their respective universities. Responses to the second statement related to the entry requirements to accounting programs at the bachelor level varied. 58 (56.8%) have selected either disagreement or neutral option when responding to the statement related to the entry requirements (strongly disagree 8 (7.8%), disagree 8 (7.8%), somewhat disagree 15 (14.7%), and neutral 27 (26.5%). Only 44 (43%) respondents asserted that the entry requirements in Saudi accounting programs correspond to those set forth by IESs with different levels of agreement (strongly agree 12 (11.8%), agree 16 (15.7%) and somewhat agree 16 (15.7%). Responses to the three statements related to the degree of correspondence between knowledge, skills, and values' learning outcomes of the accounting courses in Saudi universities and those set forth by IES 1, 2, and 3 showed moderate agreements by faculty members who are slightly above the average. While 52 (51%), 54 (53%), and 58 (57%) reported the use of IESs guidelines in the determination of knowledge, skills, and ethics learning outcomes (respectively) of accounting courses in Saudi universities, others negated the use of IES1, 2, and 3 in the preparation of knowledge learning outcomes 50 (49%), skills learning outcomes 48 (47%), and ethics learning outcomes 44 (43%).

5. Discussion and Conclusion

Effective 2017 for all public companies and 2018 for other publicly accountable entities, IFRS is required in Saudi Arabia which has also adopted the international standards on auditing, the code of ethics for professional accountants, the international public sector accounting standards, and the quality assurance standards. Since then, researchers, practitioners, and other stakeholders have pointed out the need for competent professionals who are capable of understanding and implementing the aforesaid adopted international standards. Consequently, there have been many calls for accounting education improvements to cope with the recent development of the international standards adoption and the need of stakeholders for qualified and competent professional accountants.

Given the importance of IESs as an international benchmark for high-quality education that assists the accounting programs providers (universities, professional bodies, etc) in stipulating the minimum requirements for accounting programs and measuring the learning outcomes of accounting programs' graduates, this study aimed to explore the level of awareness and knowledge of IESs among accounting academics in Saudi universities and investigate the degree of correspondence between accounting education in Saudi universities and the guidelines and requirements of IESs. In contrast to IFRS, ISA, and other standards that are fully adopted by The Saudi Organization for Chartered and Professional Accountants (SOCPA), IESs are partially adopted by the same organization.

The results presented in the previous section showed that accounting academics in Saudi universities are moderately aware of IESs, which was indicated by the mean responses that are slightly above the average scores of the scale. Further, accounting academics have a moderate knowledge of IESs contents. These results are similar to those of Sugahara and Boland (2011), who found that only 52% of Japanese accounting academics have heard about IESs, and 25% have read the standards. Besides the moderate awareness of IESs (on an aggregate level), the results revealed a significant variation in the accounting academics' awareness and knowledge of IESs, indicated by their responses to the four questions. While some faculty members have a good knowledge of IESs' contents, others have no idea about them and even don't know that IESs exist.

To explain the variation in academics' knowledge of IESs, this study examined a number of demographic and educational factors. Professional industry work is found to be the most influential factor in the level of awareness and knowledge of IESs. Accounting academics that have been working outside academia and have exposure to

accounting practices showed a higher level of familiarity and knowledge of IESs. To explain the cause of this effect, it is worth mentioning that IESs cover both; firstly, the initial professional development (IPD), which encompasses the professional accounting education provided by universities, professional bodies, and other authorized institutions (IESs 1–4); the practical experience requirements (IES 5); and the assessment of professional competence (IES 6). Secondly, the continuing professional development (CPD) (IES 7) and professional competence for engagement partners responsible for audits of financial statements (IES 8). These attributes of IESs, which are said to be a lifelong development of accounting professionals, explain why accounting professionals and practitioners are more familiar and knowledgeable of IESs as they are required by the professional bodies to meet the continuing professional development and develop competencies stated by IESs. Professional qualification, on the other hand, showed a significant differentiation effect on the amount of IESs knowledge that accounting academics have. Professionally qualified academics expressed more knowledge of IESs than non-qualified academics, whereas no significant differences were detected between the two groups with regards to the familiarity and time of exposure to IESs.

The effect of academic rank (designation) was tested by selecting two groups for comparison; assistant professors (Ph.D. holders) and lecturers (master holders). Assistant professors expressed more knowledge of IESs than lecturers did. This difference is attributed to the amount of knowledge obtained during Ph.D. qualification, the experience of assistant professors, and the role in the education process, which is normally more advanced than the role of lecturers. The statistical analysis failed to find significant differences between male and female faculty members as both groups expressed a similar level of IESs knowledge and exposure.

The main objective of this study is to evaluate the level of correspondence between accounting programs and accounting courses provided by Saudi universities and the first four IESs that are related to the initial professional development of professional accountants. The results summarized in Tables 4 to 6 revealed that accounting programs, curriculums, and courses provided by Saudi universities are partially compliant with the guidelines of IESs. The accounting academics have reported divergent levels of correspondence between accounting programs in their respective universities and IESs guidelines. Ranging from never correspond to highly correspond, the statistical analysis showed that academics believe that the accounting programs moderately comply with IESs guidelines. These results signaled an improvement in accounting education when compared to the results of AlMotairy and Stainbank (2014) who used the archival method and concluded that

accounting education in Saudi Arabia does not comply with IESs with respect to professional skills, ethics, and values. It is evident that, from the time of (AlMotairy & Stainbank, 2014) study, accounting education in Saudi Arabia witnessed significant improvements.

To conclude, this study provides evidence about the increased awareness and knowledge of IESs among accounting academics in Saudi universities and the improved level of compliance of accounting programs with IESs in recent years. Yet, great efforts need to be made by IFAC and its members (local professional accounting bodies) to promote IESs and collaborate with universities, academics, and professional institutions to elevate the quality of accounting programs to the international standard level based on the guidelines and directions of IESs. The findings of this study have limitations of subjectivity and personal impression that are associated with the survey type research. Future research could use the content analysis method of research to evaluate the quality of accounting programs based on IESs measures. Further, future research could investigate factors that might support the compliance of accounting education in Saudi Arabia with IESs and identify factors that might hinder the compliance and how they can be managed.

References

- Abayadeera, N., & Watty, K. (2014). The expectation-performance gap in generic skills in accounting graduates: Evidence from Sri Lanka. *Asian Review of Accounting*, 22(1), 56–72. <https://doi.org/10.1108/ARA-09-2013-0059>
- Abou-El-Sood, H., & Ghoniem, W. (2021). Exploring the effectiveness of total quality management in accounting education: The case of Egypt. *Accounting Education*, 1–33. <https://doi.org/10.1080/09639284.2021.1942937>
- Accountant. (2012). *Going global, survey: World 2012*. <https://www.ifac.org/news-events/2012-02/global-accountancy-leaders-identify-key-issues-2012>
- Albiom, N., Finnie, R., & Meng, R. (2005). The discounting of immigrants' skills in Canada: Evidence and policy recommendations. *IRPP Choices*, 11(2), 1–26. <https://policycommons.net/artifacts/1195845/the-discounting-of-immigrants-skills-in-canada/1748971/>
- AlMotairy, O. S., & Stainbank, L. J. (2014). Compliance with international education standards in Saudi Arabia: Policy and educational implications. *Journal of Business Studies Quarterly*, 5(4), 5. <http://doi.org/10.1213/jbsq.2014.5.4.005>
- Alzaban, A. (2016). Factors influencing adoption of the international financial reporting standards (IFRS) in accounting education. *Journal of International Education in Business*, 9(1), 2–16. <https://doi.org/10.1108/JIEB-10-2015-0023>
- Anis, A. (2017). Auditors' and accounting educators' perceptions of accounting education gaps and audit quality in Egypt. *Journal*

- of *Accounting in Emerging Economies*, 7(3), 337–351. <https://doi.org/10.1108/JAEE-08-2016-0070>
- Basran, G. S., & Zong, L. (1998). Devaluation of foreign credentials as perceived by visible minority professional immigrants. *Canadian Ethnic Studies Journal*, 30(3), 6–26. <https://apdr.allard.ubc.ca/devaluation-of-foreign-credentials-as-perceived-by-visible-minority-professional-immigrants/>
- Bautista-Mesa, R., Molina-Sánchez, H., & Ramírez-Sobrinó, J. N. (2018). Audit workplace simulations as a methodology to increase undergraduates' awareness of competencies. *Accounting Education*, 27(3), 234–258. <https://doi.org/10.1080/09639284.2018.1476895>
- Chaffer, C., & Webb, J. (2017). An evaluation of competency development in accounting trainees. *Accounting Education*, 26(5–6), 431–458. <https://doi.org/10.1080/09639284.2017.1286602>
- Cheung, R. W. Y., & Agrawal, R. K. (2018). Ethics, accounting education, and recruitment in Hong Kong. *International Journal of Accounting Finance*, 8(3), 228–244. <https://doi.org/10.1504/IJAF.2018.097145>
- Chiang, B. (2013). IFRS in the accounting curriculum-implications from different perspectives. *International Business Management*, 6(2), 1–8. <http://doi.org/10.3968/j.ibm.1923842820130602.1070>
- Crawford, L., Helliár, C., Monk, E., & Veneziani, M. (2014). International accounting education standards board: Organisational legitimacy within the field of professional accountancy education. *Accounting Forum*, 38(1), 67–89. <https://doi.org/10.1016/j.accfor.2013.09.001>
- Douglas, S., & Gammie, E. (2019). An investigation into the development of non-technical skills by undergraduate accounting program. *Accounting Education*, 28(3), 304–332. <https://doi.org/10.1080/09639284.2019.1605532>
- Duncan, D., Poisson, Y., & Wong, W. (2008). *Improving bridging programs: Compiling best practices from a survey of Canadian bridging programs*. <https://policycommons.net/artifacts/1199187/improving-bridging-programs/1752312/>
- Fogarty, T. J., & Holder, A. D. (2012). Exploring accounting doctoral program decline: Variation and the search for antecedents. *Issues in Accounting Education*, 27(2), 373–397. <https://doi.org/10.2308/iace-50127>
- Ha, N., Hanh, N., & Bouilheres, F. (2012). *Accounting education's expectation-performance gap: Application to Vietnam*. <http://mams.rmit.edu.au/f9lxprggw0ht.pdf>
- Handoyo, S., & Anas, S. (2019). Accounting education challenges in the new millennium era. *Journal of Accounting Auditing Business*, 2(1), 35–46. <https://doi.org/10.24198/jaab.v2i1.20429>
- Hilton, S. R., & Johnstone, N. (2013). The IFRS transition and accounting education: A Canadian perspective post-transition. *Issues in Accounting Education*, 28(2), 253–261. <https://doi.org/10.2308/iace-50366>
- Humphrey, C., Kausar, A., Loft, A., & Woods, M. (2011). Regulating audit beyond the crisis: A critical discussion of the EU Green Paper. *European Accounting Review*, 20(3), 431–457. <https://doi.org/10.1080/09638180.2011.597201>
- International Federation of Accountants (IFAC). (2019). *Handbook of international education pronouncements*. <https://www.ifac.org/system/files/publications/files/2017-Handbook-of-International-Education-Pronouncements.PDF>
- International Federation of Accountants (IFAC). (2020). *Progressing IFAC's new approach to advancing accountancy education*. <https://www.ifac.org/knowledge-gateway/developing-accountancy-profession/discussion/progressing-ifac-s-new-approach-advancing-accountancy-education>
- Jackling, B. (2013). Global adoption of International Financial Reporting Standards (IFRS): Implications for accounting education. *Issues in Accounting Education*, 28(2), 209–220. <https://doi.org/10.2308/iace-50391>
- Jackling, B., Cooper, B. J., Leung, P., & Dellaportas, S. (2007). Professional accounting bodies' perceptions of ethical issues, causes of ethical failure, and ethics education. *Managerial Auditing Journal*. <https://doi.org/10.1108/02686900710829426>
- James, M. L. (2011). Integrating international financial reporting standards into the accounting curriculum: strategies, benefits, and challenges. *Academy of Educational Leadership Journal*, 15, 127.
- Karlina, R., & Shauki, E. R. (2019). Towards convergence of international education standards: implementation of IES 4 in accounting education. *Paper Presented at the Asia Pacific Business and Economics Conference (APBEC 2018)*, Jakarta Indonesia, 17–19 January 2018 (pp. 29–34). Netherlands: Atlantis Press. <https://doi.org/10.2991/apbec-18.2019.5>
- Lima Rodrigues, L., Pinho, C., Bugarim, M. C., Craig, R., & Machado, D. (2018). Factors affecting success in the professional entry exam for accountants in Brazil. *Accounting Education*, 27(1), 48–71. <https://doi.org/10.1080/09639284.2017.1361851>
- Madsen, P. E. (2015). Has the quality of accounting education declined? *The Accounting Review*, 90(3), 1115–1147. <https://doi.org/10.2308/accr-50947>
- Mah'd, O. A., & Mardini, G. H. (2020). The quality of accounting education and the integration of the international education standards: evidence from Middle Eastern and North African countries. *Accounting Education*, 61, 1–21. <https://doi.org/10.1080/09639284.2020.1790020>
- Majzoub, S., & Aga, M. (2015). Characterizing the gap between accounting education and practice: evidence from Lebanon. *International Journal of Business Management*, 10(12), 127. <http://doi.org/10.5539/ijbm.v10n12p127>
- Mansour, H., & Hassan, S. (2021). The effect of financial liberalization on economic growth: The case of Egypt and Saudi Arabia. *The Journal of Asian Finance, Economics, and Business*, 8(11), 203–212. <https://doi.org/10.13106/jafeb.2021.vol8.no11.0203>
- McPeak, D., Pincus, K. V., & Sundem, G. L. (2012). The international accounting education standards board: influencing

- global accounting education. *Issues in Accounting Education*, 27(3), 743–750. <https://doi.org/10.2308/iace-50121>
- Morrill, J. (2019). Designing a bridge program for internationally educated accountants in an era of resource constraints. *Accounting Education*, 28(1), 49–68. <https://doi.org/10.1080/09639284.2018.1490914>
- Murshed, H. (2019). Championing ethics in the accounting profession: Dithering responsibility. *Paper Presented at the ABEN Conference*, Melbourne, 8–10 December 2019 (pp. 1–20). Melbourne: RMIT University
- Needles, B. E. (2010). Accounting education: The impact of globalization. *Accounting Education: An International Journal*, 19(6), 601–605. <https://doi.org/10.1080/09639284.2010.501578>
- Needles, B. E., Kantor, J., & Shoenthal, E. R. (1992). Global compliance with international accounting education guidelines. *Accounting Education*, 1(3), 211–224. <https://doi.org/10.1080/09639289200000033>
- Ngoo, Y. T., Tiong, K. M., & Pok, W. F. (2015). Bridging the gap of perceived skills between employers and accounting graduates in Malaysia. *American Journal of Economics*, 5(2), 98–104. <https://doi.org/10.5923/c.economics.201501.09>
- Nurunnabi, M. (2018). Perceived costs and benefits of IFRS adoption in Saudi Arabia: An exploratory study. *Research in Accounting Regulation*, 30(2), 166–175. <https://doi.org/10.1016/j.racreg.2018.09.001>
- Owais, W. O., & Dahiyat, A. A. (2021). Readiness and challenges for applying IFRS 17 (Insurance Contracts): The case of Jordanian insurance companies. *The Journal of Asian Finance, Economics, and Business*, 8(3), 277–286. <https://doi.org/10.13106/jafeb.2021.vol8.no3.0277>
- Palmer, K. N., Ziegenfuss, D. E., & Pinsker, R. E. (2004). International knowledge, skills, and abilities of auditors/accountants. *Managerial Auditing Journal*, 151(9), 111–121. <https://doi.org/10.1108/02686900410549411>
- Pincus, K. V., Stout, D. E., Sorensen, J. E., Stocks, K. D., & Lawson, R. A. (2017). Forces for change in higher education and implications for the accounting academy. *Journal of Accounting Education*, 40, 1–18. <https://doi.org/10.1016/j.jacedu.2017.06.001>
- Rebele, J. E., & Pierre, E. K. S. (2019). A commentary on learning objectives for accounting education programs: The importance of soft skills and technical knowledge. *Journal of Accounting Education*, 48, 71–79. <https://doi.org/10.1016/j.jacedu.2019.07.002>
- Sallam, M. A. M. (2021). The role of the manufacturing sector in promoting economic growth in the Saudi economy: A cointegration and VECM approach. *The Journal of Asian Finance, Economics, and Business*, 8(7), 21–30. <https://doi.org/10.13106/jafeb.2021.vol8.no7.0021>
- Saville, H. (2007). International education standards for professional accountants (IESs). *Accounting Education: An International Journal*, 16(1), 107–113. <https://doi.org/10.1080/09639280601180829>
- Steenkamp, N., & Roberts, R. (2016). Unethical practices in response to poor student quality: An Australian perspective. *The Accounting Educators' Journal*, 26, 89–119. <https://www.aejournal.com/ojs/index.php/aej/article/view/336>
- Sugahara, S., & Boland, G. (2011). Effects of exposure to the international education standards on the perceived importance of the global harmonization of accounting education among Japanese accounting academics. *Advances in Accounting*, 27(2), 382–389. <https://doi.org/10.1016/j.adiac.2011.08.008>
- Sugahara, S., & Wilson, R. (2013). The discourse surrounding the international education standards for professional accountants (IES): A content analysis approach. *Accounting Education*, 22(3), 213–232. <https://doi.org/10.1080/09639284.2013.785860>
- Sunder, S. (2010). Adverse effects of uniform written reporting standards on accounting practice, education, and research. *Journal of Accounting Public Policy*, 29(2), 99–114. <https://doi.org/10.1016/j.jaccpubpol.2009.10.011>
- Ta, T. T., Pham, C. D., Nguyen, A. H., Doan, N. T., Dinh, H. T., Do, G. H., & Pham, T. H. (2021). Factors affecting the adoption of IFRS: The case of listed companies on Ho Chi Minh stock exchange. *The Journal of Asian Finance, Economics, and Business*, 8(2), 873–882. <https://doi.org/10.13106/jafeb.2021.vol8.no2.0873>
- Thomas, S. (2012). Ethics and accounting education. *Issues in Accounting Education*, 27(2), 399–418. <https://doi.org/10.2308/iace-50119>
- Thomson, K., & Jones, J. (2015). Being and becoming a professional accountant in Canada: Mimicry and menace in the transitions of migrant accountants. *Critical Perspectives on International Business*, 11(2), 156–172. <https://doi.org/10.1108/cpoib-10-2012-0045>
- Vysotskaya, A., & Prokofieva, M. (2013). The difficulties of teaching IFRS in Russia. *Issues in Accounting Education*, 28(2), 309–319. <https://doi.org/10.2308/iace-50363>
- Wilson, R. M., Pierce, A., Allison, M., Hoogendoorn, M., Kral, B., & Watty, K. (2009). Accountancy and academic/professional interdependency (or mutual exclusivity?). *Accounting in Europe*, 6(2), 149–166. <https://doi.org/10.1080/17449480903171962>
- Yamani, A., & Almasarwah, A. (2019). Resistive factors of delaying IFRS adoption in Saudi Arabia listed firms. *Journal of Financial Reporting Accounting*, 17(3), 468–497. <https://doi.org/10.1108/JFRA-08-2018-0063>
- Zikmund, W. G., Babin, B. J., Carr, J. C., & Griffin, M. (2010). *Business research methods* (8th ed.). South-Western, USA: Cengage Learning.