

DOI 10.18372/2786-823.1.17465

Jaan Alver 

PhD, Professor,

Tallinn University of Technology,

Tallinn, Estonia

jaan.alver@taltech.ee

Lehte Alver 

PhD, Professor,

Tallinn University of Technology,

Tallinn, Estonia

lehte.alver@taltech.ee

A COMPETENCY-BASED CURRICULUM AS THE BASIS FOR THE FORMATION OF FUTURE COMPETENT SPECIALISTS

***Annotation.** The process of globalization sets new requirements for the professional qualification of accountants and auditors. In the business world globalized investment market demands consistent high quality financial information across borders; investors are looking for a global accounting profession to provide it. Over the last two decades, academics and practitioners have questioned whether academia is keeping up with the needs of the accounting profession. There is more pressure on accounting professionals to expand and enhance their knowledge, skills, and abilities beyond what they are currently likely to possess. Providers of accounting education must take into account the changed world and create contemporary curricula. The paper gives a brief overview of competency-based approach in building up an accounting curriculum.*

***Key words:** Accounting education, Competency-based approach, Curriculum building.*

Анотація. Процес глобалізації висуває нові вимоги до професійної кваліфікації бухгалтерів та аудиторів. У діловому світі глобалізований інвестиційний ринок вимагає постійної високоякісної фінансової інформації за кордоном; інвестори шукають глобальну професію бухгалтера, щоб надати її. Протягом останніх двох десятиліть науковці та практики сумнівалися, чи встигають наукові кола за потребами професії бухгалтера. Професіонали з бухгалтерського обліку потребують розширення та покращення своїх знань, навичок і здібностей, які виходять за рамки тих, якими вони зараз можуть володіти. Постачальники бухгалтерської освіти повинні враховувати зміни в світі та створювати сучасні навчальні програми. У статті подано короткий огляд компетентнісного підходу до побудови навчальної програми з бухгалтерського обліку.

Ключові слова: бухгалтерська освіта, компетентнісний підхід, формування навчального плану.

Introduction. In the business world of today, increasingly globalized investment market demands consistent high quality financial information across borders; investors are looking to a global accounting profession to provide it. The process of globalization sets new requirements for the professional qualification of accountants and auditors; hence, there is a need for global harmonization of professional education. Accounting academics and accounting institutions throughout the world agree that accounting is changing and will continue to change.

Much has been written about a crisis in accounting education. In 2001, Professors W. Steve Albrecht and Robert J. Sack wrote in their 2000 monograph [1] that the accounting practice community perceived accounting education to be completely outdated. Fewer students majored in accounting, many accounting firms perceived accounting students higher educational training as outdated and hired fewer accounting majors. Shea et al. note in their 2021 book [10] that these issues are still prevalent.

The goal of accounting education is to produce professional expert accountants. For this reason, it is important to understand what is meant by the term “competence” and how it can be achieved and demonstrated.

What is competence?

The growing literature on the development and assessment of competence in professional, vocational, and management education uses several definitions of competence. According to one, competence is the ability to perform the tasks and roles expected of a professional accountant, both newly qualified and experienced, to the standard expected by employers and the general public [3, p. 1]. Another definition emphasizes that in an accounting context, professional competence is the ability to demonstrate the necessary technical and professional skills, values, ethics, and attitudes at sufficient levels of proficiency to fulfill the role of a professional accountant in a manner that meets the needs and expectations of employers, clients, peers, and the public [3, p. 1]. However, this is not possible without in-depth professional knowledge. One more definition emphasizes that competence is the ability to execute, in the real world, relevant tasks to a specified level of proficiency [2, p. 11]. Proficiency is the level of competence that a student might be expected to achieve. Knowledge and understanding alone do not result in competence. Technical knowledge is necessary, but not sufficient, to the accountant’s role. Competence is much broader than knowledge, and generally requires practice. Competence requires the effective application of relevant skills and particular attributes, which is usually only possible after undertaking specific practical experience.

Benefits and challenges of competency-based approaches to accounting education.

There are number of approaches to global accounting education. Traditional approaches to education have focused on transferring knowledge. Knowledge-based systems are still prevalent in many regions around the world; however, this approach is severely limited, as it does not prepare individuals for the judgment-rich work context that they will face throughout their careers. By contrast, a competency-

based approach (Table 1) more closely reflects the actual needs of the public, future clients, and employers, and equips individuals with the professional competencies (knowledge, values, skills, and attitudes) needed to perform their roles to the level expected by key stakeholders. Competency-based approaches also place much greater emphasis on strengthening and integrating non-technical skills that are pervasive to the role of a professional accountant and enable them to be effective in their careers.

Table 1

Competency-based versus knowledge-based education and assessment

Competency-based approach	Knowledge-based approach
Tests «Can you...?»	Tests «Do you know how to...?»
Focuses on what tasks or outcomes need to be demonstrated.	Focuses on what principles, concepts, facts, or procedures need to be learned.
Focuses on practical application of theory.	Focuses on theory and concepts.
Sets minimum proficiency levels to be attained and demonstrated in order to be deemed sufficiently competent for a role.	Sets minimum pass marks for percentage of knowledge that needs to be learned and conveyed in assessments.
Includes hands-on learning and active engagement and tests application of knowledge and skills in relevant contexts.	Often includes rote learning and tests memory.

Source: Derived from [2, p. 12–13]

These programs recognize that technical knowledge will become outdated, and that professional skills are needed to stay up to date and continue adapting to changes, in order to achieve long-term success.

Knowledge-based approaches (Table 1) typically reward «textbook» answers that are of limited practical value when dealing with uncertainty and complexity. Competency-based approaches recognize that the best assessment of competence happens when the aspiring professional accountant is faced with a real situation on the job, and the role of education is to prepare them to excel in their future roles. To this end, they attempt to simulate «real world» situations and problems. They teach students to solve problems that are typical of what they will actually encounter in their career, by relying heavily on case studies, roleplaying, group work, and other active learner-centered approaches. Simulations reflect «real» work situations, but in

a controlled learning environment. The more realistic and applied the content and evaluation questions/cases/scenarios, the better we can predict competence in the workplace.

Building accounting competencies in higher education should be viewed using a broader perspective, since there are many interdependent factors affecting accounting competencies. It is important to remember that professional accountants bring value to society not just by knowing how to account for transactions or determine tax compliance, but more importantly through exercising professional judgment by, for example:

- helping to evaluate risk;
- monitoring and ensuring quality and transparency of financial reporting;
- evaluating complex transactions and emerging issues to ensure financial reporting remains relevant and useful for users;
- interpreting and applying relevant standards and regulation;
- approaching information with a critical and questioning mindset.

The same is true with respect to professional competence – the relevant knowledge of concepts from accounting, auditing, tax, and other relevant domains are fundamental, but a student only becomes a competent professional by applying the concepts and learning to interpret and manage actual situations, especially ones that are increasingly complex and uncertain.

About updating and improvement the accounting curricula.

Practicing accountants today consider the education of most accounting graduates outdated. In the specialized literature have been noted that accounting curricula are too narrow and often outdated or irrelevant. In many cases, curricula are driven by faculty interests and not by the market. Many accounting educators have failed to restructure the accounting curriculum to equip graduates with the tools and knowledge needed in today's business world.

It goes without saying that the cornerstone of a good education is a well-designed curriculum. Therefore, it is very important to build up a proper curriculum that meets today's requirements. Several international

organizations are concerned in the development of the best curricula in every field. First at all the International Association for the Advancement of Curriculum Studies (IAACS). This organization has been established to support a worldwide – but not uniform – field of curriculum studies. The organization hopes to provide support for scholarly conversations within and across national and regional borders about the content, context, and process of education, the organizational and intellectual center of which is the curriculum. IAACS is concerned with curricula in different levels: from general to university education [4].

The International Accounting Education Standards Board (IAESB), an independent standard-setting body within International Federation of Accountants (IFAC), develops standards and guidance to improve the standards of accountancy education around the world and focuses on two key areas:

- the essential elements of accreditation, which are education, practical experience and tests of professional competence;
- the nature and extent of continuing professional education needed by accountants [5].

At present eight international education standards exist:

IES 1: Entry Requirements to a Program of Professional Accounting Education.

IES 2: Content of Professional Accounting Education Programs.

IES 3: Professional Skills.

IES 4: Professional Values Ethics and Attitudes.

IES 5: Practical Experience Requirements.

IES 6: Assessment of Professional Capabilities and Competence.

IES 7: Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence.

IES 8: Competence Requirements for Audit Professionals [5; 6].

IESs are intended to advance the profession of accountancy by establishing benchmarks for the minimum learning requirements of qualified accountants, including education, practical experience and continuing professional development. IESs establish essential elements (e.g., subject matter, methods and techniques) that

education and development programs are expected to contain and that have the potential for international recognition, acceptance and application. Although IESs cannot override authoritative local pronouncements, they are prescriptive in nature. IESs declare that professional accounting study should be a part of the pre-qualification program. This study should be long enough and intensive enough to permit candidates to gain the professional knowledge required for professional competence. The professional accountancy knowledge component of pre-qualification education should consist of at least two years of full-time study (or the part-time equivalent). Students should pursue a degree in accounting, or a professional qualification, to gain this knowledge.

The development of accounting curricula and teaching staff should take place in several stages, and it is recommended to answer the following questions: Who are the employers of our graduates? What do employers expect of our program in the future? What are student strengths and weaknesses? What are faculty strengths and weaknesses?

Regarding the accounting curriculum and course content, it is recommended to try to answer the following questions: Is what we are teaching and the level of coverage consistent with business world expectations? Are we teaching the important concepts in the most effective and efficient way? That is, are we pedagogically current? Is there sufficient partnering with related and/or necessary courses in other disciplines?

Developing educators, creation and updating curricula is a continuous process. The various methodological materials mentioned above are useful here [2, 3, 6 - 10].

Conclusions. The competency-based approach results in high-quality curricula that help accounting graduates succeed in their future careers. However, it should be borne in mind that more resources are needed to develop, update and implement competency-based curricula. These resources include, in addition to financial resources, the increased skills and efforts of educators involved in design, development and implementation of such curricula.

References

1. Albrecht, W. S., Sack, R. J. (2000). *Accounting Education: Charting the Course Through a Perilous Future*. American Accounting Association.
2. Borgonovo, A. J-M., Friedrich, B. J., Brookfield, D. (2020). *Competency-Based Accounting Education and Assessment Materials: Implementation Guide*. World Bank Group.
3. Competence-Based Approaches to the Professional Preparation of Accountants: Discussion Paper. (1998). *International Federation of Accountants*. URL: <https://www.ifac.org/system/files/publications/files/competence-based-approaches.pdf> (last accessed 2022/09/28).
4. IAACS – International Association for the Advancement of Curriculum Studies. URL: <https://www.iaacs.ca/> (last accessed 2022/09/28).
5. IAESB (2021). URL: <https://www.iaesb.org> (last accessed 2022/09/28).
6. IES (2019). URL: <https://www.iaesb.org/publications/2019-handbook-international-education-standards> (last accessed 2022/09/28).
7. International Standards of Accounting and Reporting (2022). URL: <https://isar.unctad.org/> (last accessed 2022/09/28).
8. Handbook of International Education Pronouncements (2019). International Accounting Education Standards Board. URL: <https://www.ifac.org/system/files/publications/files/Handbook-of-International-Education-Standards-2019.pdf> (last accessed 2022/09/28).
9. Revised model accounting curriculum (2011). URL: https://unctad.org/system/files/official-document/diaemisc2011d1_en.pdf (last accessed 2022/09/28).
10. Shea V. J., Dorata N. T., Dow K. E. (2021). *Technological Breakthroughs and Future Business Opportunities in Education, Health, and Outer Space*. IGI Global.