

THE PERCEPTION OF PROFESSIONAL ACCOUNTANT TOWARDS THE MANDATORY CONTINUING PROFESSIONAL EDUCATION

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Abstract: *Continuing professional education (CPE) is vital in the maintainance and development of knowledge and skills among professional accountant, thus ensuring they remain competent. The Malaysian Institute of Accountants (MIA) has reported a discouraging compliance of mandatory CPE requirement among the professional accountant in Malaysia. This study therefore intends to explore the perception of the professional accountant in practice towards the CPE programs. The respondents of this study are the professional accountants in public practice in Malaysia. The findings from this study shows that professional accountants have positive perceptions towards the CPE in terms of its usefulness, quality and ease of participation. However, they gave negative response on the cost of CPE.*

Keywords: *Continuing Professional Education, Accountants, Malaysia*

Introduction

Professionals from various fields have partaken in continuing professional education (CPE) programs and activities to ensure that they stay current, competent, and trustworthy. CPE in relation to accountants refers to learning activities that develop and maintain capabilities to enable professional accountants to perform competently within their professional environment (By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, 2019). Education plays vital role in the context of professional development (Murphy & Quinn, 2018). Accountants need to be current and competent in order to be able to uphold their obligation effectively and efficiently (Mohd Syahrir et al., 2019). Hence, CPE has been seen as an effective tool to enhance the quality of professional accountants (Gray, 1982; *International Education Standard (IES) 7: Continuing Professional Development (Redrafted)*, 2012; Yuthas et al., 2004).

The concept of CPE in accounting profession was introduced in late 1960 (Cervero, 1988). It has since been widely accepted and promoted worldwide by numerous accounting bodies. In Malaysia CPE was made mandatory by the Malaysian Institute of Accountants (MIA) in 1992 (MIA, 2009). The International Federation of Accountants (IFAC) recommended that its member organizations mandate CPE and to commit themselves to lifelong learning and CPE

through the International Education Standard (IES) 7 (International Education Standard 1-8, 2008). These moves displayed the important role CPE plays in the accounting profession.

In Malaysia however, the audit report by MIA's CPE Compliance Unit discloses some discouraging CPE compliance rate among professional accountants with only 40 percent compliance rate was recorded for 2011, 35 percent for 2012 and 40 percent for 2013 (MIA, 2015). The compliance rate has improved recently with 89 percent in 2017 and 88 percent in 2018 (Mohd Syahrir et al., 2019). Numerous psychological literatures suggest that perception towards a program or training course could influence participants' decision to commit their time and effort to participate (Wessels, 2007). Therefore, this study sought to explore the perception of professional accountants in Malaysia toward participation in CPE programs.

Literature Review

Professional Accountants and CPE in Malaysia

Professional accountants in Malaysia refers to members of Malaysian Institute of Accountants (By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, 2019). These professional accountants are segregated as professional accountant in business and professional accountant in public practices (By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants, 2019). Professional accountants in business refers to those who works in areas such as commerce, industry, service, the public sector, education, the not-for-profit sector, or in regulatory or professional bodies, who might be an employee, contractor, partner, director (executive or non-executive), owner-manager or volunteer. Meanwhile professional accountant in public practices are accountants, irrespective of functional classification (e.g., audit, tax or consulting) in a firm that provides public practice services. In Malaysia, all professional accountants are required to fulfill the mandatory CPE requirements by the MIA.

Perceptions towards CPE

Prior studies have discussed numerous arguments related to perceptions towards CPE. These discussions mostly include perceptions towards the usefulness of CPE, quality of the CPE programs, ease of participation in the programs and the cost of CPE. Perceived usefulness of CPE programs refers to the perception that CPE programs could benefit participants such as enhance competency, promotion in career, uphold professional image, etc. In a study by Clark, Dobbins, & Ladd (1993), participants that perceived CPE programs as beneficial were found to be more motivated to engage in learning activities. The perceived benefit of CPE programs was also found to be able to influence the behavioral intention to involve in such programs (Chen, 2004). Besides benefits of CPE programs, the quality of CPE programs was also found in past studies to have some influence on CPE engagement. A study in Indonesia found that auditor's satisfaction towards the quality of CPE activities could influence engagement in CPE (Laksmi, 2015). Meanwhile, another study by Mendoza (2013) also found that the quality of CPE programs as one of the factors that could motivate engagement.

Another factor that was found in previous study to influence participation in CPE programs are the perceived ease of participation in CPE program. Previous study found out that two main factors related to programs' attribute that could influence participation are location (Crouse et al., 2011; Laksmi, 2015; Mendoza, 2013; Samardzija, 2005) and suitability of time (Mendoza, 2013; Samardzija, 2005; Yang, 1992). Meanwhile, one of the most important factors that was

found to significantly influence engagement in the perception on the cost of attending the CPE programs. This cost includes the CPE programs fee, transportation, accommodation and other related expenses. Numerous prior studies found significant relationship between CPE fees and CPE engagement (Gray, 1982; Priscah et al., 2017; Wessels, 2011). Furthermore, high CPE cost was reported to be a deterrent to CPE engagement (Laksmi, 2015; Masiah, 2006; Paisey et al., 2007).

A key focus of this study is to determine the perception of accountants in Malaysia towards the CPE programs. The perception is based on 4 main attributes i.e. (1) perceived benefits; (2) perceived quality; (3) perceived ease of engagement; and (4) perceived cost. These perceptions were found in previous literature to be able to influence the participation in CPE program, thus need to be further explored in the context of professional accountants in Malaysia to find out if it could shed some light into participation in the CPE programs among accountants in Malaysia. The findings of this study could perhaps correlate with the CPE compliance problem.

Research Methodology

An e-mailed invitation link to a web-based survey was sent to the professional accountants in public practice based on list of public practice firms registered with MIA. The survey asked the respondent to reflect their perception towards the CPE programs based on their previous experience. The first e-mailed request was sent in November 2018 and followed by a reminder in the following month. The request to participate in the survey resulted in 254 responses. Further analysis resulted in 231 completed response that fulfill the criteria of the study.

The research instrument used was a self-completion survey designed to gather information about the participants and their perception on the CPE programs. Prior to the survey, content validity and construct validity were conducted to ensure the reliability of the research instrument and to clearly define the research construct. The survey contained 19 items based on earlier studies related to perception on CPE programs (Gray, 1982; Minnock, 1986; Pavlou & Fygenson, 2006; Pryor, 1990; Yang, 1992). The 19 items (survey questions 1, 2, 3 and 4) collected respondents' perception on the usefulness of CPE programs (question1); perception on the quality of CPE programs (question 2); perception on the ease of participation (question 30; and the perception on the cost of CPE programs (question 5). The survey also consists of questions related to personal and professional demographic variables.

Research Findings

The research findings for each of the four research questions are presented in this section. The descriptive analysis will be presented and discussed thoroughly for each of the four research questions. Table 1 shows the overall descriptive statistics for all four constructs. Perceived usefulness positively by the respondents with mean score of 4.19 (between agree and strongly agree). Meanwhile perceived quality and perceived ease of use were rated slightly positive with mean of 3.92 and 3.99 respectively (between neutral and agree). Only perceived cost was rated slightly negative with mean score of 2.48 (between neutral and disagree).

Table 1. Overall Descriptive statistics

	No. of Item	Minimum	Maximum	Mean	Standard Deviation (SD)
Perceived usefulness	5	2.60	5.00	4.19	0.53
Perceived quality	5	1.60	5.00	3.92	0.62
Perceived ease of participation	5	2.00	5.00	3.99	0.66
Perceived cost	4	1.00	5.00	2.48	0.95

Perceptions of usefulness of CPE

Table 2 shows the percentage of agreement, neutral or disagreement, mean and standard deviations for each of the 5 items under perceived usefulness of CPE. Majority of the respondents gave positive feedback towards items under the perception of usefulness with overall mean of 4.19 as stated in Table 1. The top ranked item under perceived usefulness is ‘CPE helps increase new professional knowledge.

Table 2: Descriptive statistics for perceived usefulness of CPE programs

Code	Item	Percentage					Mean	SD
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree		
TM1	CPE helps increase work quality.	-	1.3	8.8	57.5	32.5	4.21	0.65
TM2	CPE helps increase new professional knowledge.	-	0.4	4.4	43.4	51.8	4.46	0.60
TM3	CPE enables experience sharing.	-	0.9	18.4	58.8	21.9	4.02	0.66
TM4	CPE helps develop carrier	-	3.9	11.4	56.6	28.1	4.09	0.74
TM5	CPE helps increase professional image.	-	2.6	13.2	49.6	34.6	4.16	0.75

Perceptions on quality of CPE

Descriptive statistics for perception on quality of CPE is presented in Table 3 below. Majority of the respondent gave positive feedback on the quality of CPE programs. However, a small percentage of the respondent (17.1%) gave negative feedback on the effectiveness of CPE programs’ management (TK4). Meanwhile TK4 received the highest percentage of positive respond (93%). Item with the highest mean is TK1 (mean = 4.34, SD = 0.59) while item with lowest mean is TK4 (mean = 3.48, SD = 1.00).

Table 3: Descriptive statistics for perceived quality of CPE programs

Code	Item	Percentage					Mean	SD
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree		
TK1	CPE programs are relevant to professional responsibilities.	0.4	1.3	7.0	52.6	38.6	4.34	0.59
TK2	CPE programs fulfill the requirement of personal development.	-	-	6.1	53.9	39.9	4.28	0.69
TK3	Contents of CPE programs are practical.	0.4	4.8	20.2	56.1	18.4	3.87	0.78
TK4	CPE programs' management is effective.	3.9	13.2	25.4	45.6	11.8	3.48	1.00
TK5	CPE programs' delivery method is effective.	1.8	9.6	22.4	55.7	10.5	3.64	0.86

Perceptions on ease of participation in CPE

Table 4 shows the descriptive statistics on the perceived ease of participation in CPE programs. Most of the respondents gave high scores for items under this construct. However, 24.1% respondent gave negative respond on item related to location of CPE programs (TP1). Meanwhile, 16.2% respondent also gave negative feedback on the suitability of CPE programs' schedule (TP2). It also seems that most respondent agreed that information on CPE programs is easy to be obtained (TP6) and payment for CPE programs is convenient.

Table 4: Descriptive statistics for perceived ease of participation in CPE programs

Code	Item	Percentage					Mean	SD
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree		
TP1	The location for CPE program is convinient..	5.7	18.4	18.0	41.7	16.2	3.44	1.13
TP2	The schedule for CPE programs is convinient.	1.3	14.9	24.6	48.7	10.5	3.52	0.92
TP3	Its easy to obtain information on CPE programs.	-	1.8	9.2	49.6	39.5	4.27	0.70
TP4	Registration for CPE programs is convinient..	0.4	0.9	5.7	44.7	48.2	4.39	0.68
TP5	Payment for CPE programs is convinient..	0.4	0.4	6.1	50.4	42.5	4.34	0.65

Perceptions on cost of CPE

In general, respondents gave discouraging respond on the cost of CPE programs. Most respondent disagree that participation cost and CPE fee is affordable (KS1 & KS2). However, respondent agreed that the CPE cost is within their budget (KS3). The highest mean for this construct is item KS3 (mean = 2.95, SD = 1.065) while the lowest mean is for item KS2 (mean = 2.24, SD = 1.022).

Table 5: Descriptive statistics for perceived cost of CPE programs

Code	Item	Percentage					Mean	SD
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree		
KS1	Cost to attend CPE programs is affordable.	22.4	36.4	24.1	16.2	0.9	2.37	1.03
KS2	Fees for CPE programs is affordable. .	25.9	40.8	18.0	14.5	0.9	2.24	1.02
KS3	CPE cost is within my budget.	9.2	26.8	28.9	30.3	4.8	2.95	1.07
KS4	CPE cost is not excessive.	22.4	36.4	23.7	16.7	0.9	2.37	1.04

Discussion

Results from this study provide support for previous study on perceptions towards CPE. It shows that majority respondents give positive respond on the usefulness of CPE. Among the items under perceived usefulness of CPE, highest number of respondents (95.2%) agreed that CPE helps develop new professional knowledge. On the other hand, majority respondents agree that CPE helps increase work quality (90%), enable experience sharing (80.7%), develop carrier CPE (84.7%) and helps increase professional image (84.2%). From the results it appears that respondents view CPE as being important and benefits them personally and professionally. In terms of quality of CPE programs, majority of respondents gave positive responds with mean between 4.34 and 3.48. Overall, respondents agreed that CPE programs are relevant to professional responsibilities, fulfill the requirement of personal development, contents of CPE programs are practical, CPE programs' management is effective and its programs' delivery method is effective.

Findings from this study also shows that most respondents have positive perceptions on ease of participation in CPE programs. Majority of the respondents agreed that the location, registration, payment, and schedule of CPE programs are convenient for them and its easy for them to obtain information regarding CPE programs. However, 24.1 percent have problems with location of CPE programs. This might be due to the fact that most of the CPE programs were mainly organized in central region of Malaysia. Meanwhile, in terms of perception on CPE cost, it seems that majority of the respondents view CPE cost as high. This perception might somehow deter their participation in CPE program.

Conclusion

This exploratory study is meant to give insight into the perception of professional accountants on the CPE programs in Malaysia. From this study it seems that the professional accountants in public practice have positive perceptions towards CPE, except for its cost. Therefore, relevant parties especially the organizer of CPE programs should consider this finding in the organization of future CPE programs. Findings from this study shall contribute to the professional accountants' CPE literature which has not been extensively studied, especially in Malaysia. Future research should investigate more on the factors that influence the compliance issues, not only among professional accountant in public practice, but also the professional accountants in business.

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