

IMPERATIVENESS OF GLOBAL UNIFICATION OF ACCOUNTING EDUCATION CURRICULUM

Chukwuemeka Okoro
Department of Accountancy,
Abia State Polytechnic, Aba,
Nigeria.

Abstract

Global unification of accounting education curriculum is imperatively needed in order to measure up with the global challenges in accounting. Main challenges and prospects in achieving this accounting education curriculum unification were also examined. One of the main objectives of this study is to emphasize the urgent need of global accounting education curriculum unification; this will enable the accountants to have the required competency to work in any country of the world. Historical and descriptive methods were adopted in analyzing data and theoretical variables. The findings show that despite the efforts so far exhibited through the introduction of International financial reporting standard (IFRS) and all the methods so far adopted by accounting professional bodies worldwide, the level of competency still differ between accountants in developed countries and developing countries, all as a result of differences in accounting education curriculum. Observation has shown that many first class and second class accounting graduates from universities in developing countries, are further subjected to another level of education and examination before they can be admitted by universities in developed countries, to run their post graduate programme in the same accounting. The paper concluded by recommending that this unification should be pursued and vigorously achieved through regular and constant review of accounting education curriculum globally.

Keywords: Accounting Curriculum Design, Accounting Education, Global Unification, Accountants, Challenges and Prospects

Learning of accounting all over the globe is done through a specified accounting curriculum, which is strictly followed by the lecturers in their day to day teaching of the course. However, since the adoption of accounting as a course of study, the Accounting education curriculum has been passing through stages of development, designing and transformation globally.

Accounting education is meant to prepare students and individuals on how to become more effective and efficient accountants when performing their accounting duties and functions. The subjects and topics covered by accounting students are well-rounded, these include the core accounting modules; such as principles of accounting, financial accounting, auditing, management accounting, taxation, international financial reporting, forensic accounting services, public sector accounting, accounting professional ethics, multi-disciplinary case studies, etc. other modules covered are in areas of economics, finance, use of English, psychology or critical thinking skills, business mathematics, law and ethics, etc.

Studies from all the Continents of Africa, Europe, Asia, North America, Antarctica, South America and Australia, show the powerful roles played by professional accounting bodies in ensuring constant and continued review of accounting education curriculum within the countries under their respective continents.

Accounting education is a noble course of study that is being thought across the globe. However, the history of accounting education curriculum is thousands of years old. A number of authors on the history of accounting suggested that the original 'inventors' of bookkeeping and in particular double entry bookkeeping, were either the Ancient Greece or the Phoenicians (Yamey, 1980). In Greece, the accounting education appeared in the 5th century B.C., when Greece used the first produced accountants as “public accountants” to allow its citizenry to maintain real authority and control over their government's finances (Palliam, 2010). Members of the Athens Popular Assembly legislated and maintained their oversight functions on public monies by ensuring that; there is control over financial matters, receipts and expenditures as were carried out by ten state public accountants (Sucher & Alexander, 2002). According to Saidu (2013), Greece attached much importance to the development of accounting functions, particularly in 600 B.C, when they introduced coined money that were being used.

The introduction of coined money in Greece brought a new dimension in accounting education curriculum; this gave rise to the application of many accounting rules in keeping of accounting books and records. During the same period, the first mention of the word “logistis” (accountant) and “logismos” (accountability) was observed (Boeckh, 1976).

It is generally acknowledged that the roots of modern accounting can be traced to thirteen century merchants in Italy (Lee, 1977). But classroom education in accounting was not actually noticeable, though some classroom instruction in accounting for debtors and creditors was evident in Pisa in the early thirteenth century (Zervas, 1975). Mid-fifteenth century saw more zeal in the learning of double-entry bookkeeping being done at workplace and classrooms (Arlinghaus, 2004), at this time the first known school text on the topic of accounting dated year 1475 was introduced. Though in this period there was no equivalent accounting standards, or a uniform approach to how accounting function can be performed, but with Rev. Father Lucas Pacioli's printed double-entry bookkeeping text, the whole world now adopted it generally and used it as a classroom text. This availability of printed text in accounting accelerated the study of accounting education in both Europe and other Continent of the world, thereby making accounting students to acquire specific technical skills to perform their functions as accountants.

Historically, the first core accounting education and its curriculum was designed and adopted for teaching in the year 1977 at the University of Georgia, Terry which was established in the year 1785. However, it was on record of researchers, that many universities of old like Nalanda University (500 AD), University of Karueenin (859AD), University of Bologna Italy (1088AD) etc were generally studying accounting under the bold name of business study and not as a separate field of study as it is today. After the evolution of accounting education curriculum in the above school, others took a clue from them and designed their own which was based on their Culture and tradition. These differences in accounting curriculum being used by different Countries and schools, based on their culture, environment and tradition gave rise to the problem of competency and quality of accountants being produced globally, even the accountants inability to work suitably across the Globe. Finally, this cumulated to the global problem; which is lack of globally unified accounting curriculum.

Meanwhile, there are emerging concerns on how accounting education should evolve itself, in order to significantly satisfy the needs of the society, through adequately and uniformly equipping the accounting graduates with qualitative course work and training, which will enable accountants to work in both developing and developed countries of the world. Accounting education curriculum unification in the whole world is very fundamental in achieving the above need of the society. There is a big gap in terms of competency between the accountants trained in developed and developing countries. Ruche (2007) stipulates that despite recent advances in the study of accounting as a profession, there has been very little research conducted along these lines in developing countries.

The curriculum for the accounting education must be such that should produce accountants with a broad array of skills. Accountants should be able to use data, exercise judgment, evaluate risks, identify and solve real world problems (Albrecht and Sack 2000). Accounting curriculum must be well structured, in order to enable higher institutions achieve their set goals and objectives of producing quality accounting graduates that can work globally without much challenges.

The world today is a global village, with a lot of development and transformation in technology; this gave rise to the development of accounting packages and products. According to French and Coppage, (2000), the work and training of accountants will rapidly change due to developments of new accounting theories and information technology. However, the current accounting curriculum is not flexible enough to incorporate these new developments in accounting standards, guidelines, theories and information technology, and this has affected the quality of graduates being produced from the various higher institutions of learning.

Accounting degrees involve learning how to measure, process, analyze and communicate financial information about an organization to variety of concerned parties, including investors, creditors, management, regulators and the general public in order to facilitate improvements and adherence to.

Objectives

The objectives of this current study are very straight forward; the basic issue is to explain the need of global accounting curriculum unification and ways of achieving it. Another one is to ensure that through this curriculum unification, accountants will have the global competency to perform their work in any country of the world. The paper also emphasizes the challenges and prospects of global accounting curriculum unification.

The Curricula

The fundamental considerations in developing accounting curriculum in higher institutions should be derived from a detailed accounting services needs assessment of different interest groups in the society namely; business organizations, government and international agencies. To appropriately accommodate the diverse needs of the different groups, high institution's accounting curricula should provide for a broad knowledge base. The postgraduate curricula are mainly for intensive academic and research exposure geared towards producing top business executives and high institution academia. The strength of the curricula lies in the attempt to tie it to research, case studies and improvement in intellectual skills and attitudes (Journal of Economics and Sustainable Development, 2012. Vol. 3, No. 14).

In designing the accounting curriculum, effort should be made to achieve a good mix of exposure and knowledge in management science courses, core accounting courses, courses which develop analytical and decision making ability as well as courses which promote sound ethical behavior, communication and professionalism. For first degree accounting programme, the curriculum should provide foundation knowledge in economics, humanities, management sciences and general administration, courses such as the use of English, basic mathematics, statistics, business law, library studies and courses in information and communication technology (ICT), financial accounting, cost and management accounting, auditing and investigation, taxation, public sector accounting, international accounting and financial management, research methodology to develop analytical/research skills and ensuring Industrial attachment for students exposure to practical job experience.

Types of Accounting Degrees

The global unification of accounting curriculum will enable the different types of accounting degrees being awarded country by country to be globally unified, either at the undergraduate, masters or PhD Levels. Differences in type of accounting degrees being awarded in different countries, either in their universities, polytechnics and colleges of education was as a result of the different accounting curriculums being adopted and implemented. Many institutions and countries give different titles to the accounting degree certificate issued by them.

Unification and Harmonization is the process by which differences in a particular thing among countries are eliminated or reduced (Doupnik, 1987). In that regard unification and harmonization of accounting education curriculum, practices and principles at the international level is stronger today than it has ever been (McComb, 1982). There is overwhelming concern by International accounting standard committee (IASC), that unnecessary differences in accounting education, principles and practice across the world should be removed (McComb, 1982).

Challenges of Global Accounting Curriculum Unification

Research study has shown that, there are differences in the accounting curriculum being operated in each of the seven Continent across the world. Therefore, to achieve global unification of accounting curriculum, the following challenges and barriers need to be addressed;

- Language differences
- Political system of each country
- Cultural and environmental differences

Language Differences

Language differences between countries constitute a serious obstacle in achieving global accounting education curriculum. The existence of such diversity in languages has been a factor hindering the harmonization of accounting curriculum globally. However, English, French and Arabic languages have been identified as the most used languages in the world. Particularly, English as a second language is becoming increasingly more important and essential to inter-global communication. Accounting students receiving lectures and training in one major language will definitely find it difficult to work or further their study in other countries with different type of major language, due to this language barriers, accountants will always find it difficult to accept a job offer or work in any country whose language they could not understand.

Political System of each Country

Political system that is existing in each country also constitute another influential factor in ensuring global unification of accounting curriculum (Nobes, 1998, 170) and as such, it is considered a major influential factor of accounting systems and reporting systems alike. The impact of this factor is also evident through history, with invading countries imposing their political, as well as their accounting system on the countries they have conquered and colonized. It is also a fact that many countries, upon gaining independence, have continued to use the same political and accounting system even though it no longer suits their current needs and economic situation, whereas others have opted for a different political and accounting system. Though the assertion, that the influence of a country's political system is always reflected in the strong effect of their colonial masters. For instance, Commonwealth nations' accounting systems are under great influence of British accounting system (Saudagaran, 2004, 8). In fact, the accounting system of almost every former British colony has its roots in British accounting model (Australia, New Zealand, Malaysia, Pakistan, India, and South Africa). The influence of Dutch accounting system is also evident in the Indonesian accounting, as well as German and French in their former colonies, or American accounting system influence in Canada, Mexico or Filipinas. (Mueller, Gernon, Meek, 1987, 12), despite all these, each country's political policies are seriously hampering the global unification of accounting education curriculum.

The most significant drawbacks include the length of time it will take each country to adjust their accounting educational system in order to implement the new globally unified accounting curriculum. Even the costs relating to the processes, how is it going to be shared or bared? However, the considerable differences that come from the existing gap between the Anglo-Saxon and the continental accounting traditions is another heavy barrier to the unification of accounting curriculum globally. Another obstacle is the differences in national regulations, the lack of

supranational regulator in countries with strong nationalism and total adherence to their national accounting standards and system.

Cultural and Environmental Differences

Cultural differences between countries are an obstacle to accomplishing the objective of unifying accounting education curriculum globally, and Environmental factors are also considered the major reason behind international accounting diversity and differences. Roberts, Weetman and Gordon (2005) concluded that, though accounting rules and practices are influenced by a large number of different factors, but majorly environmental. An environmental difference that throws a challenge to this noble course of globalizing accounting curriculum include the developmental level of the country, the living standard of her citizens, the legal system, the tax system and general standard of education.

Hofstede (1984) identifies culture as the collective programming of the mind which distinguishes the members of one group, society or country from those of another. Four dimensions of international accounting and financial reporting framework differences were identified based on cultural values relating to the country's environment. These are strong versus weak uncertainty avoidance, large versus small power distance, masculinity versus femininity, and individuality versus Collectivism. Gray (1988) also explains the extent to which cultural factor affects the global unification of accounting curriculum and accounting in general, he stipulates that each country's level of development will determine their accounting and financial framework. The Hofstede-Gray model has been used in many studies to examine the effect of culture on accounting curriculum unification.

Effect of culture on accounting harmonization was highlighted by (Archambault and Archambault, 2003); strong relationship between disclosure and culture was fully identified. It was concluded that Culture influences how people perceive situations and organize institutions.

Askary (2006a) argues that different forms of culture prevent unified accounting practices globally. He defines the cultural environment as a national (or regional) system comprising language, religion, morals, values, attitudes, law, education, politics, social organization, technology, and material culture. He asserts that the interaction of these cultural elements on accounting is expected to be exceedingly complex. Hill, Loch, Straub and El-sheshai (1998) divided cultural factors into two categories. The 'constants' are factors inherent in the culture over time, which tends to be dominant and are very resistant to change. Examples include geography, currency, social norms, and traditions. The second category is termed changeable factors, which are more readily changed. These include GNP, technology, employee morale, and education level. Religion is a main cultural component and

thus affects the financial reporting framework. The effect of religion on accounting is more likely in developing countries (Nobes, 1998), especially Islamic countries. Islam exerts a deep influence on Muslim societies and individuals. The influence of Islam on its followers extends to business affairs. Business structure and financing in Islamic countries are affected by the *Shari'a* law (Perera and Baydoun, 2007). Accounting has also been affected by the teachings of *Shari'a*. Several studies confirm that Islam influences the structure, the underlying concepts and the mechanisms of accounting in the Islamic world (Kamla, 2007).

Prospects of Global Accounting Curriculum Unification

The world economy at large stands better chances of the following benefits;

1. It will increase the mobility of accounting graduates who may wish to work in any country of their choice across the globe.
2. It will eliminate the differences in accounting education and the quality of degrees being awarded between countries across the globe.
3. This global unification of accounting curriculum will boost the morals and confidence of accounting undergraduates and graduates alike, since the curriculum will completely enable them to attend sponsored international conferences and summit.
4. It will enhance the quick adoption, implementation and stabilization of International financial reporting standard (IFRS) globally.
5. This will help higher institutions across the world to turn out accounting graduates who will be well blended and rounded with high ethical competency in areas of accounting ethical standard and generic skills.
6. It will also eliminate the subjection of accounting graduates from developing countries in re-taking another accounting related examination in developed countries before doing masters degree in accounting.

Ways of Achieving Global Accounting Curriculum Unification

Despite the challenges stated above the paper was still optimistic that, the following will help to achieve the highly desired objective of unifying the accounting curriculum globally.

- **Inauguration of a Global Academics and all Accountancy Professional Bodies Summit:**

The summit of all stakeholders in accounting should be organized, where they will brainstorm on issues concerning accounting education, particularly as regard the need to globally unify accounting curriculum. Such summit will accord them the opportunity to assess the challenges as earlier listed in order to find solutions. Probably a suggested name for the unified accounting curriculum will be universally accepted accounting curriculum (UAAC). Stakeholders to the summit should include IFAC and each countries professional accountancy bodies, even heads of accountancy

department of their higher institutions, it is expected that the summit may resolve as follows.

- **World Accounting Education Curriculum Evaluation Committee**

World accounting education curriculum evaluation committee should be established, in order to ensure that all higher institutions across the globe are really using the universally acceptable accounting curriculum (UAAC) to teach their students. This committee should be vested with the power and responsibility of accrediting these higher institutions in each country on regular bases. The membership of the committee should include one representative of each country's professional accountancy body, heads of accountancy department of each country's higher institution.

- **Swapping of Accounting Lecturers between Countries and Higher Institutions**

Swapping of accounting lecturers from country to country and higher institution to higher institution will enhance the achievement of this global unification of accounting curriculum. This swapping should be for a specific period of not more than five years. Also, increasing the sponsorship of accounting lecturers participation in international conferences and summit will definitely help to achieve this objective. All the above will enable more collaboration between accounting lecturers, higher institutions and countries. In the developed countries Students pursuing a Bachelor of Accounting degree will not only learn the fundamentals of accounting, but will also build a strong foundation in business administration.

- **Global Accounting Student Summit and Conference**

Another way to ensure the achievement of this global unification of accounting curriculum is to encourage the intellectual interaction of these accounting students in organized international conferences and summits.

- Language translators should be made available as one of the teaching aids in accounting. The translators should be majorly for English, French, Arabic and other main continental languages, (Graham & Lowe, 1998 and *The Sunday Times* Word Power Supplement 1993).

- Political system differences in each country that hinders the achievement of global unification of accounting curriculum can be handled through stronger collaboration in terms of favorable government policies and laws.

- Cultural and environmental differences as it affects the global unification of accounting curriculum, can be resolved through ensuring that each country is involved in the accounting international treaties, where agreements as regarding not to allow their belief and way of worship to interfere with the noble objective of unifying accounting curriculum across the world.

Roles of International Accounting Firms, International Financial Institutions and Professional Accounting Body

International accounting firms play an important role in developing accounting profession globally. They are highly enthusiastic and stakeholders in the unification and harmonization of accounting curriculum across the world. Generally, international accounting firms are bigger; more experienced and have better-trained staff than local firms. It is argued that using international accounting firms instead of local ones affects the level of disclosure. Wallace and Naser (1995) suggest that bigger international accounting firms are more reliable and dependable than smaller accounting firms. With their cooperation and based on the level of trust and confidence reposed on them, their input in unification of accounting curriculum will be generally accepted. Haniffa and Cooke (2002) believe that international accounting firms are more likely to influence companies to disclose additional information because they have greater expertise and experience and also because they want to maintain their reputations. The effect of the international accounting firms on accounting is also confirmed by Dahawy (2009), when he stipulates that affiliation of auditors with an international firm is the main variable that affects their degree of disclosure.

According to Rahman, Perera and Gordon (2002), the multinational auditors helped in establishing the International accounting standard committee (IASC) in the early 1970s and they are still the main supporters of its successor the International accounting standard board (IASB). Chand and Patel (2008) observed that the presence of international accounting firms is one of the attributes that influence the coming on board of International financial reporting standards (IFRS). In the same context, Irvine and Lucas (2006), argue that the adoption of IFRS by the United Arab Emirate (UAE) was inspired by the international accounting firms. All over the world, economy is being globalised as seen through the important roles played by organizations such as the International accounting firms, World Bank, the International monetary fund (IMF) and the World Trade Organization (WTO), in shaping the main characteristics of the global economy. Accounting education curriculum in particular is highly needed to be globally unified, in order to achieve total and full globalization of the world economy.

Conclusions

The research has actually examined, investigated and reported the imperativeness of globally unified accounting education curriculum. Emphasis has been made on challenges and factors that are influencing the design of such unified accounting curriculum, the prospects and ways to achieve the unification. It is now left for the stakeholders across the globe to consider the significance of this study and ensure the implementation, which will enshrine more confidence in the minds of accounting graduates and accountants in general, that they can study and work in any

country of their choice across the world, without being subjected and required to undertake another examination in the core courses of accounting again.

Because of the dynamic nature of today's world, quality and competent accountants are needed to drive the business and the economy in each country of the world, then our accounting education curriculum should be globally based and unified. Accountants should have comprehensive skills and competency which will help them compete and be leaders in today's world economy.

Recommendations

Accounting from ages has been very vital to every economy across the world, a level which may not have been achieved without a qualitative accounting education. Based on the study, I therefore recommend as follows;

- (1) The global unification of accounting education curriculum should be totally encouraged and pursued, since the benefits outweigh the challenges. It will equally help to ensure that qualitative and competent accountants are performing their functions across the world.
- (2) Major languages of the world and language translators should be introduced as part of the unified accounting curriculum.
- (3) There should be world accounting education research centers, with hundred percent information technology (IT) driven, it should be located in each of the seven continents with direct link to all higher institutions within the continent.
- (4) Lecturers should teach strictly based on the unified accounting education curriculum.
- (5) Professional accounting bodies of each country should highly concentrate on ensuring standard and good practice regulation of accountants.
- (6) The government and related authorities in each country need to assist the progress of unifying accounting education curriculum.

References

- Albrecht, WS, Sack, RJ (2000). *Accounting Education: Charting the Course through a Perilous Future*, Accounting Education Series, vol. 16, American Accounting Association, Florida, USA.
- Archambault, J. J., & Archambault, M. E. (2003). A Multinational Test of Determinants of Corporate Disclosure. *The International Journal of Accounting*, 38, 173–194.
- Arlinhaus, F.-I (2004). Bookkeeping, Double Entry Bookkeeping in Kleinhenz, C. (ed.) *Medieval Italy: An Encyclopedia*, vol. 1 New York: Routledge PP. 147-150.

- Askary, S. (2006b). Accounting Professionalism – A Cultural Perspective of Developing Countries. *Managerial Auditing Journal*, 21(1), 102 - 111.
- Boeckh, A. (1976) (German Original 1828). The Public Economy of Athens. New York.
- Chand, P., & Patel, C. (2008). Convergence and Harmonization of Accounting Standards in the South Pacific Region.. *Advances in Accounting, incorporating Advances in International Accounting*, 24, 83 – 92.
- Dahawy, K. (2009). Company Characteristics and Disclosure Level: The Case of Egypt. *International Research Journal of Finance and Economics*, 34, 194-208.
- Doupnik, T. S. (1987). Evidence of International Harmonization of Financial Reporting. *International Journal of Accounting*, 23(1), 12-27.
- French, G.R. & Coppage, R.E. (2000). Educational Issues Challenging the Future of the Accounting Profession. *Ohio CPA Journal* 59, (3), 69-73.
- Graham & Lowe, English Language For Beginners (1998), from *The Sunday Times* Word Power Supplement 1993).
- Gray, S. J. (1988). Towards a Theory of Cultural Influence on the Development of Accounting Systems Internationally. *ABACUS*, 24, 1-15.
- Haniffa, R. M., & Cooke, T. E. (2002). Culture, Corporate Governance and Disclosure in Malaysian Corporations. *Abacus*, 38(3), 317–349.
- Hill, C., Loch K., Straub, D. W., & El-Sheshai, K. (1998). A Qualitative Assessment of Arab Culture and Information Technology Transfer. *Journal of Global Information Management*, 6(3), 29-38.
- Hofstede G. (1984). Cultural Dimensions in Management and Planning. *Asian and Pacific Journal of Management*.
- Irvine, H. J., and Lucas, N. (2006). The Rational and Impact of the Adoption of International Financial Reporting Standards: The Case of the United Arab Emirates. 18th Asian-Pacific Conference on International Accounting Issues, 1-22.

Journal of Economics and Sustainable Development www.iiste.org ISSN 2222 -1700
(Paper) ISSN 2222-2855 (Online) Vol.3, No.14, 2012 Literature.

Lee, G.A. (1977). The Coming of Age of Double Entry: The Giovanni Farolfi Ledger of 1299-1300, *Abacus*,4(2), 79-95.

McComb, D. (1982). International Accounting Standards and the EEC Harmonization Program: A Conflict of Disparate Objective. *International Journal of Accounting*, spring, 35-48.

Mueller, G.G., Gernon, H., Meek, G., (1987), *Accounting: An International Perspective*, (Illinois: IRWIN, Homewood).

Naser, K., Al-Hussaini, A., Al-Kwari, D., & Nuseibeh, R. (2006). Determinants of Corporate Social Disclosure in Developing Countries: The Case of Qatar *Advances in International Accounting*, 19, 1-23.

Palliam, R. (2010). Identity, Variety and Destiny in Accounting Education for a Social - Environmental and Liberal Arts Tradition, *Issues in Social and Environmental Accounting*, 4(2), 149-167.

Perera, H., and Baydoun, N. (2007). Convergence with International Financial Reporting Standards: The Case of Indonesia. *Advances in International Accounting*.

Rahman, A., Perera, H., & Ganesh, S. (2002). Accounting Practice Harmony, Accounting Regulation and Firm Characteristics. *ABACUS*, 38(1).

Saidu, A. (2013), Accounting and Civilization. Available at SSRN: <http://dx.doi.org/10.2139/ssrn.2403992>

Saudagaran, S.M., (2004), *International Accounting: A User Perspective*, (Australia: Thomson South – Western).

Sucher, P. and Alexander, D. (2002) *IAS: Issues of Country, Sector and Audit Firm Compliance in Emerging Economies* (London: Centre for Business Performance of the Institute of Chartered Accountants in England and Wales).

Zervas, D.F. (1975), The Trattato Dell’’ Abbaco and Andrea Pisano’s Design for the Florentine Burtistry door, *Renaissance Quarterly* 28(4), 483-503.