

CHAPTER THREE

METHODOLOGY AND METHODS

3.1. INTRODUCTION

This chapter outlines the methodological framework adopted for this research which explains why the study is done in the manner that it is. Further, it provides a description of the sample selection, data collection procedures, variable measurement, and the method employed to test the hypotheses.

Based on the normative model proposed in Chapter Two, the discussion in this chapter further develops the procedure and mode of investigating empirically the validity of the model i.e. whether the accounting education has to be revamped and the route to becoming a chartered accountant in Malaysia be hurdled with a professional competency assessment, structured to achieve the necessary assurance regarding the competency of persons being certified as chartered accountants. It involves systematic observations, classification analysis and interpretation of data for a critical evaluation.

A normative approach has been adopted in this research because the literature (Paten & Williams, 1990; Tho and Ho, 1992; Simyar, F,1996; Nelson, Bailey & Nelson, 1998; Porter & Carr,1999; S.Susela Devi, 2001), has shown a strong consensus amongst members of the accounting fraternity that there is a need for a revamp of the accounting education and a need for continuing education for accountants.

The descriptive or predictive approach facilitates the understanding of a problem but the normative approach is more appropriate in solving identifiable problems. (Abdel-Khalik & Ajinkya, 1979).

The normative approach provides a framework for structuring subjective feelings and determining their decision implications. It provides a tool for the analysis of decisions and an assessment of the systematic implications of the decision, thus yielding a solution to the problem. In addition, it determines the sensitivity of the decision to the model characteristics and provides a basis for updating and controlling the decision. (Abdel-Khalik & Ajinkya, 1979).

The construction of a normative model may be characterised by:

1. goal assumption
2. deduction

The deductive process is also observed in applying the model to empirical phenomena in order to change the reality toward a more preferred state in terms of the assumed goals (Ijiri, Y. (1969).

An exploratory study would not have been appropriate because a distinct problem statement has been set with no uncertainty. We have only to test the model empirically to enable us to restructure the model in the light of our findings. (Sekaran, U., 2000)

Having established a model for training chartered accountants, we now select variables that can be used to test the model empirically. Since we are testing the perception of respondents relating to the need for an assessment of the professional competency of accountants and also attempt to find if there is a relationship between the certain attributes of the respondents, the following variables have been selected.

3.2. INDEPENDENT VARIABLES

An independent variable is one that influences the dependant variable in either a positive or negative way (Sekaran, U. (2000). To understand the training needs chartered accountants, in proper perspective, the following demographic information was included in the questionnaire.

- ☞ Age
- ☞ Gender
- ☞ MIA member
- ☞ Professional Affiliation / Qualification
- ☞ Working environment
- ☞ Place of occupation
- ☞ Number of years of experience

This represents an attempt to study if there was any relationship between the above factors and the opinions of accountants relating to need for an assessment of competency prior to admission as chartered accountants.

3.3. DEPENDENT VARIABLES

Based on the literature review and the model derived, the research focuses on three aspects; the entry qualifications for university and professional courses, the accounting education curriculum, the post graduate training and the professional competency assessment process.

ACCOUNTING EDUCATION

In the literature review, express opinions have been quoted eloquently demanding the need for a major revamp in the accounting syllabus and methods of teaching it in institutions of higher learning (Ahmad Mustapha Ghazali, 1999; Patten & Williams, 1990; Tho and Ho, 1992; F. Simyar 1996; Susela, 2001) In this respect 12 questions were posed to respondents. Opinions were sought on the effectiveness of entry prerequisites to prepare students for university and the adequacy of the current state of Malaysian accounting education programme at universities to meet the needs of an expanding profession i.e. should it expand from mere transfer of knowledge to training students to be able to adapt themselves to changes in environments / circumstances. They were asked whether information technology content in the accounting curriculum was sufficient and if multi-disciplinary knowledge and skills linking accounting, auditing and tax should be inculcated. Further should general skills of communication, entrepreneurial, public relations and strategising be included to produce broad based individuals. On the teaching methods, the respondents were required to opine on the use of case studies and problem solving

techniques which would enhance the students' capacity of inquiry, research, logical thinking and critical analysis.

EDUCATION FOR GRADUATES

The concept of education being an on-going process, especially in the accounting world, is introduced here with questions being raised on, are graduates ready to face the realities of the business world more so with the advent of globalisation and the introduction of AFTA. Should accounting graduates be subjected to a test of competency either in a stratified form throughout their period of post graduation experience or at its completion was an issue for deliberation, and if, their initial qualification was not accepted for admission to MIA, should the qualifying examination be structured to incorporate the features of the competency tests. Opinions were also sought on the effectiveness of the programmes of Continuing Professional Development (CPD) provided by MIA.

SIGNIFICANCE OF A SINGLE "CHARTERED ACCOUNTANT" DESIGNATION

The accountants' views were sought on whether the use of the common designation of Chartered accountant would serve to harmonise the public's perception of accountants in Malaysia and whether the chartered accountants in Malaysia would probably enjoy the same esteem reflected by the chartered accountants from around the world, if the professional competency examination is adopted as a mandatory prerequisite. Further, with Malaysia being a party to

WTO, AFTA etc, should standards for Malaysian accountants be maintained at a high level so that there would not be an influx of “less qualified” accountants into Malaysia?. Otherwise Malaysian accountants will face strong competition from foreign accountants.

3.4. DATA COLLECTION

QUESTIONNAIRES

In attempting to obtain a representative sample of the target population of accountants in Malaysia, a structured questionnaire was sent to 1,000 accountants representative of members from the different professional bodies, university graduates both local and foreign, and including those with no tertiary qualifications but occupy the designated role of an accountant in an organization due to years of experience.

The questionnaire will be divided into three sections

Section A: Accounting Education

Section B: Education for Graduates

Section C: Significance of the Single Designation (Chartered Accountant).

Section D: Demographic Factors

The 5-point Likert Scale was used to draw responses from the respondents for the first three sections. The sequence was from 1 indicating strong agreement, to 5 indicating strong disagreement, with 3 as neutral. The sequence was reversed

in the third section to ensure the “conditioning effect” i.e. to ensure that responses are genuine. However where respondents had laboriously reversed the order back to be consistent with the earlier sections, believing it to be a typing error, their responses have been accounted for correctly in performing the data analysis. Also, instead of phrasing all questions positively, some negatively worded questions were included so that the tendency of respondents to mechanically circle the points towards one end of the scale is minimised (Veerinderjeet Singh, 1996).

Opportunity for open-ended responses was made available in the questionnaire by way of additional space for comments, thus not restricting the respondents’ expression of opinions. An invitation had been included at the end of each section for respondents to comment on topics that might not have been fully or adequately covered. These responses will be edited and categorised for subsequent data analysis in Chapter Four.

The request for personal details appear at the end of the questionnaire as advocated by some researchers (Oppenheim, 1986), because by the time the respondent reaches the end of the questionnaire, the individual would have been convinced of the genuineness of the questions posed by the researcher.

The ratio employed for obtaining opinions was based on the estimated dispersion of qualified accountants in practice, industry, education and public services and are as follows:

Big Five firms	300
Non Big Five firms	100
Private Educational Institutions	50
Public Educational Institutions	50
Listed Companies	200
Non - Listed Companies	200
Public Sector	<u>100</u>
Total	<u>1,000</u>

Unofficial statistics from MIA showed that of their 16,000 members, 62.5% were in Selangor and Kuala Lumpur whereas another 12.5% were from Penang and Johore. Accordingly, the questionnaires were sent out in proportion to the geographical representation of MIA membership although sufficient responses have been obtained from non-MIA members as well. This was to ensure that there was no geographical bias in the study being conducted.

Also professional affiliation and qualifications were sought to ascertain whether there was any difference in opinion between university graduates and professional qualification holders and even amongst the latter category. The

researcher has noticed through his lecturing experience at universities and professional courses that although course content and syllabus may be similar, there is a marked difference in emphasis and approach between university and professional courses. Possibly a relationship could be established between the educational background of the respondents and the opinions expressed by them.

In order to achieve the desired ratios, the questionnaires were sent by e-mail, delivered personally or distributed through the researcher's colleagues and working students, employed in accounting firms, the commercial sector, government departments and institutions of higher learning, both private and public. Despite the untiring endeavours to obtain the completed questionnaires back, in the form of telecommunication reminders, conveyance of urgent messages by e-mail and personal visits over 3 months, the response from respondents was poor. In the researchers opinion, the apathetic attitude of the Malaysian public is a major cause of decline in research in Malaysia. An eminent lecturer at Universiti Putra Malaysia, quoted that the a 6% response is considered good enough when dealing with the "busy" Malaysian crowd though no study has been conducted in this area.

Of the 326 questionnaires returned, 12 were discarded due to delayed response leaving 314 usable questionnaires, which constitute a 31.4% response rate. These were used for the analysis.

INTERVIEWS

In addition to the questionnaire sent out, interviews were conducted with five employers of accountants. This was to receive their opinion on the competencies of the past and current accountants under their supervision and seek their views on whether the educational background of these accountants was related in any way to their command of accounting knowledge and professional competency. The selected five comprised of Chief Financial Officers and Executive Directors dealing with accounting and finance.

Personal interviews provide the opportunity for a face-to-face direct communication between the interviewer and the respondent. Both parties have the opportunity to adapt questions / answers as necessary and clarify doubts through repeating or rephrasing of questions / answers. The use of gestures and expressions facilitate questions / answers where verbalization of perceptions and opinions are difficult. It also provides an opportunity to probe where the respondents answers are brief or unclear, by seeking for clarifications or expansion. Also "Item nonresponse" whereby a respondent fails to complete some of the questions, is less likely to occur in an interview. The presence of an interviewer also enhances the degree of participation where the respondents just need to voice their opinions verbally and not in writing.

The employers were selected carefully to ensure that they themselves came from diverse educational backgrounds and had at least ten accountants at any time as

subordinates. Structured open-ended questions were used to get the interview started and introduce the topic being studied, but subsequently follow-up questions were asked as issues and perceptions were raised.

3.5. STATISTICAL ANALYSIS

All the data contained in the questionnaires are checked for incompleteness and inconsistencies. Inconsistencies that can be logically corrected are rectified and edited and the data collected was then entered into the statistical package. The computer software, Statistical Package for Social Sciences (SPSS) (version 10.01), has been used to facilitate the analysis process.

3.6. CONCLUSION

Having collected the data, statistical tests will be performed to analyse the data and the results are presented and explained in detail in the next chapter.