

Transition to IFRS and its Implications for Accounting Education in Saudi Arabia

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Abstract

The adoption of a unified set of accounting standards has implications for the accounting profession and accounting education. Identifying these implications is important for the efficient and effective transition to International Financial Reporting Standards (IFRS). Yet, there is limited research into adopting IFRS in countries with developing economies that have differing legal, economic and social structures. Saudi Arabia's decision to transition to IFRS in 2012, as announced by the Saudi Organisation for Certified Public Accountants (SOCPA), has resulted in a need to examine the effect of this transition on accounting education in Saudi Arabia, specifically on the way higher education institutions will incorporate IFRS into the curriculum as a principles-based approach to adopting accounting standards.

This study is underpinned by an educational theoretical framework of curriculum implementation. The framework was employed to answer the research questions that address the influences on the adoption of IFRS for accounting educators in Saudi Arabia. The results of the research are intended to inform professional bodies in Saudi Arabia, and more generally in developing countries, of the factors affecting curriculum development in accounting that incorporates IFRS. This study also examines the educational transition to IFRS from an Islamic perspective.

A mixed-methods research approach that combines the use of surveys and interviews is adopted in the study to allow for broad coverage of the research questions (Johnson & Onwuegbuzie 2004). A mixed-methods approach has the benefit of enhancing the completeness of the research findings (Olsen 2004). To increase response rates, online questionnaires and mail questionnaires were employed to provide the respondents with a choice of response method. Semi-structured interviews were employed to gather in-depth insight from a range of participants.

The results indicate a low level of preparedness among higher education institutions in Saudi Arabia to transition to IFRS in the accounting curriculum. The study found an overall lack of awareness of the implications of the transition to IFRS in an Islamic

environment and its implications for accounting education in Saudi Arabia. However, there was an awareness of the need for specific standards that address financial transactions and requirements specific to the Islamic context (e.g., Zakat - obligatory alms to the poor). The difficulties identified related to the shortage of qualified accounting educators with knowledge of IFRS and in the use of student-centred pedagogical approaches. The results demonstrate that there is a need to train academics in Saudi Arabia to prepare them for the introduction of IFRS in the curriculum. Additionally, the paucity of teaching resources that support the teaching of IFRS in Arabic was identified. Language-related factors, particularly in the translation of IFRS and the English-language abilities of academics and students, were signalled as hurdles to be addressed in teaching IFRS in Saudi Arabia.

The findings of this study have implications for accounting educators in their engagement with high-quality continuing professional development (CPD) training programmes, as well as the development of relevant teaching skills to engage in a principles-based approach to teaching accounting standards. It is concluded that there is an important role for the professional and academic accounting bodies in Saudi Arabia for supporting accounting academics during the period of transition to IFRS. There is also a need to support academics in an Islamic environment to ensure that they are sufficiently prepared to incorporate IFRS into the accounting curriculum.

Declaration

I, Mohammed Albader, declare that this Doctor of Business Administration thesis entitled 'Transition to IFRS and its Implications for Accounting Education in Saudi Arabia' is no more than 65,000 words in length including quotes and exclusive of tables, figures, appendices, bibliography, references and footnotes. This thesis contains no material that has been submitted previously, in whole or in part, for the award of any other academic degree or diploma. Except where otherwise indicated, this thesis is my own work.

Dedication

This thesis is dedicated to my mother who has devoted her life to my upbringing. Her generosity and sacrifice has always been a source of inspiration and support throughout my life.

This thesis is also dedicated to my father who set an example for me of how a man should be.

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List of Abbreviations

AAA	American Accounting Association
AAOIFI	Accounting and Auditing Organisation for Islamic Financial Institutions
AAS	American Accounting Standards
ACCA	Association of Chartered Certified Accountants
AOSSG	Asian-Oceanian Standard-Setters Group
ASCA	Arab Society of Certified Accountants
CDSI	Central Department of Statistics and Information
CFO	Chief Financial Officers
CIA	Central Intelligence Agency
CIF	Curriculum Implementation Framework
CPA	Certified Public Accountant
CPD	Continuing Professional Development
DBA	Doctor of Business Administration
DZIT	Department of Zakat and Income Tax
EU	European Union
FASB	Financial Accounting Standards Board
FDI	Foreign Direct Investment
G-20	Group of Twenty
GAAP	Generally Accepted Accounting Principles
GDP	Gross Domestic Product
IAESB	International Accounting Education Standards Board
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFAC	International Federation of Accountants
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IPA	Institute of Public Administration
KFU	King Faisal University
MASB	Malaysian Accounting Standards Board
MEC	Middle Eastern Countries

MENA	Middle East and North Africa
MOE	Ministry of Education
MOHE	Ministry of Higher Education
PBL	Problem-Based Learning
PER	Profit Equalisation Reserve
PPE	Property, Plant and Equipment
PwC	PricewaterhouseCoopers
SAA	Saudi Accounting Association
SACM	Saudi Arabian Cultural Mission
SAGIA	Saudi Arabian General Investment Authority
SAS	Saudi Accounting Standards
SME	Small and Medium -sized enterprise
SOCPA	Saudi Organisation for Certified Public Accountants
SPSS	Statistical Package for the Social Sciences
TAFE	Technical and Further Education
TVTC	Technical and Vocational Training Corporation
UK	United Kingdom
US	United States
VET	Vocational Education and Training
WTO	World Trade Organization
XBRL	eXtensible Business Reporting Language

Chapter 1: Introduction

1.1 Introduction

The development of International Financial Reporting Standards (IFRS) is intended to provide a globally accepted set of standards that enable the comparison of financial statements around the world (IFRS Foundation 2014a). It is argued that the implementation of a unified set of standards will attract more investors and multinational organisations to conduct business in different juridical regions (Paul & Burks 2010). This goal has attracted many stakeholders around the world such as national standard setters and regulators to embark on the adoption of IFRS in their countries to attract greater investment opportunities. Aside from the benefit for investment and capital markets encouraging efforts to adopt a unified set of international accounting standards (IAS), there are benefits for the accounting profession and accounting education that could result from adopting IFRS such as promoting higher quality financial reporting and rethinking accounting education in terms of curriculum and classroom interaction (Sunder 2010).

The adoption of a unified set of accounting standards has implications for the accounting profession and accounting education. Identifying these implications is important for preparing accounting graduates with the required knowledge for the efficient and effective transition to IFRS. However, the transition to IFRS will differ among countries due to differences in the commitment of the professional accounting bodies and their members and the starting point for each country commencing their adoption of IFRS (Jackling, Howieson & Natoli 2012). In addition, differences in legal, economic and social structures may have a great effect on the transition to IFRS and accounting education in different countries (Sunder 2010). As this study investigates the implications of the transition to IFRS on accounting education in the context of Saudi Arabia, consideration of the Saudi local environment including its economic and social structures is important.

Cieslewicz (2014) argues that the accounting profession in a given country is indirectly influenced by the economic culture of that country because of the way supporting institutions and those who manage those institutions approach changes and reforms in accounting standards and practices. The role of academic institutions and professional accounting bodies in Saudi Arabia cannot be isolated from its national economic culture and the way the transition to IFRS in Saudi Arabia is approached. Therefore, understanding areas of the national economic culture that could have an effect on the degree to which IFRS are incorporated in the curriculum is important.

Skotarczyk (2011) argues that social values that are present in different cultural settings play a significant role in the internationalisation of accounting and the use of a single set of accounting standards globally. Skotarczyk (2011) adds that different facets of society, including the economy, religion, education and language play an integral role in shaping social values. Similarly, Evans (2004) states that the way people in a population think is highly influenced by the language used by that population due to the differences in cultural values and norms that language expresses. As the source language of IFRS is English, the adoption of IFRS is expected to have particular implications for countries where English is not the first language. Evans (2004) argues that language and translation implications resulting from the global adoption of IFRS will extend to affect governmental institutions, accounting professionals, users of financial statements, and accounting educators and students in adopting countries.

Religion is also an important societal factor that has a great influence over culture and shaping cultural values and norms and consequently, over shaping accounting practices (Hamid, Craig & Clarke 1993; Lewis 2001). The role and effect of religion is expected to be higher in countries where laws and regulations are derived from religious sources. Saudi Arabia is an Islamic country where the Holy Qur'an (God's Book) and Sunna (sayings and actions of the Prophet—peace be upon him¹) are considered the major sources of legislation (Namay 1993). Therefore, the effect of the Islamic environment on IFRS transition in Saudi Arabia was investigated in this study. As this study has an educational orientation, the focus was on areas that affect accounting in an educational context.

¹ This is a phrase that Muslims say after saying, writing or hearing the name of any of the Prophets.

Some of the factors affecting IFRS adoption for educators around the world have been addressed in the literature, for example, the lack of accounting educators with experience in IFRS, the lack of textbooks and educational materials in languages other than English, and the broader range of skills that need to be addressed in a revised accounting curriculum (Carmona & Trombetta 2008; Jackling, Howieson & Natoli 2012; Munter & Reckers 2009; Preobragenskaya & McGee 2003). The fact that there are differences in the approaches followed by some national accounting-standards setters (i.e., a rules-based approach) and the approach followed by IFRS (i.e., a principles-based approach) is likely to affect the introduction of teaching pedagogies and the level of readiness of higher education institutions (e.g., staff and resources to cope with the transition timeframes) (Carmona & Trombetta 2008; Jackling, Howieson & Natoli 2012; Munter & Reckers 2009; Preobragenskaya & McGee 2003).

The nature of IFRS as principles-based standards will affect the introduction of new teaching approaches in many countries requiring an evaluation of effective teaching resources and pedagogical approaches (Coetzee & Schmulian 2011). Higher education institutions will need to assess current alignment (resource and pedagogical) with the requirements of IFRS and plan any required reform. The implications of the adoption of IFRS for accounting education are considered important due to the role played by accounting educators in providing graduates for the financial-services sector globally.

The effect of appropriate accounting education will not be limited to future accounting graduates but will also extend to the further professional development of current accountants (Jackling, Howieson & Natoli 2012). Stevenson (2010) highlights the important role played by national standard setters around the world in smoothing the transition process. Professional accounting bodies have an important role in the adoption of IFRS given that in many instances, they are a major provider of continuing professional development (CPD) programmes, courses and certification requirements for practitioners to insure that they maintain their competence (International Federation of Accountants [IFAC] 2006).

It is clear that a collaborative role played by accounting educators and professional accounting bodies that considers local environments is necessary for successful IFRS transition. Given that the transition to IFRS will have pronounced effects on the

accounting curriculum in Saudi higher education institutions, this study adapts an educational framework of curriculum implementation for examining the transition to IFRS in an educational context. The adoption of the framework facilitates consideration of the level of engagement with IFRS among academics and academic institutions, factors that possibly affect curriculum change and the manner in which outside organisations can support academic institutions during the change process.

1.2 Research aim and questions

Saudi Arabia's decision to transition to IFRS in 2012 announced by the Saudi Organisation for Certified Public Accountants (SOCPA) has resulted in a need to examine the effect of this transition on accounting education in Saudi Arabia; specifically its effect on the way Saudi higher education institutions will incorporate IFRS into their curricula. Being an Islamic country means that Saudi Arabia is highly influenced by Islamic values and Shari'ah law. This introduces new perspectives to IFRS adoption that are generally not relevant to Western countries when they are adopting IFRS. This study attempts to add to the limited knowledge in this area of accounting education to assist in the successful transition to IFRS in the Islamic environment of Saudi Arabia.

Saudi Arabia is an emerging and expanding economy. It has been recognised as the largest Arab country in its capacity to attract Foreign Direct Investment (FDI); it is ranked the nineteenth largest economy in the world, the largest economy in the Middle East and North Africa (MENA) region and twenty-second in the world for ease in conducting business (Saudi Arabian General Investment Authority [SAGIA] 2014a). In February 2012, SOCPA formally approved a transition to IFRS. This transition is to occur over five years to allow all stakeholders to prepare for the transition (SOCPA 2014a). The level of interrelationship between accounting academics and those responsible for the accounting profession in Saudi Arabia in the transition to IFRS is considered to reflect positively on the development of the accounting profession and accountants in Saudi Arabia.

The results of this research project are intended to aid Saudi higher education institutions and professional bodies to align their efforts to minimise obstacles that might impinge on the transition to IFRS. Specifically, this study aims to identify the level of readiness of higher education institutions to incorporate IFRS into their accounting curricula. This will be enabled through examining the following:

- factors that might affect the timing and approach adopted to incorporate IFRS in the accounting curriculum
- resources needed for the transition
- expected role of outside professional and academic accounting bodies to be examined from the point of view of accounting educators and interviewed board members of the Saudi Accounting Association (SAA).

The following principal research questions are proposed:

1. How does the educational profile of the learning environment in Saudi Arabia affect the preparation for the teaching of IFRS?
2. What factors influence the capacity to support curriculum change to incorporate IFRS in the curricula of higher education institutions in Saudi Arabia?
3. How can outside professional and academic accounting bodies, such as SOCPA and SAA, assist in the transition to IFRS for accounting education in Saudi Arabia?

1.3 Significance and contributions of the study

1.3.1 Contribution to knowledge (academic contribution)

There is limited research on the implications of the adoption of IFRS on accounting education in general and particularly in the context of developing economies. This study addresses this gap by studying the implications and impediments that the decision to adopt IFRS might have on accounting education in a developing economy such as that of Saudi Arabia. Additionally, the study examines the transition to IFRS in accounting education from an Islamic perspective and may therefore assist in providing insightful information to other Islamic countries that intend or are in the process of transitioning to IFRS. This study also assists academics in Saudi Arabia to address the needs of the market and ease the process towards implementing a unified global set of standards.

This objective was addressed by examining the accounting education environment in Saudi Arabia, evaluating the capacity of higher education institutions in Saudi Arabia to support the required change as well as determining the level of assistance for the incorporation of IFRS in the curriculum from a range of sources.

1.3.2 Statement of significance (practical contribution)

This study will have a significant practical benefit for the accounting profession in Saudi Arabia through providing direction for enhancing accounting education related to regulation and standard setting. Given that Saudi Arabia is in the early stages of the transition to IFRS (announced 18 February 2012), regulatory agencies in Saudi Arabia and higher education institutions will benefit from the outcomes of this research by being able to align their goals (i.e., the goals of educators and professional accounting bodies) as well as enhancing the cooperation of efforts towards the attainment of optimal outcomes for the country. Another practical benefit is that the study will address the profession's needs for the particular skills that need to be incorporated into accounting curricula to help produce graduates who are ready for the challenges of the work environment. Ultimately, this study will provide direction for preparing accountants in Saudi Arabia for a global business environment that includes IFRS.

1.4 Research methods

A mixed-methods research approach combining the use of surveys and interviews is adopted to allow for a broad and comprehensive coverage of the research questions (Johnson & Onwuegbuzie 2004). The mixture of the two approaches addresses the inherent limitations of adopting only one approach (Patton 2002). Methodological triangulation is used in this research by employing different data-collection methods such as questionnaires and interviews to enhance the confidence, validity and completeness of the research findings (Guion, Diehl & McDonald 2011; Olsen 2004). Descriptive and inferential statistics are used to analyse the quantitative results while content and thematic analysis are used to analyse the qualitative results.

1.5 Organisation of the thesis

This thesis is structured into nine chapters. A brief description of each is provided below.

Chapter 1 provides a brief description and background information for this study. It outlines the study's purpose and research aims, and presents the research questions. In addition, Chapter 1 highlights the contributions that this study aims to make for accounting practices in Saudi Arabia at the academic and practical levels and describes the research methods to be employed to achieve these contributions.

Chapter 2 provides detailed information on the background and context of the study by examining Saudi Arabia's profile and providing a description of its legal, economic and educational systems to allow for a better understanding and interpretation of the research results. This chapter also describes Saudi Arabia's accounting system and profession by providing a historical overview of the development of the accounting and auditing profession and the major professional accounting bodies.

Chapter 3 reviews the implications of the adoption of IFRS from an educational perspective. This review examines ways of incorporating IFRS into the accounting curriculum, important educational issues that need to be addressed when IFRS are incorporated into the accounting curriculum, and the importance of CPD activities to prepare academics for the change. The role expected to be played by outside professional and academic accounting bodies is also addressed in this chapter.

Chapter 4 provides a detailed description of the Curriculum Implementation Framework (CIF) adopted by this study to guide and answer the research questions aimed at achieving successful, effective and efficient change in the accounting curricula of higher education institutions in Saudi Arabia. The constructs that constitute the CIF are examined in detail to allow for a better understanding of the curriculum change process.

Chapter 5 describes the research design, methods and data-collection techniques, as well as providing a justification of the selection and employment of these methods and

techniques employed in this study. This chapter begins by providing a general explanation of the research design, followed by a detailed explanation of the mixed-methods, quantitative and qualitative approaches implemented in this study's data collection, data analysis and research instruments.

Chapter 6 presents the first of two parts of data analysis by providing a quantitative analysis of the collected data. This chapter provides a detailed descriptive analysis of the data and the inferential statistics. Chapter 6 explores the research questions from the perspective of the surveyed accounting academics that completed the questionnaire.

Chapter 7 provides the qualitative data analysis of both sets of interviews conducted with accounting academics and board members of the SAA. This chapter discusses data analysis and interpretation of results.

Chapter 8 provides a coherent discussion of the results of this study, which is informed by and compared to the existing literature where appropriate. The discussion of the results is also related and connected to the CIF to provide a guided plan for curriculum implementation to achieve optimal results.

Chapter 9 provides the conclusions, recommendations and limitations of the study as well as suggestions and direction for future research.

1.6 Conclusion

The SOCPA's decision in 2012 to transition to IFRS by 2017 has highlighted the importance of revisiting accounting curricula in higher education institutions in Saudi Arabia to ensure the capability of IFRS compatibility. The debate in the literature regarding the difference between principles-based and rules-based standards is considered because this distinction is important for this research because of the implications for planning for curriculum change and teaching pedagogy (Jackling, Howieson & Natoli 2012).

The importance of accounting education is attributed to the implications for the curriculum, resources, teaching methods and models that will be required to address the emerging needs of the profession. Given that Saudi Arabia has made the decision to transition to IFRS, Saudi higher education institutions and accounting educators need to reconsider the way the accounting curriculum is designed. The teaching methods used by other countries in the transition process can be considered to enable building on the experiences of others. However a consideration of the local environment, and the influence of culture and religion on the IFRS transition, needs to occur.

Chapter 2: Background and Context of Research

2.1 Introduction

As a developing country and emerging economy that is highly dependent on oil revenues, Saudi Arabia is investing heavily to diversify its economic base and investment channels. This has resulted in increasing Saudi Arabia's attractiveness to FDI (SAGIA 2014a). Among the steps taken to achieve economic development in Saudi Arabia is SOCPA's decision in 2012 to transition to IFRS to encourage international companies and investors to conduct business in Saudi Arabia. This decision has major implications for a wide range of stakeholders in Saudi Arabia, for example, regulators, investors, academics and accounting professionals.

Saudi Arabia's principal professional accounting body, SOCPA, stated in its report (SOCPA 2014a) that a special environment needs to be created for IFRS to be adopted with minimal difficulty. The report recognises that IFRS are based on principles and require the exercise of professional judgement of a high level of professional experience that the Saudi business environment might lack at present (SOCPA 2014a). The report adds that there is a need to make available relevant information to ease the application of certain concepts such as fair value, which will require an improvement to the current financial information system in Saudi Arabia (SOCPA 2014a). Finally, the SOCPA report identifies that consideration needs to be given to the differences in the economic sectors (e.g., publicly listed companies, small and medium enterprises [SMEs]) in Saudi Arabia in relation to their capacity to apply IFRS and understand its requirements. Consideration also needs to be given to the level of competence of accounting professionals and academics and their need for training.

As such, SOCPA has launched a five-year transition plan. The five-year transition timeframe for IFRS adoption in Saudi Arabia is designed to ensure a smooth transition from the Saudi Accounting Standards (SAS), which have historically been highly influenced by the American Accounting Standards (AAS). The AAS, which utilise a rules-based approach, present unique issues for the transition to IFRS (Previts, Walton

& Wolnizer 2012). The transition to a principles-based approach of accounting standards, such as IFRS, has already had a major influence on stakeholders and is anticipated to also have an ongoing effect (Yallapragadarry, Toma & Roe 2011).

This chapter provides a general overview of the environment in which this research is conducted. This discussion will pave the way to a deeper understanding of some of the factors that underpin and affect the transition to IFRS in the accounting curriculum in Saudi Arabia.

2.2 Saudi Arabia's profile

2.2.1 Geographic location

Saudi Arabia is located in the heart of the MENA region. This strategic location allows access to more than 400 million prospective consumers, which increases Saudi Arabia's attractiveness for foreign investment (SAGIA 2014b). This strategic location also provides access to a variety of trading and investment markets. For example, from the north and the west, it allows access to the European Union's (EU) advanced economies and markets, emerging economies of Eastern Europe and the Commonwealth of Independent States (SAGIA 2014b). Additionally, from its eastern borders, Saudi Arabia provides a doorway to both the Asia-Pacific region and the South Asian subcontinent (SAGIA 2014b). Access to the African continent and its abundant resources and emerging markets is also enabled through its western and southern borders (SAGIA 2014b).

Saudi Arabia's access to a variety of economies, ranging from well-developed large economies to emerging economies, provides a competitive platform from both a production and logistics perspective (SAGIA 2014b). Development of the accounting profession (the language of business) is necessary in Saudi Arabia if it seeks to attain parallel and lasting developments in its economic system and financial markets. The transition to IFRS in Saudi Arabia is a step towards economic reform through providing high-quality financial reporting. However, the development of the accounting profession necessitates the development of accounting education and outcomes of the educational process (i.e., future accounting graduates).

2.2.2 Society and demographics

Saudi Arabia is an Islamic country in which Islamic law (Shari'ah law) serves as the constitution and has a major influence on governmental and social behaviours and activities. Although its official language is Arabic, English is used extensively within the business community.

Saudi Arabia's population is estimated to be 27,345,986 with immigrants accounting for approximately 30 per cent of the total population (Central Intelligence Agency [CIA] 2014). Table 2.1 provides summary demographic information of the Saudi population based on statistics available in 2013 of the population's labour force for those over the age of 15 years old (Central Department of Statistics and Information [CDSI] 2013). Table 2.1 demonstrates that 84.98 per cent of the labour force is comprised of males (and only 15.02 per cent of females).

Table 2.1: Saudi labour force for 2013 (15 years and over)

	Labour force		Out-of-labour force		Total labour force	
Males	9,590,992	84.98%	2,691,782	28.47%	12,282,774	59.22%
Females	1,695,752	15.02%	6,762,091	71.53%	8,457,843	40.78%
Total	11,286,744	100%	9,453,873	100%	20,740,617	100%

Table 2.2 presents the estimated labour force for 2013 for those aged 15 years and over by age group and gender (CDSI 2013) and demonstrates that the highest unemployment rates are for those in the 20–29 years age group. The Saudi government is investing heavily in education through the initiation and support of government universities. Consequently, the number of graduates from higher education institutions is increasing each year. However, the large unemployment rate could be an indication of the need for a better education system that considers the needs of the market and provide graduates who are capable of meeting the challenges of a globally competitive business environment.

Table 2.2: Saudi labour force for 2013 (15 years and over) by age group and gender

	Employed			Unemployed			Total		
	Male	Female	Total	Male	Female	Total	Males	Females	Total
15–19	47,998	6,162	54,160	17,552	7,359	24,911	65,550	13,521	79,071
20–24	483,516	86,739	570,255	126,004	110,225	236,229	609,520	196,964	806,484
25–29	1,201,068	206,341	1,407,409	83,456	149,074	232,530	1,284,524	355,415	1,639,939
30–34	1,696,114	313,326	2,009,440	31,340	74,334	105,674	1,727,454	387,660	2,115,114
35–39	1,842,956	348,168	2,191,124	11,411	26,023	37,434	1,854,367	374,191	2,228,558
40–44	1,476,437	214,216	1,690,653	4,764	6,174	10,938	1,481,201	220,390	1,701,591
45–49	1,117,831	88,210	1,206,041	1,294	852	2,146	1,119,125	89,062	1,208,187
50–54	710,128	33,650	743,778	1,368	0	1,368	711,496	33,650	745,146
55–59	415,678	15,522	431,200	421	360	781	416,099	15,882	431,981
60–64	184,562	6,654	191,216	0	0	0	184,562	6,654	191,216
65+	137,094	2,363	139,457	0	0	0	137,094	2,363	139,457
Total	9,313,382	1,321,351	10,634,733	277,610	374,401	652,011	9,590,992	1,695,752	11,286,744

2.3 Legal system

A country's legal system affects its economic environment and how its accounting profession is established and organised. Within this section, the legal system in Saudi Arabia will be reviewed by describing the constitution of the country followed by an outline of reforms to the judicial system. The Islamic law or Shari'ah law will be explained and the two major sources of Shari'ah law will be identified to enable a better understanding of their possible influence on the degree to which IFRS are accepted and adopted in Saudi Arabia. The concept of Islamic jurisprudence (Fiqh) and how it is applied to draw conclusions and set rules will also be highlighted because it relates directly to Islamic finance and Islamic financial transactions and products.

2.3.1 Constitution

The Kingdom of Saudi Arabia is a monarchy with Islam as its religion and the Holy Qur'an and Sunna as its major document sources of legislation (Namay 1993). Article number one from the basic law states (Saudi Embassy 2013a, Laws):

The Kingdom of Saudi Arabia is a sovereign Arab Islamic State. Its religion is Islam. Its constitution is Almighty God's Book, the Holy Qur'an, and the Sunna (Traditions) of the Prophet (Peace Be Upon Him).

Since Saudi Arabia's unification in 1932 until 1992, the country was ruled without a clearly written constitution (Namay 1993). The political-reform process executed by King Fahad in 1992 resulted in the creation of what is termed the 'Basic Law of Governance', which is intended to work as the written constitution (Sukkar 2010). However, the basic law system is derived and based on the teachings and doctrine of the Holy Qur'an and the Sunna.

2.3.2 Judiciary

The Basic Law of Governance was issued by a royal decree on 1 March 1992, and is composed of nine chapters (Saudi Embassy 2013a). Chapter Six, Article 46 of the Basic Law of Governance in Saudi Arabia states and emphasises that Shari'ah is the independent feature of the judiciary system in Saudi Arabia and is the only authoritative

influence over the judiciary. Additionally, Article 48 emphasises that Shari'ah, as represented by what is stated in the Holy Qur'an and the Sunna, shall be applied by the courts when addressing cases and conflicts (Saudi Embassy 2013a). It also indicates that the laws pronounced by the ruler (the king) must be in harmony with Shari'ah and not controvert or dispute with the Holy Qur'an and Sunna and shall form the judicial basis for courts and judges.

2.3.3 Islamic law (Shari'ah)

The Islamic law, or what is widely known in the literature as 'Islamic Shari'ah', represents what God has prescribed for his creatures relating to beliefs, worship, morality, transactions and life systems to organise people's relationship with their Lord and their relationship with each other (Abdal-Haqq 2002). There are two major sources of Islamic law: the Holy Qur'an, which represents the words of God and the Sunna, which represents the sayings, demeanours and actions of the Prophet Muhammad (Peace Be Upon Him), as well as his implied approval of actions performed by others (Abdal-Haqq 2002).

Whereas the Holy Qur'an encompasses God's commands and instructions that lay down the general morals and principles that should be followed by Muslims, the Sunna represents the actions and sayings of the Prophet, providing details on issues related to the Holy Qur'an (Abdal-Haqq 2002). These two sources are considered infallible and appropriate to every time and place (Abdal-Haqq 2002). As Shari'ah guides the actions of Muslims, its influence on business transactions and the correct way to account for these transactions should not be overlooked.

2.3.4 Islamic jurisprudence (Fiqh)

In addition to the Qur'an and Sunna, there are two other sources derived from the interpretation of the Holy Qur'an and Sunna, the Ijma and Qiyas (Standke 2008). The Arabic word 'Ijma' means consensus and agreement, and is defined as the agreement among Islamic scholars on issues and matters not explicitly mentioned in the two main sources of Islamic legislation (Standke 2008). Additionally, the Arabic word 'Qiyas' refers to the use of analogical reasoning and deduction to arrive at the rules and

provisions of new emerging practices by referring to the Holy Qur'an and Sunna and interpreting their rules and regulations (Standke 2008).

The ability to use Ijma and Qiyas is known as 'Fiqh', or Islamic jurisprudence, which requires a deep knowledge and full comprehension of the Holy Qur'an and Sunna to be able to exercise accurate judgements. The application of Islamic jurisprudence extends to various areas of the law, ranging from matters related to religion, politics, civil procedures and transactions (Abdal-Haqq 2002). Most of the modern Islamic finance products and transactions are evaluated and interpreted using the Fiqh through which analogical reasoning is applied to reach opinions regarding the correct form to adopt and procedures to follow to ensure business transactions are in accordance with Islamic teachings. Therefore, the role of Islamic Fiqh needs to be considered when evaluating IFRS and its applicability to account for Islamic financial transactions.

2.4 Economic system

The economy of Saudi Arabia has long been classified as oil based due to its high level of dependence on oil revenues, which account for almost half of its gross domestic product (GDP) and represent approximately 80 per cent of total revenues (CIA 2014). The huge oil revenues acquired in the 1960s have helped the Saudi government to develop infrastructure and other sectors in the country. While the Saudi government has depended heavily on oil revenues since its early days, there is an increased desire to diversify its economic base and structure and make an efficient utilisation of these resources.

To realise economic diversity, the Saudi government has implemented a series of five-year development plans beginning in 1970 (Saudi Embassy 2013b). These plans are aimed at creating a strong and well-developed infrastructure base that functions as the foundation for other development objectives and assists in the attainment of objectives (Saudi Embassy 2013b). In addition, these plans are aimed at the development of labour and workforce through education and training to support such transformation (Saudi Embassy 2013b). Recently, the diversification of the economic base has led to the development of the agricultural, industrial and service sectors, and has increased the

participation of the private sector as a partner in this economic change (Saudi Embassy 2013b).

The most recently completed five-year development plan (which began in 2005) aimed at developing the investment sector on the national and international levels. Features of the development plan include attracting foreign investors and improving the knowledge and skills of the workforce and human capital to cope with the requirements of a modern and global business environment (Saudi Embassy 2013b). Some of the steps taken by the Saudi government to achieve this include gaining membership of the World Trade Organization (WTO) in 2005 and launching six advanced economic cities supplemented with support services distributed in various regions around Saudi Arabia (Saudi Embassy 2013b).

The government plans to direct a vast amount of its budget spending, equal to almost 373 billion dollars for a five-year period that began in 2010, towards the development and advancement of the social and infrastructure levels to expand and develop the Saudi economy as a whole (Saudi Embassy 2013b). A vast amount of these funds is devoted to education, which represents the priority of the yearly budget of Saudi Arabia. For example, almost 25 per cent of the budget in 2014 (equal to US\$56 billion) was allocated to education and training (US-Saudi Arabian Business Council 2015).

2.5 Education system

The education system in Saudi Arabia consists of the public-school education phase (pre-higher education) and the higher education phase. There are three major channels providing higher education in Saudi Arabia: public universities, private universities and ‘other academic institutions’.²

² Throughout this thesis, whenever the term ‘other academic institutions’ is mentioned, it refers to the following two institutions: the Institute of Public Administration (IPA) and the Technical and Vocational Training Corporation (TVTC).

2.5.1 Public-school education

As outlined on the website of the Saudi Arabian Cultural Mission (SACM), the public-school education system in Saudi Arabia is divided into three phases: elementary (primary), intermediate and secondary education (SACM 2013). Elementary-school education is the first phase and takes six years to complete, beginning from age six and completing at age 12 (SACM 2013). The second phase is intermediate-school education, which requires three years for the award of the intermediate-school certificate (SACM 2013). The last phase is secondary school, which requires three years and awards the high-school diploma (SACM 2013). English is taught at the intermediate-school and secondary-school phases. The completion of secondary school and the attainment of a high-school diploma are requirements to admission to higher education programmes.

2.5.2 Higher education institutions

Higher education in Saudi Arabia³ was under the supervision of the Ministry of Education (MOE) until it went through a significant development in the 1970s, which led to the establishment of the Ministry of Higher Education (MOHE) in 1975. Recently, on 29 January 2015, King Salman Bin Abdulaziz issued a royal decree to merge the MOE and the MOHE under the supervision of one ministry with the name of MOE to align the efforts and goals of the two education systems and improve educational standards (SACM 2015). The MOE supervises universities and plans and executes educational strategies. The main aim of MOE is to develop higher education in Saudi Arabia and the knowledge and capabilities of Saudi nationals in all fields, ranging from the scientific to the administrative (SACM 2013). As noted, higher education is delivered through three principal channels: public universities, private universities and ‘other academic institutions’.

³ Throughout this thesis, the term ‘higher education institutions’ in the context of Saudi Arabia refers to public universities, private universities and other academic institutions (i.e., IPA and TVTC).

In 2012, the MOE released the most recent statistics on the demographics of academics in Saudi Arabia in all higher education institutions. Table 2.3 below (Panel A) presents academics' demographics according to the academic rank. The majority (35.79 per cent) are graduate assistants or teachers and only 5.31 per cent are professors. Panel B presents the demographics according to nationality, demonstrating that the majority of academics employed in Saudi higher education institutions are from Saudi Arabia. Table 2.3 (Panel C) provides demographic information of academics in Saudi Arabia according to gender; female academics account for 38.94 per cent of the total academic community (MOE 2013).

Table 2.3: Academics' demographics in all Saudi higher education institutions

Panel A: Academic Rank		
	Number	Percentage
Professor	3,434	5.31
Associate professor	6,611	10.22
Assistant professor	17,535	27.10
Lecturer	13,957	21.58
Other (e.g., graduate assistant, teachers)	23,152	35.79
Total	64,689	100
Panel B: Nationality		
	Number	Percentage
Saudi	37,756	58.37
Non-Saudi	26,933	41.63
Total	64,689	100
Panel C: Gender		
	Number	Percentage
Male	39,501	61.06
Female	25,188	38.94
Total	64,689	100

Source: Higher Education Statistics Centre (MOE 2013)

Table 2.4 outlines the academic ranking system in Saudi Arabia (from lowest to highest). Graduate assistants with bachelor degrees are usually assigned tutorial classes and research-assistance tasks, whereas lecturers, assistant professors, associate professors and professors undertake lectures and research tasks. The following subsections explain the three channels of higher education in detail.

Table 2.4: Academic ranking system in Saudi Arabia

Title	Qualification required
Graduate assistant	Bachelor degree
Lecturer	Master degree
Assistant professor	PhD or equivalent
Associate professor	PhD or equivalent + publications + four years of experience
Professor	PhD or equivalent + publications + eight years of experience (four of which as an associate professor)

Source: King Faisal University (KFU 1997)

2.5.2.1 Public universities

Public universities in Saudi Arabia provide free education to Saudi nationals. The number of public universities has witnessed a significant increase in recent years. Until 2004, there were seven public universities in Saudi Arabia (AlMotairy & Stainbank 2014). However, this has increased to 25, of which 22 offer accounting programmes (MOE 2014). According to the SACM's website, universities in Saudi Arabia provide degrees at different levels, ranging from the level of a bachelor degree to that of a PhD (SACM 2013). Although all these universities work under the supervision of the MOE, they are granted a high level of freedom with regard to their academic and administrative organisation and decision making (MOE 2014).

2.5.2.2 Private universities

Private universities operate under the supervision of the MOE and provide paid education programmes for Saudi nationals and international students. There are nine private universities in Saudi Arabia, six of which provide degrees in accounting. Since their inception, private universities have received considerable scrutiny from the MOE in the form of licensing, evaluation and follow up (MOE 2014). The occurrence of private universities offering higher education began in June 1998 when the Higher Education Board allowed not-for-profit charity foundations to establish not-for-profit private colleges. In late 2000 (27 November), the Council of Ministers allowed the private sector to establish private colleges alongside charity foundations. In 2003, the regulation of private universities was approved. The recent introduction of private

universities explains their relatively low number (nine) compared to public universities (25).

2.5.2.3 Other academic institutions

Other academic institutions in Saudi Arabia are for students who prefer diploma-level certification or are interested in technical and industrial areas. There are eight public colleges and institutions in addition to the 25 public universities, most of which provide industrial and technical training. Two of these eight institutions are relevant to this study as they provide degrees in accounting; these are the Institute of Public Administration (IPA) and the Technical and Vocational Training Corporation (TVTC).

2.6 Historical overview of development of accounting and auditing profession in Saudi Arabia

As Nie, Collins and Wang (2013) state, an understanding of the way accounting standards are developed helps provide an understanding of the context of the teaching approach used in accounting. Since its inception, the accounting and auditing profession in Saudi Arabia has undergone major advancements in a short period. Since the early 1930s, the Saudi government has emphasised the importance of developing and organising the accounting profession to reflect and work positively with the stability and improvement of the economic environment. Consequently, the Saudi government directed its attention towards the first step in the development of an accounting profession by issuing the commercial business regulation to ensure organisation and regulation of the bookkeeping process, obligating any entity engaged in a business activity to maintain accounting records (SOCPA 2014b).

The next major step taken by the Saudi government occurred in 1965, with the *Company Regulation Act*. This Act obliged companies to prepare financial statements, and allow a licensed Certified Public Accountant (CPA) to audit these financial statements. The Act clarified the requirements regarding the appointment of CPAs and outlined their responsibilities and the scope of their work (SOCPA 2014b). In 1968, a resolution by the Minister of Commerce was issued to organise the auditing profession in Saudi Arabia. This was followed in 1974 with the *CPA Regulations Act*, which led to

the establishment of a higher committee for certified public accounting, which is responsible for the supervision and monitoring of the accounting and auditing profession in Saudi Arabia (SOCPA 2014b). The development of this committee has encouraged other institutions such as universities and large public accounting firms to participate in the development of the accounting profession.

In the early 1980s, King Saud University, the first university established in Saudi Arabia, played an important role by organising seminars, workshops and symposiums to improve the status of the accounting profession. These efforts led to the establishment of the SAA, which is an academic association responsible for the advancement of accounting and auditing research, as well as the exchange of academic ideas among accounting academics around Saudi Arabia (SOCPA 2014b).

In 1980–1981 as part of the efforts towards the development of the accounting profession in Saudi Arabia, a comparative study of the accounting and auditing profession in other countries was proposed and conducted. The goal was to make recommendations on the following (SOCPA 2014b):

- requirements of an adequate set of accounting and auditing standards
- a framework that sets and organises the requirements of financial reporting
- auditing and ethics
- internal organisation of the accounting profession.

These recommendations were formed via a careful and detailed review and examination of the laws, regulations and the authoritative pronouncements of selected countries.

As a result of the comparative study, in 1982, the preparation of a conceptual framework that identifies the objectives and concepts of financial accounting and a draft of standards relating to presentation and general disclosure were approved by the Ministry of Commerce (SOCPA 2014b). This led to the eventual establishment of SOCPA in 1992, a body that represented the culmination of all efforts made by different parties such as the Ministry of Commerce and accounting academics and professionals in Saudi Arabia (SOCPA 2014b).

Established by a royal decree, SOCPA operates under the supervision of the Ministry of Commerce for the purpose of endorsing, developing and improving the position and status of the accounting and auditing profession in Saudi Arabia (SOCPA 2014b). SOCPA is the body responsible for the administration and supervision of the transition project announced in 2012. As SOCPA is a member of IFAC, it has access to a wide range of experiences of other member bodies of countries that have already transitioned to IFRS (IFAC 2015). This is expected to be positive for the transition.

2.7 Accounting and auditing standards

2.7.1 Standards-setting process

The procedures for standards adopted by SOCPA were influenced by Western accounting systems, particularly the United States (US) (SOCPA 2014b). There are two committees responsible for the development, revision and approval of accounting and auditing standards. The first committee is the Accounting Standards Committee, which is responsible for the preparation, dissemination and discussion of accounting-standards projects in public forums. This committee also provides interpretations and explanatory comments relating to approved accounting standards. The second committee is the Auditing Standards Committee, which is responsible for the preparation, dissemination and discussion of auditing-standards projects in public forums. This committee also provides interpretations and explanatory comments relating to approved auditing standards.

Since its inception in 1992, SOCPA has issued 22 accounting standards, 15 auditing standards and a range of interpretations and professional opinions covering many areas in the accounting and auditing fields (SOCPA 2014b). Additionally, SOCPA has required companies and issuers of financial statements to follow the international financial accounting and auditing standards whenever equivalent SOCPA's standards are absent.

With respect to the transition to IFRS, the SOCPA acknowledges the difficulties associated with this hence it has established appropriate procedures that need to be followed to ensure a smooth and successful transition. Essentially, the standards

application process with respect to IFRS goes through a series of stages and involves a number of acting participants. The process commences with two technical committees: (i) accounting standards committee; and (ii) auditing standards committee. Both technical committees commence by studying their respective international standards (i.e. accounting and auditing). Their task is to decide upon the appropriate action to take regarding how to implement a faithful interpretation of IFRS. For example whether a standard should be accepted with no amendments or be amended to suit the local environment (SOCPA 2014a).

After this intense initial phase is complete, open meetings with a number of interested parties such as accounting academics, users of financial statements, accounting professionals and representatives of supervisory and regulatory bodies are organised by SOCPA. Any comments made during these meetings are then discussed and considered by the relevant technical committees. From this, any initial amendments or additions to the standards are undertaken. The technical committees recommendations are then released to the public for further comments and any further required amendments are made accordingly (SOCPA 2014a).

The next step is the approval of the standards which involves the public release of official documentation which shows any additions, deletions or amendments made as well as the basis for such alterations. The final step involves a review of the IASB's official IFRS translation by SOCPA to decide upon the required course of action (i.e., keep the translation as it is, amend the official translation or undertake a new full translation) (SOCPA 2014a).

2.7.2 The G-20 and implications for IFRS adoption in Saudi Arabia

There are continuous calls from the Group of Twenty (G-20) for the unification of accounting standards used to report for business transactions through the use of one set of IFRS to help in the assessment of progress towards the improvement of the financial sector (IFRS Foundation 2014b). In addition, there are continuous calls from the G-20 to both standard setters and the International Accounting Standards Board (IASB) to enhance the level of communication and cooperation to reach a single set of high-quality IAS (IFRS Foundation 2014b).

In response to these international calls for IAS, SOCPA implemented a plan to study the possibility of transitioning to IFRS issued by the IASB. After due consideration of the applicability of the Saudi environment, the influence of Shari'ah law, dominant regulations and readiness levels (whether related to technical, human or educational factors) (SOCPA 2014a), the SOCPA committee reached the conclusion that a gradual transition to IFRS will take place over five years. This timeframe was provided to give due consideration to economic and environmental factors and allow stakeholders with sufficient time to prepare for the change at both the professional and technical levels. The transition project and plan were approved by SOCPA on 18 February 2012.

2.8 Accounting bodies

2.8.1 SOCPA

SOCPA plays an important role in supporting professionals and organisations by providing high-level guidance and financial expertise to help achieve economic stability and confidence in the market through promoting high-quality financial reporting. The following are SOCPA's most important objectives (SOCPA 2014b):

- revision, development and approval of accounting and auditing standards
- creation, supervision and organisation of SOCPA's fellowship examination
- arrangement of CPD and educational and training programmes
- supervision over licensed CPAs through the conduct of quality review audits to ensure their compliance and adherence to professional accounting standards, regulations and laws
- performance of accounting-related and auditing-related research
- distribution of accounting-related and auditing-related books, periodicals and bulletins
- participation and involvement in accounting-related and auditing-related committees, conferences, seminars and symposiums on both the national and international levels.

There are eight technical committees operating within SOCPA to help achieve and perform these objectives and tasks (SOCPA 2014b). The Education and Training Committee is one committee responsible for improving the level of professional training

and education. The role of this committee in the transition phase is to provide CPD activities in the area of IFRS.

2.8.2 SAA

As part of its leading role as the first established university in Saudi Arabia, King Saud University established the SAA in the early 1980s as a not-for-profit academic body that works under the university's supervision. The SAA aims to participate in and contribute to the development of accounting in Saudi Arabia at the academic level as well as establish an effective relationship with partners in the business environment (SAA 2012). The following are the principal goals of the SAA (SAA 2012):

- achieve the development of scientific thought in the field of accounting
- provide an opportunity for those working in the accounting field to contribute to the advancement of accounting ideas and knowledge
- facilitate the exchange of scientific production and ideas in the field of accounting between the relevant bodies and organisations inside and outside Saudi Arabia
- offer advice and conduct necessary studies to raise the level of professional performance in different accounting areas in association with different accounting bodies.

The following are the principal tasks conducted by the SAA to achieve these goals (SAA 2012):

- encouraging scientific research in the field of accounting and related fields of knowledge and the dissemination of the results of that research with relevant bodies
- organising conferences and seminars to discuss accounting-related issues
- producing an accounting journal to work as a means of disseminating accounting research and organising scientific and cultural competitions in the field of accounting (SAA 2012).

As illustrated in the objectives of each organisation, the SAA has more of an academic orientation with a focus on accounting academics, whereas SOCPA's role is principally devoted to the development of accounting professionals. Further, the SAA played an important historical role in the creation of SOCPA through suggestions and recommendations raised during the seminars, conferences and meetings that it organised. However, SOCPA is now recognised as an independent body supervised by the Ministry of Commerce.

Thus, the SAA plays an important role in the development of accounting research, accounting education and the accounting profession by providing input related to educational aspects of the adoption of IFRS. The benefits of SAA's inputs will increase if its efforts are aligned with other professional bodies and academic institutions in Saudi Arabia. Therefore, it is potentially important that channels of communication between the two bodies (SOCPA and SAA) are maintained, particularly because most of the board members of SAA are members of some of the technical committees within SOCPA.

2.9 SOCPA's plan for transition to IFRS

In transitioning to IFRS, there is an understanding that IFRS requires the exercise of professional judgement involving a high level of professional experience. There is also an understanding that the Saudi business environment currently needs major improvements to be able to apply the new IFRS requirements (SOCPA 2014a). SOCPA recognises the need to make available relevant information to ease the application of certain concepts such as fair value, which will require an improvement to the current financial information system in Saudi Arabia (SOCPA 2014a).

Given that the IFRS transition will affect different economic sectors differently, SOCPA's five-year transition plan includes educating, re-educating and training future and current accountants. Part of SOCPA's mandate is to decide on the type and extent of changes or additions that may need to be applied to IFRS to suit the Saudi environment as well as any alterations or adjustments to current laws and regulations that may be needed (SOCPA 2014a). It is important for SOCPA to consider the issue of

accounting and auditing issues related to transactions in compliance with Shari'ah laws and teachings given the role of Saudi Arabia as a leading Islamic country (SOCPA 2014a).

Although there is not yet an announced position on this matter, SOCPA is currently examining five major initiatives aimed at preparing the economic, financial and professional environments to absorb the ramifications of the changes to the new financial reporting system, thus increasing the chance of a successful transition to IFRS. The first and second initiatives relate to developments to the current professional-certification system and the third and fourth initiatives relate to professional training and development of accounting professionals and practitioners. The fifth proposes the adoption of a consolidated automated system to enhance the financial-reporting process.

2.9.1 Professional certification and licensing

The transition to IFRS will result in adjustments and modifications to the current accountant certification and licensing system to enhance the quality of the work of public and professional accountants in Saudi Arabia. These adjustments will ultimately reflect on the public's confidence in the work of accountants (SOCPA 2014a). The completion of this step, and the incorporation of IFRS content in professional-certification programmes, means that academic institutions need to ensure their accounting curricula are IFRS compatible.

Another important aspect of the transition is the possible development of professional certificates related to Zakat (i.e., obligatory alms to the poor) and taxation to increase the number of competent professionals in these areas (SOCPA 2014a). Although this initiative is yet to be approved by SOCPA, academic institutions need to consider incorporating more courses in the Zakat and taxation areas.

2.9.2 Professional training and development

To ease the transition process, an accounting institute is to be launched that will be responsible for providing professional education and development to accounting

professionals and practitioners (SOCPA 2014a). Further, government-sector and private-sector employees will be required to take an accounting-skills test to determine the level of training needed to prepare accounting practitioners in Saudi Arabia for the transition to IFRS. These tests will be prepared and developed by the SOCPA examinations committee and promoted by government authorities (SOCPA 2014a). The initiation of a training institute will have a positive influence on conducting and monitoring CPD activities for accounting professionals.

2.9.3 Automated financial reporting

The fifth SOCPA initiative is the proposal to introduce a consolidated automated system for financial reporting that will undergo two stages (SOCPA 2014a). The first stage is evaluation, assessment and approval of the most appropriate model to be used. The second stage involves the development and implementation of the chosen model (SOCPA 2014a). The initiation of this automated system should provide a valuable source of information about publicly traded companies to accounting academics and students.

The initiatives being undertaken by SOCPA to facilitate a smooth transition to IFRS rely heavily on improving the knowledge and qualifications of accounting professionals and practitioners. This focus means that higher education institutions play an important role in assisting SOCPA achieve its goals of adopting IFRS and improving the accounting and auditing profession in Saudi Arabia.

2.10 Conclusion

The move towards a diversified economy in Saudi Arabia has brought about changes to different systems within the Saudi economic environment. Understanding the environment in which proposed changes are to occur has a great influence over the success of any proposed plans and strategies. Thus, this chapter has provided an overview of the social, legal, religious, economic and educational context of Saudi Arabia.

The historical influence of the AAS resulted in the SAS adopting primarily rules-based accounting practice in Saudi Arabia. This has affected the way academic institutions teach accounting, where the focus is devoted to rules rather than principles and concepts. As such, accounting academics in Saudi Arabia need to be aware of the implications of a shift in perspective during curriculum reform.

Such a shift requires rethinking of the accounting curricula of academic institutions in Saudi Arabia to generate accounting graduates that satisfy the needs of the market. The significant influence that the Islamic environment and Shari'ah law has over the legal and economic systems means these issues specific to the Islamic environment need to be considered when examining IFRS transition in accounting education in Saudi Arabia. Specifically, careful consideration needs to be given to the potential effect that the Islamic environment might have on the degree to which IFRS can be adopted in general, and in the way IFRS are incorporated into the accounting curriculum in particular. In addition, consideration of the capacity of individual academic institutions to undertake the required reforms in the accounting curriculum needs to be considered.

One of the aspects of this research is to examine the alignment of efforts between the professional and academic accounting bodies in Saudi Arabia (i.e., SOCPA and SAA). For the initiatives proposed by SOCPA to achieve their desired goal, they need to: (a) consider suggestions from the academic community - of which SAA is a representative organisation; and (b) reflect the needs of accounting academics. To incorporate this vital perspective, the present research will utilise the curriculum implementation framework which incorporates the perspectives from both the accounting organisations as well as accounting academics. This is achieved via the framework's three main constructs: i) profile of implementation; ii) capacity to support curriculum change; and iii) support from outside academic and professional accounting bodies. This framework is reviewed in chapter four. Prior to this however, the following chapter will focus on the role of accounting academics (and institutions) with respect to transitioning to IFRS.

Chapter 3: Literature Review

3.1 Introduction

The business environment worldwide has experienced rapid technological advancements and globalisation, resulting in a shift in the expected and required skills of accounting graduates (Coetzee & Schmulian 2012; Fortin & Legault 2010; Jackling & De Lange 2009). Accounting education has been repeatedly criticised in the literature for not being able to meet the demands of employers in preparing accounting students with the required skills and knowledge required for employment (Bui & Porter 2010; Howieson 2003). In addition, the efforts of the IASB towards creating a single set of IAS have introduced additional needs for the professional development of academics and professional accountants (Tyrrall, Woodward & Rakhimbekova 2007). The adoption of IFRS adds further demand on accounting education to prepare graduates to meet the demands of the profession. This is partly due to the differences between IFRS and local financial reporting standards in countries that are preparing to adopt IFRS.

The differences between IFRS and local financial reporting standards around the world, suggest that the consequences of implementing IFRS at the professional and educational level warrants investigation by researchers. The effect of appropriate accounting education will not be limited to future accounting graduates but will extend to the professional development of current accountants (Jackling, Howieson & Natoli 2012). Alkhtani (2010) reported that external auditors in Saudi Arabia expressed concerns regarding the low level of knowledge of IFRS among accountants, particularly those working in publicly listed companies. The auditors also demonstrated concern about the extensive expertise needed for the application of certain IFRS standards that require professional judgement (Alkhtani 2010). Alkhtani argues that this lack of knowledge and expertise among professional accountants and practitioners could be attributed to the absence of appropriate training, as well as the deficiency and weakness of the accounting education system. These results were supported by AlMotairy and AlTorky (2012), who found that the majority (65 per cent) of surveyed universities in Saudi Arabia did not presently incorporate IFRS in their accounting curricula.

Academic institutions in countries in the process of adopting IFRS may need to assess their alignment with the requirements of IFRS and plan any required reforms to their accounting curricula. The nature of IFRS as principles-based standards will necessitate the introduction of new teaching methods and require an evaluation of effective teaching resources and pedagogical approaches (Coetzee & Schmulian 2011). Professional accounting bodies also play an important role in the adoption of IFRS given that in many instances, they are a major provider of CPD programmes, courses and certification requirements for practitioners (IFAC 2006).

In this chapter, the literature relating to the implications of the global adoption of IFRS from an educational perspective is reviewed. The chapter commences by highlighting the global push for IFRS, followed by a description of the influence of the Islamic economic and cultural environments on the adoption of IFRS in Saudi Arabia. Subsequently, the influence of various structures of education systems on the way the accounting curriculum is developed is reviewed. Implications for rethinking learning and teaching approaches as well as the use of different pedagogical approaches suitable for IFRS are then reviewed. The chapter then identifies the factors affecting the capacity of academic institutions to support the incorporation of IFRS into their accounting curricula. The chapter concludes with a review of the importance of CPD activities for academics and the expected role of outside organisations such as professional and academic accounting bodies.

3.2 Push for IFRS

According to the IASB, approximately 140 countries have already transitioned partially or completely to IFRS or are in the process of doing so (IFRS Foundation 2014c). For a detailed overview of the distribution of these countries around the world as well as an overview of degree to which they have transitioned to IFRS, please refer to Table 3.1. This transition is intended to provide a globalised set of reporting standards to promote high-quality financial reporting and increase the comparability of financial results. The objective of the IASB is ‘to develop a single set of high quality, understandable, enforceable and globally accepted financial reporting standards based upon clearly articulated principles’ (IFRS Foundation 2014c, p. 1). It is argued that the adoption of a

unified global accounting system and a unified set of accounting standards will reflect positively on the minimisation of expenses associated with the preparation and translation of financial statements for multinational firms, increase the efficiency and quality of financial reporting and increase the amount of FDI around the globe (Ashraf & Ghani 2005; Tyrrall, Woodward & Rakhimbekova 2007).

Table 3.1: Analysis of the IFRS jurisdictional profiles

Number of jurisdictions					
Region	Jurisdictions in the region	Jurisdictions that require IFRS for all or most domestic publicly accountable entities	Jurisdictions that require IFRS as % of total jurisdictions in the region	Jurisdictions that permit or require IFRS for at least some domestic publicly accountable entities	Jurisdictions that neither require nor permit IFRS for any domestic publicly accountable entities
Europe	43	42	98 %	1	0
Africa	19	15	79 %	1	3
Middle East	9	8	89 %	1	0
Asia-Oceania	32	24	75 %	3	5
Americas	37	27	73 %	8	2
Totals	140	116	83 %	14	10
% figure	100 %	83 %		10 %	7 %

Source: IFRS Foundation 2015

According to Ramanna and Sletten (2009), a major factor for countries deciding to adopt IFRS lies in the strength (or otherwise) of their local accounting and governance bodies. Specifically, they posit that counties with strong accounting bodies and high quality governance policies are less likely to adopt IFRS - and vice versa. This is due, in part, to the fact that strong accounting bodies are less likely to give up their standard setting process to an international accounting body. However, countries may undertake a trade-off between controlling the standards setting process locally against the benefits gained from influencing the international standards setting process (Ramanna & Sletten 2009).

For example, Ramanna and Sletten (2014) purport that there is a widespread belief that the lower transaction costs and savings that could result to foreign investors from the adoption of IFRS could trigger the decision to adopt IFRS by countries that are dependent on foreign investments. However, the results of their earlier study (Ramanna

and Sletten 2009) did not confirm that foreign investments could trigger IFRS adoption. It also did not confirm that IFRS adoption may lower transaction costs.

In fact, Ramanna and Sletten (2009) highlighted another reason for the adoption of IFRS by non-European Union (EU) countries which centred on the economic theory of networks. The network theory proposes that adopting products that are dependable on networks is usually derived by two motives. The first is the inherent value of the product itself while the second is the value derived from the network of the product (Katz & Shapiro 1985). Therefore, countries that are geographically located near other countries that have already adopted IFRS are more likely to adopt IFRS (Ramanna & Sletten 2009, 2014). Within the context of Saudi Arabia, the Saudi Arabian economy is interrelated to different economies around the world. This occurs via the presence of international companies in Saudi Arabia as well as the presence of Saudi companies around the world through subsidiaries. In addition, Saudi Arabia continues to encourage foreign direct investments (Alsuhailbani 2012). These considerations increase the benefits that could be attained through economic networks resulting from the adoption of IFRS.

Various factors have increased the pressure on countries that have yet to adopt IFRS (e.g., attracting FDI, increasing the quality of financial reporting, etc.). As such, the number of countries that will adopt IFRS is expected to increase over the next decade. Despite the perceived benefits of adopting IFRS, the decision to adopt a new and developed international set of standards will not come without costs or challenges, particularly for developing and less advanced economies. Some of these costs and challenges relate to adapting the local environment to the requirements needed to apply and exercise IFRS (Nobes & Parker 2008).

The differences in local environments of different countries represented by social, economic and political systems may stand as a hurdle to the acceptance and adoption of a global set of financial reporting standards (Nobes & Parker 2008). The way accounting systems and accounting standards are developed and maintained is argued to vary and be influenced by the environment in which such systems operate (Radebaugh, Gray & Black 2006). It is also argued that such variation is attributable to variation in the needs of users of accounting and financial information in different environments

(Radebaugh, Gray & Black 2006). The accounting profession, accounting regulation, social climate, legal system, culture, economic growth and development, as well as accounting education and research influences the development of the accounting profession in any society (Radebaugh, Gray & Black 2006).

It should also be noted that expenses may rise in response to the adoption of IFRS, for example, costs related to training to prepare current and future accountants, development of new training and examination materials by professional accounting bodies and the development of strong systems that oversee and ensure compliance with the new accounting system. As such, the role of accounting education in preparing future professionals and accounting practitioners should not be ignored. The role of accounting education cannot be studied in isolation from the economic, social and professional environments in which it operates, as these factors influence the degree to which benefits can be attained and innovations can be executed (Albu & Albu 2012; Alvarez McHatton *et al.* 2009; Groomer & Murthy 1996; Rezaee, Smith & Szendi 2010). Therefore, a review of the Islamic economic environment of Saudi Arabia and the way it can influence the transition to IFRS is provided in the following section.

3.3 Influence of Islamic economic environment on adoption of IFRS

The globalisation of business has resulted in the creation of multinational corporations that operate in different countries around the world. This has resulted in the development of an urge to satisfy the needs of a diverse base of financial-statements users with different cultures and backgrounds (Skotarczyk 2011). The introduction of IFRS was intended to limit the degree of variation of the way financial information is prepared, recorded and disclosed to allow a better and easier way to compare financial statements and conduct business (Skotarczyk 2011). However, it is argued that IFRS has failed to satisfy the needs of Muslim users of financial statements by failing to address and reflect on important Islamic financial transactions within IFRS (Association of Chartered Certified Accountants [ACCA] and KPMG 2010; Asian-Oceanian Standard-Setters Group [AOSSG] 2010). Similarly, Suandi (2013) highlighted the lack of standardised accounting standards to account for and report various Islamic financial transactions.

As the Muslim population represents approximately 25 percent of the world's population, the place of Islamic financial transactions within IFRS, the need for separate accounting standards for Islamic financial transactions and the discussion and debate on Islamic accounting should not be ignored (David & Păiușan 2010; El Razik 2009). In addition, the expansion of Islamic financial institutions around the world beyond Islamic countries highlights the importance of this issue to a wider audience (Maurer 2002; Suandi 2013; Vinnicombe & Park 2007).

Reaching and implementing a mutual accounting system and standards among different Islamic countries is considered to require a high level of collaboration between accounting regulatory and professional bodies in these countries and between accounting academics and Islamic financial institutions (Suandi 2013). Alkhtani (2010) encourages Islamic countries, including Saudi Arabia, to convey their needs related to the treatment of Islamic financial transactions and products to the IASB. He also argues that the IASB should reflect on such requests and consider them during the standards-setting process. In 2011, AOSSG surveyed a number of national standard setters around the world about the importance of Islamic financial transactions and the extent to which the IASB needed to consider these transactions in its future projects (AOSSG 2011). National accounting-standards setters who responded to the 2011 survey highlighted the need for more consideration to be devoted to Islamic financial transactions by the IASB. In 2013, AOSSG conducted a survey to investigate the perceptions of accounting and auditing practitioners in the MENA region with respect to Islamic financial transactions and the way these transactions should be accounted for (AOSSG 2013). The survey produced similar findings to the 2011 survey. Respondents to the 2013 AOSSG survey indicated that any consideration by their jurisdictions to change their reporting frameworks needed to be preceded by actions or announcements by the IASB ensuring consideration of the way in which Islamic financial transactions will be addressed and managed (AOSSG 2013). It is also argued that any calls for a unified set of standards that ignores cultural differences and the way business is conducted in different countries should be challenged (Karim 2001; Suandi 2013). Such issues may delay the adoption of IFRS in Islamic countries or affect the degree to which IFRS are implemented within these countries.

According to Alkhtani (2010), religious and cultural issues related to compatibility of IFRS with Shari'ah law was ranked as the main hurdle to the adoption of IFRS in Saudi Arabia. Therefore, the effects that culture and religion have on the degree to which changes are accepted, absorbed and implemented are of great importance and need to be considered by accounting academics in Saudi Arabia.

3.3.1 Effect and influence of religion and culture on internationalisation of accounting and implementation of IFRS

Skotarczyk (2011) argues that culture and cultural differences are among the principal reasons for the presence of differences between different sets of accounting standards that are usually overlooked. There could be some resistance to the globalisation of the accounting profession and accounting standards because of cultural reasons. For example, interviewees interviewed by Gallhofer, Haslam & Kamla (2011) reported fear of losing cultural identity and jeopardising cultural values and civilization as possible reasons for resisting globalisation. Additionally, Cieslewicz (2014) argues that adopting a unified set of accounting standards such as IFRS presents a number of difficulties resulting from differences in economic cultures at the national level of different countries, and that such difficulties have resulted in the adoption of an amended version of IFRS.

Cultural values (e.g., individualism, uncertainty avoidance) that are interrelated intrinsically with other aspects of societies (e.g., religion and language) are considered among the major obstacles encountered in the adoption of a unified international accounting-standards system (Skotarczyk 2011). Cieslewicz (2014) notes that the influence of the national economic culture over accounting and accounting practices is not limited to a direct form of influence. An indirect influence is also possible where supporting institutions work as mediators between the national economic culture and the accounting profession. For example, cultural issues and Islamic aspects of financial reporting are expected to result from the transition to IFRS in an Islamic economy such as Saudi Arabia (Alsuhaibani 2012).

It is also expected that the transition to IFRS will have consequences on different parties within the Saudi economic environment such as SOCPA and higher education

institutions that require preparation and planning. For instance, SOCPA should revise its professional certification examination and higher education institutions need to revise their accounting curricula to reflect the change (Alsuhaibani 2012). Therefore, consideration of the economic culture is required for an effective transition to IFRS. This suggests that institutions in Saudi Arabia such as professional bodies and higher education institutions need to be prepared and adapted through the consideration of the national culture and its implications. Gallhofer, Haslam & Kamla (2011) suggest that the Arab Association of Certified Accountants alongside leading accounting bodies in Arab countries take a positive role in transmitting, supporting and defending social and cultural aspects of the accounting profession of Arab and Islamic countries.

The influence of religion on culture and their interaction and how they affect the way accounting is practiced has also been highlighted in the literature (Gambling & Karim 1991; Gambling & Karim 1986; Hamid, Craig & Clarke 1993). Researchers also argue that if it is agreed that culture has an influence over accounting, religion by default will have an influence on accounting as culture and cultural values and norms are affected by religion (Hamid, Craig & Clarke 1993; Lewis 2001). For example, David and Păiușan (2010) contend that the way accounting is organised, structured and practiced in Islamic countries is highly influenced by Islam. Other researchers also argue that there is an influence of religion on the intentions of reconciliation, internationalisation and unification of the accounting profession and standards (Hamid, Craig & Clarke 1993; Skotarczyk 2011).

Muslims are required to follow Islamic and Shari'ah teachings and principles, which provide a comprehensive coverage over all facets of life and do not separate religion from secular activities (Gambling & Karim 1991; Kamla 2009; Lewis 2001). Researchers argue that while the effects and influences of culture on accounting are usually limited to the national contexts, the effect and influence of religions go beyond local boundaries (Hamid, Craig & Clarke 1993). These arguments have incited researchers in Islamic countries to investigate and promote the concept of Islamic accounting. The perspective of Islamic accounting reflects the teachings and principles of Islam and considers financial aspects relevant to Islamic countries and practices that conventional accounting has not addressed (Ibrahim 2000; Napier 2009; Suandi 2013).

3.3.2 What is Islamic accounting?

Reaching a clear understanding of what constitutes Islamic accounting and reaching an agreement on what falls under that classification plays a vital role in shaping and determining the way Islamic accounting is perceived (Napier 2009). There is debate in the literature on the use of the term 'Islamic accounting' and whether it can stand as a distinguished and standalone discipline or whether it is a similar concept to conventional accounting with merely some 'add-ons' (Ahmed 2012).

Those arguing against the use of the term 'Islamic accounting' state that accounting is a technical, normative and neutral discipline that is characterised by being global and free from being influenced by any outside effects and factors (Baydoun & Willett 2000; Ibrahim 2000). Conversely, those who are in favour of using the term argue that since accounting is a social science, it involves and concerns the behaviour and actions of human beings. Consequently, conventional accounting needs to incorporate an Islamic perspective to ensure its alliance with Islamic teachings and principles (Ibrahim 2000; Suandi 2013). Further, these researchers argue that additional accounting principles and dimensions are introduced by having an Islamic aspect of business that cannot be found in a conventional accounting system (Loqman & Bulbul 2012; Toor 2007).

Altarawneh and Lucas (2012) investigated the reasons for the neglect of Islamic accounting and the dominance of Western accounting in some Islamic countries. They propose a number of reasons that could provide an explanation for this neglect and that could be used as a basis for explaining and highlighting possible reasons behind the debate of the existence of Islamic accounting. These reasons included the ignorance of the existence of the alternative, uncertainty of the applicability and acceptance of an alternative that leads to imitating conventional Western accounting, cost-benefit calculations related to resources, attracting foreign investment and dependency on Western countries by some developing countries (Altarawneh & Lucas 2012).

Most of the literature on Islamic accounting tends to cover three major aspects (Napier 2009). The first investigates the notion and need of an Islamic accounting system and accounting principles and concepts appropriate to that system (Napier 2009). The second focuses on Islamic financial transactions and products and compares them with

their Western and conventional counterparts to search for any differences that require differentiation in accounting treatment (Napier 2009). The third aspect reviews issues related to the way Islamic financial institutions and products are regulated, supervised and accounted for. More specifically, this third aspect discusses standards-setting processes and the need for special accounting and auditing standards for Islamic financial institutions, transactions and products (Napier 2009). This study will focus on the implications of the second and third aspects as they relate directly to the level of transition to IFRS and the way IFRS are incorporated into the accounting curriculum.

Gambling and Karim (1986) argue that the construction of an Islamic accounting theory needs to follow a deductive approach where Shari'ah represents the starting point of the development of that theory. Lewis (2001) introduces two approaches for the development of Islamic accounting theory. The first is similar to that of Gambling and Karim (1986) in that it bases its objectives and principles on those of Islam and Shari'ah teachings, which are then considered within the context of contemporary accounting theories. Conversely, the second approach uses the objectives and principles developed by conventional and contemporary accounting thought and tests these back to compare them with those of Islam and Shari'ah, accepting those that coincide and rejecting those that do not (Lewis 2001). Lewis (2001) notes that the Islamic accounting standards developed by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) are developed using the second approach.

Therefore, if real and clear adherence to Islamic and Shari'ah teachings is sought, financial reporting standards related to Islamic financial transactions need to stem from, and be based on, Shari'ah teachings, which is not the case with IFRS and AAOIFI. Suandi (2013) indicates that Indonesia's hesitation to acknowledge AAOIFI's influence over the development of its Islamic accounting standards is due to lack of preference for the approach followed in the development of standards by the AAOIFI, as well as to differences in the interpretation and understanding of issues related to Shari'ah and Islamic law. The importance of this discussion to this study lies in the great influence of the academic and educational sector in shaping the future of the accounting profession through supplying accounting graduates who are qualified to serve the needs of financial-statements users. This necessitates a deeper analysis of Islamic accounting

where a mutual accord is reached among academics to overcome any hurdles in achieving this objective.

3.3.3 Islamic accounting and finance compatibility issues with IFRS

As Islam encourages the engagement in commercial and business activities, it also organises and regulates the means by which such activities are undertaken and performed. This is enabled through prescribing Shari'ah principles and laws derived from the Holy Qur'an and Sunna where legitimate (Halal) and illegitimate (Haram) activities and practices are identified (Ahmed 2012; Hamid, Craig & Clarke 1993; Ibrahim 2000; Lewis 2001; Suandi 2013). For example, among the general rules governing business in Islam is the prohibition of transactions and activities where uncertainty, exploitation, fraud and price manipulation are in existence (Hamid, Craig & Clarke 1993). Researchers argue that there is disagreement and conflict between some Islamic business and accounting practices and Western practices, for example, the use of discounting mechanisms, time value of money, debt financing that involves interest (Riba) and fixed income securities (Hamid, Craig & Clarke 1993; Ibrahim 2000; Suandi 2013; Vinnicombe & Park 2007).

In addition to issues related to business and accounting practices, there are a number of concepts and principles within IFRS that may be seen as cause for concern in the application of IFRS to Islamic financial transactions. Such concepts and principles include the following (AOSSG 2010; PricewaterhouseCoopers [PwC] 2010; Suandi 2013):

- substance over form
- time value of money
- finance leases
- profit participation
- classification of financial-statement items.

According to Alkhtani (2010), financial statements of banks in Saudi Arabia prepared under IFRS⁴ lack appropriate inclusion and disclosure of certain elements and information necessary from an Islamic perspective. This has resulted in less guidance offered to users to help them when making decisions on matters such as information related to interest and financial instruments. Some research argues that time value of money, which is applied within IFRS, is interrelated with interest (Riba), which contradicts Shari'ah teaching (Suandi 2013). In addition, it is considered that the focus on the economic substance over the legal form of a transaction is said to contradict with the Islamic view by which the legal form of a transaction is important to the determination of the accounting form and treatment (Suandi 2013).

The calculation and presentation of Zakat is an essential part of Muslims' faith, financial reporting needs and Islamic accounting that is not considered by conventional accounting systems (Ibrahim 2000; Skotarczyk 2011; Suandi 2013; Vinnicombe & Park 2007). Alkhtani (2010) found that preparers of financial statements in the banking sector in Saudi Arabia, where IFRS are already required, indicated that the financial statements prepared under IFRS do not serve the complete needs and requirements of the Department of Zakat and Income Tax (DZIT) in Saudi Arabia. In addition, surveyed chief financial officers (CFOs) of listed companies other than banks indicated that DZIT's needs will be satisfied and served better by financial statements prepared under SAS compared to those prepared under IFRS. However, they acknowledge that the adoption of IFRS will better serve the needs of other financial-statements users such as investors, suppliers, creditors and financial analysts (Alkhtani 2010). This example provides an indication of possible future obstacles facing listed companies in Saudi Arabia when they report under IFRS in 2017.

Contemporary Islamic finance was the result of the belief that conventional finance arrangements might contradict with Shari'ah requirements (AOSSG 2010). This has resulted in the creation of Shari'ah-compatible financial transactions and products that are thought to require different accounting treatment by some accounting scholars and professionals (AOSSG 2010). The debate on the applicability of IFRS to Islamic

⁴ The banking and insurance sectors are the only two sectors that required reporting under IFRS in Saudi Arabia before the decision to transition to IFRS for all listed companies was made in 2012.

financial transactions and the need for a separate set of accounting standards to account for these transactions deserves close examination. This is due to the significant implications of this applicability on the level of adoption of IFRS and on other academic and practical levels (ACCA & KPMG 2010; AOSSG 2010, 2011; Maali & Napier 2010; PwC 2010; Sarea, Hanefah & Mustafa 2013).

PwC (2010) issued a report in 2010 that compared Islamic finance and IFRS and discussed compatibility issues and the ability to use IFRS to account for Islamic financial transactions. In the report, PwC proposed that despite any possible differences in the legal form, the economic substance of Islamic and conventional financial transactions and products is largely comparable. Thus, the minimal differences in the legal form do not preclude or disqualify the use of IFRS to account for both types of transactions. Alkhtani (2010) reported that interviewed CFOs from Saudi banks indicated that they account similarly for both the Islamic and conventional financial products they offer and that the only difference lies in the procedure (i.e., legal form). PwC's (2010) report also suggests that Islamic financial transactions can be reflected properly by IFRS without compromising Islamic principles and Shari'ah requirements if IFRS's framework is reasonably applied and additional disclosures providing additional and relevant explanations are provided (PwC 2010).

Maali and Napier (2010) argue that the use of conventional accounting standards such as those of IFRS would not be appropriate to account for transactions of Islamic financial institutions due to the uniqueness of the legal forms of Islamic financial transactions. Similarly, Karim (2001) argues that the distinctive nature and characteristics of the transactions, products and contracts offered within Islamic financial institutions requires the development and implementation of specific standards that considers these unique characteristics. Ibrahim (2000) highlights how differences in economic principles and norms can affect the three main accounting elements: recognition, measurement and disclosure of transactions and events. This differentiation in the recognition, measurement and disclosure aspects of transactions between the two accounting systems could form a basis and foundation for those who demand separate accounting standards to account for Islamic financial transactions not covered by IFRS. The implications of these differences affect the academic community and could result in

the creation of separate Islamic accounting and financial courses within the accounting curriculum of Islamic countries.

The debate in the literature regarding the applicability of IFRS to account for Islamic financial transactions has resulted in accounting academics and professionals calling for separate standards to account for these transactions. The AOSSG (2011) survey asked respondents about their perceptions of whether the application of separate accounting standards for Islamic financial transactions, such as those of AAOIFI, would affect compatibility and convergence or adoption of IFRS. The majority (78 per cent) of respondents indicated that there would be compatibility issues. However, in the AOSSG (2013) survey, respondents from the MENA region did not consider the application of two sets of standards simultaneously (i.e., IFRS and AAOIFI) would affect compatibility with IFRS adoption and convergence. Further, respondents indicated that the way some Islamic financial transactions are treated by entities within their jurisdictions could depart from IFRS requirements (AOSSG 2013). These views could raise questions about the reality of unification and globalisation of standards, something that needs to be considered by the IASB through its advisory body and consultative group on Shari'ah-compliant financial transactions and instruments.

3.3.4 Need for separate accounting standards for Islamic financial transactions

In the AOSSG (2011) survey, 78 per cent of respondents indicated that they do not have a separate and special set of accounting and reporting standards to account for Islamic financial transactions. Only five jurisdictions indicated that they have special Islamic accounting standards (AOSSG 2011). Of the five jurisdictions employing special Islamic accounting standards, three (Dubai, South Africa and Syria) indicated that they use Islamic accounting standards developed by the AAOIFI. However, one jurisdiction (Pakistan) indicated that it uses local Islamic standards adapted from the AAOIFI and one (Indonesia) indicated the use of local standards not influenced by the AAOIFI (AOSSG 2011). Dubai, South Africa and Syria indicated that a convergence with IFRS might result in a review of their Islamic accounting standards and Pakistan and Indonesia indicated that any convergence plans to IFRS would not affect their Islamic

accounting standards and that these standards will be retained without any amendment or review processes (AOSSG 2011).

In the AOSSG (2013) survey, 75 per cent of respondents stated they believed in the necessity of retaining Islamic accounting standards. Additionally, none of the survey respondents considered the option of withdrawing the use of Islamic accounting standards, which signals the importance of the area to accounting practitioners in the MENA region. El Razik (2009) argues that if the IASB seeks the convergence of accounting standards by using IFRS, attention and consideration needs to be given to the needs and features of other parts of the world beside those in North America and Europe. Apart from the lack of qualified accounting and auditing professionals with IFRS expertise, El Razik (2009) highlights a number of challenges facing full compliance with IFRS in Middle Eastern countries (e.g., departure from current reporting practices and departure from culture).

Within the context of Saudi Arabia, Alsaeed (2006) comment that the decision of disclosing voluntary information is left to the management of public firms where no rules or requirements are set by the regulating and authoritative accounting bodies in Saudi Arabia. This has led to the presence of low level of voluntary disclosures among listed non-financial firms in the Saudi stock market. This might signal a tendency towards minimising additional voluntary-disclosure related to Islamic financial transactions if no mandatory standards are issued.

3.3.5 Islamic financial transactions not covered by IFRS

A number of Islamic financial transactions, as well as the right way to account for these transactions, that are not covered by IFRS have been addressed in the literature. Most of these transactions occur within the context of Islamic financial banks and institutions (ACCA and KPMG 2010). According to the AOSSG (2011), 11 of 14 surveyed jurisdictions where Islamic financial transactions and products are offered indicated that financial institutions are the major medium for offering Islamic financial products and services. Among these transactions are the measurements, classification, recording and disclosure of Ijarah, Takaful, Sukuk, Zakat, Mudharabah, Murabaha, Musharakah, Qard

and Profit Equalisation Reserves (PER) accounts. Appendix A presents explanations and definitions of these transactions and financial products.

Other requirements include additional related Shari'ah-compliant and non-Shari'ah-compliant disclosures, cleansing of income disclosures as well as disclosures related to the risk of compliance with Shari'ah requirements for certain Islamic financial transactions (AOSSG 2010, 2011, 2013; Suandi 2013). As these transactions are considered among the most important Islamic financial transactions according to Islamic accounting and finance experts and practitioners, their inclusion in the accounting curriculum needs to be evaluated by academics in Saudi Arabia.

3.4 Possible effect of different education systems

The disparity of the way different educational sectors are structured and organised may reflect approaches to curriculum development. Researchers argue that higher education systems worldwide can be divided into two sectors based on the focus and basic mission of each (Fonselius, Hakala & Holm 2001; Fuller & Chalmers 1999; Loukola, Isoaho & Lindström 2002). The first sector, represented by universities, is characterised by being principally research oriented. However, the second sector has a training and practical focus and is represented by a variety of colleges and institutions such as Technical and Further Education (TAFE), Vocational Education and Training (VET) and polytechnics (Fuller & Chalmers 1999; Harris, Sumner & Rainey 2005; Loukola, Isoaho & Lindström 2002).

The differences in the purpose and focus between universities and TAFE and VET are expected to reflect the foundational base (i.e., theoretical versus practical underpinnings) in which the curriculum in each sector is based (Moodie 2003; Pearce, Murphy & Conroy 2000). It has been noted that the theoretical focus that universities have compared to the skills focus found in TAFE and VET creates difficulties and challenges for students who transfer between the two sectors (Harris, Sumner & Rainey 2005). Specifically in the context of accounting, Stoner and Sangster (2013) indicate that accounting programmes at vocational institutions tend to have greater focus on teaching rules at early stages of the programmes and postpone the introduction of the

theoretical and principles aspect to later stages, providing superficial and minimal coverage.

Some researchers argue that if the orientation and learning emphasis of various higher education institutions differ, it is anticipated that the way students approach learning in those educational settings will also differ (Eley 1992; Fuller & Chalmers 1999). Fuller and Chalmers (1999) argue that due to universities' focus on a theoretical approach to learning, university students are more likely to engage in a more cognitive approach to learning than students studying at TAFE and VET. The difference in learning approaches adopted by students can partly be attributed to the way academics approach teaching.

Other differences between these two sectors include the level of degrees offered, length of the programmes and the different class sizes. Universities usually provide bachelor-, master- and doctorate-level degrees while TAFE, VET and polytechnics usually provide diplomas and associate degrees. Fonselius, Hakala and Holm (2001) note that degree programmes offered at polytechnics in Finland are characterised by having a small subject focus that reflects the limitation of available financial and human resources. Howieson (2003) argues that longer programmes (i.e., those of four or five years) provide more room for innovation and change in the accounting curriculum compared to shorter programmes (i.e., those of three years). Golding (1999) acknowledges the positive effect that small class sizes in TAFE have on attracting students compared to university programmes that are usually characterised by larger class numbers.

As noted in Chapter 2, the higher education system in Saudi Arabia has a two-tiered structure. Public and private universities are oriented towards research and education and provide four-year bachelor programmes in accounting. Conversely, other academic institutions represented by the IPA and the TVTC focus on training and practical learning and provide one-and-a-half to two-year diploma programmes. The literature suggests this differentiation is expected to affect the way each sector approaches the transition to IFRS in the accounting curriculum (Fuller & Chalmers 1999; Harris, Sumner & Rainey 2005; Loukola, Isoaho & Lindström 2002). It is also expected that this differentiation will extend to affect the capacity of each educational sector to support the incorporation of IFRS. As such, investigating the differences in perceptions

of academics from different education systems in Saudi Arabia will form a part of this study.

3.5 Accounting education and pedagogy: implications for approaches to teaching IFRS

According to Guerreiro, Rodrigues and Craig (2014), the adoption of IFRS with its principles-based nature will bring about challenges to countries that have embraced rules-based accounting for many years. These challenges are not expected to be limited to the professional field. For example, accounting systems and standards that have traditionally had a rules-based nature (e.g., Brazil, France and South Africa) need to rethink the content of the accounting curriculum and the pedagogical approaches used by accounting educators to convey the underlying principles and concepts of IFRS (Carvalho & Salotti 2013; Howieson 2003; Joshi & Chugh 2009; Lopes 2011). Jackling, de Lange and Natoli (2013) note the importance of recognising the principles-based nature of IFRS. They also highlight the necessity of recognising and understanding the IFRS conceptual framework and the effects that this understanding will have on deciding on the pedagogical approaches suitable for IFRS. Since Saudi Arabia utilises a rules-based accounting system, attention to the challenges highlighted in the literature is necessary for a successful transition to IFRS with respect to the accounting curriculum in academic institutions in Saudi Arabia.

The importance of having an understanding of the IFRS conceptual framework has also been emphasised by the IFRS Foundation and the IASB (IFRS Foundation 2010). This focus on understanding the IFRS conceptual framework has introduced the importance of implementing a teaching approach that considers the basic concepts of IFRS while using the IFRS conceptual framework as a starting point from which teaching pedagogies are developed and implemented (Hodgdon, Hughes & Street 2011). Hodgdon, Hughes and Street (2011) stress the important role played by accounting academics to improve students' skills by implementing a learning approach that commences at an early stage of the accounting programme. It is clear that transitioning from rules-based standards to principles-based standards will have an effect on accounting education and the way accounting academics approach teaching in many

social contexts (Jackling, Howieson & Natoli 2012). This fact necessitates a closer examination of the differences between rules-based and principles-based standards.

3.5.1 Differentiating between rules-based and principles-based standards

There is a debate in the literature dating back to the 1930s on the definition of, and differentiation between, rules-based and principles-based accounting standards and whether such clear distinctions can still be recognised (Gill 2003). For example, Schipper (2003) comments that as long as standards are drawn upon a conceptual framework, principles should be used to derive the standards. Sunder (2010) also comments that the distinction is made based on the level of detail incorporated in each set of standards where principles-based standards rely on professional judgement while rules-based standards rely more on following rules.

The categorisation of financial reporting standards as either rules based or principles based has also been questioned by some scholars. It is argued that despite the reference provided by IFRS regarding the development of principles-based standards, no definition of what is meant by principles-based standards has been clearly articulated (Wells 2011). Nonetheless, some researchers argue that relating IFRS to the concepts outlined in the conceptual framework enables categorising them as principles-based and results in a more solid and clear set of standards that affect positively the quality of financial reporting (Agoglia, Douppnik & Tsakumis 2011; Wells 2011).

In the US, financial reporting standards are widely perceived as being rules-based as opposed to principles-based (Benston, Bromwich & Wagenhofer 2006; Carr & Mathews 2004). Additionally, the Financial Accounting Standards Board's (FASB's) proposal in 2002 relating to following a principles-based approach for the development of US standards implicitly indicated a recognition of the rules-based nature of their current standards (Benston, Bromwich & Wagenhofer 2006). Moreover, Schipper (2003) and Benston, Bromwich and Wagenhofer (2006) introduced possible explanations for the classification of US standards as rules-based, that is, the presence and providence of scope and treatment exceptions for certain classes of transactions, elements or arrangements by the US accounting standards, resulting in the need for explicit rules to explain such issues.

Gill (2003) notes that FASB perceives that principles would provide a context allowing broader application of standards compared to rules and consequently resulting in having fewer exceptions to practices, if any. Another reason for the classification of the US standards as rules-based is the lengthy interpretation and implementation guidance and details within the US standards compared to the principles-based standards (Agoglia, Douppnik & Tsakumis 2011; Benston, Bromwich & Wagenhofer 2006; Gill 2003; Schipper 2003). As SAS are highly influenced by AAS, it can be argued that SAS have a rules-based nature. Therefore, the transition to the principles-based IFRS in Saudi Arabia will certainly create challenges that need to be considered.

Coetzee and Schmulian (2011) argue that the limited amount of interpretation and application guidance provided by principles-based standards encourages and fosters the use and exercise of critical thinking and professional judgement as opposed to merely following explicit rules. This distinction between principles-based and rules-based accounting standards will extend to the appropriate pedagogical approaches to be used when teaching each type of standard.

3.5.2 Approaches to teaching

The accounting profession is developing dramatically, resulting in the development of roles and tasks undertaken by and expected from professional accountants (Coetzee & Schmulian 2012; Fortin & Legault 2010; Howieson 2003; Parker 2001). In addition, the adoption of the principles-based IFRS has changed the skills expectations of accounting graduates globally. Developments in professional accountants' roles and tasks necessitate the development of different sets of skills and knowledge such as analytical, problem solving, critical thinking and professional judgement (Barth 2008; Elliott & Jacobson 2002; Hilton & Johnstone 2013; Hodgdon, Hughes & Street 2011; Jackling 2013; Wells 2011). These developments in accountants' tasks have signified the need to have greater focus on the development of accounting students' professional and generic skills through the accounting curriculum to satisfy career requirements (Albrecht & Sack 2000; Birrell 2006; Boyce *et al.* 2001; Bui & Porter 2010; Jackling & De Lange 2009; Joshi & Chugh 2009; Kavanagh & Drennan 2008; Lawson *et al.* 2014; Mathews 2001; Mohamed & Lashine 2003; Palm & Bisman 2010).

The accounting curriculum needs to be constantly adapted to meet the emerging needs of the accounting profession and to ensure the adoption and employment of new teaching and pedagogical approaches by accounting academics to enable the development of students' skills and knowledge (Coetzee & Schmulian 2012; Flood & Wilson 2008; Fortin & Legault 2010; Jackling & De Lange 2009; Joshi & Chugh 2009; Kavanagh & Drennan 2008). The American Accounting Association (AAA) (1986) cited in Bedford *et al.*'s (1986, p. 187) report stated:

Faculties should design educational experiences for students that require them to be active, independent learners and problem solvers rather than passive recipients of information.

The Accounting Education Change Commission (1990, p. 309) stated:

Students should be taught the skills and strategies that help them learn throughout their lifetimes. Students must be active participants in the learning process, not passive recipients of information. They should identify and solve unstructured problems that require use of multiple information sources. Learning by doing should be emphasised. Working in groups should be encouraged.

Since the traditional lecture approach remains dominant within higher education institutions in Saudi Arabia, accounting academics in Saudi Arabia need to move towards a more inclusive teaching approach. Such an approach needs to consider the shift in expectation from future employers regarding workplace skills in order to foster student development of these skills.

3.5.2.1 Instructor-centred approach

An instructor-centred approach represents the traditional mode of teaching and is the predominant teaching approach in accounting classes at the higher education level (Coetzee & Schmulian 2012). Within this traditional approach, the instructor generally dominates the lecture in one-way communication where students' participation is minimised and limited to simple and straightforward interaction (Coetzee & Schmulian 2012). This approach is perceived to discourage higher levels of intellectual and critical discussion and questioning from students in favour of more passive learning and acceptance of the discussion in which the answers provided by the instructor are the

only correct answers (Boyce *et al.* 2001; Carmona & Trombetta 2010; Coetzee & Schmulian 2012; English, Lockett & Mladenovic 2004; Lucas & Mladenovic 2004; Palm & Bisman 2010; Saunders & Christopher 2003). Minimising the intellectual involvement of the students highlights the limitations of this approach in developing the skills and knowledge required for accounting graduates, making the instructor-centred approach less appropriate for teaching principles-based standards such as IFRS.

3.5.2.2 Learner-centred approach

A learner-centred approach represents the more modern approach of teaching accounting and principles-based standards such as IFRS (Coetzee & Schmulian 2011; Coetzee & Schmulian 2012). The genesis of this approach stems from its focus on the development of students' critical-thinking and professional-judgement skills. This approach assists in increasing students' conceptual understanding of economic events, and accounting concepts and principles (Barth 2008; Coetzee & Schmulian 2011; Coetzee & Schmulian 2012). This necessitates a shift in educators' roles from that of straight forward lecturers to that of facilitators of the educational process (Boyce *et al.* 2001; Joshi & Chugh 2009; Palm & Bisman 2010).

It is argued that preparing an optimal learning environment in which learning goals are achieved cannot be attained with the use of a single teaching approach, as learning outcomes vary in complexity (Bonner 1999; Coetzee & Schmulian 2012). Therefore, the use of a mixture of both approaches is preferred, depending on the nature of the subject matter being taught. For example, early stages of a programme might be better taught with the instructor-centred approach, while later and more complex stages might be better delivered using the learner-centred approach (Carmona & Trombetta 2010; Coetzee & Schmulian 2011, 2012).

3.5.2.3 Difficulties with adopting learner-centred approach

As mentioned earlier, the instructor-centred approach is the approach that is more widely used and preferred within academia, which could lead to a possible resistance to change by accounting academics who are used to teaching in a certain way (either due

to lack of ability or will) (Boyce *et al.* 2001; Bui & Porter 2010; Coetzee & Schmulian 2012). Boyce *et al.* (2001, p. 55) explain such behaviours by accounting academics:

This is perhaps not surprising, given that most contemporary accounting educators are themselves the product of conventional accounting education programmes.

Possible reasons for the lack of preparedness and willingness to embark upon renovation of accounting education and curriculum were cited by Nelson (1995):

- monetary and resources costs associated with the change
- time investment required from academics to support the change
- academics' dependency on textbooks and ready materials to avoid extra preparation for lectures
- academics' familiarity with traditional teaching approaches and course content
- academics' lack of updated knowledge on emerging issues and interdisciplinary knowledge.

Despite the fact that Nelson made these observations in the mid-1990s, most (if not all) are still relevant today.

The enthusiasm of academics and faculty members is considered a primary factor in increasing the effectiveness of teaching (Stice & Stocks 2000). Allen and Fifield (1999) highlight that resistance to change from academics is derived from a mixture of factors related to culture, politics and management structure. Boyce *et al.* (2001, p. 54) highlight that more effort should be made by accounting academics in their approaches to teaching:

Accounting educators must instead focus on generating appropriate attitudes, including tolerance for uncertainty and ambiguity; willingness to deal with complexity and confusion, acceptance of conflicting information, courage to take risks, and a fundamental desire to enhance thinking and problem-solving skills.

Therefore, a paradox arises where academics need and are expected to play a role in facilitating and preparing students for a change in the way they approach learning, something that can hardly be achieved when academics themselves are not ready for it.

Resistance to adopt a learner-centred approach to learning could also come from students who may have preconceived ideas about and perceptions of the learning and teaching process. It is possible that students will have concerns and discomfort when new teaching and pedagogical approaches are introduced because they feel more comfortable with traditional ways of teaching and learning that require less responsibility, and may avoid creating uncertainty and ambiguity with respect to the learning requirements and expectations (Milne & McConnell 2001).

Another challenge facing the adoption of a learner-centred approach to learning is shared by accounting educators and accounting students (Bonnier *et al.* 2013). Accounting academics have the challenge of preparing questions and cases for examinations and evaluating and grading students' responses and answers (Bonnier *et al.* 2013). Conversely, students face the challenge of studying and preparing for examinations, ensuring that they cover all required aspects of what constitutes a correct and appropriate answer. Students also need to be sure of the accuracy and fairness of the grading process (Bonnier *et al.* 2013). Similarly, Stoner and Sangster (2013) attribute difficulties in adopting a principles-based approach of teaching accounting to the tendency of students and academics towards a rules-based approach that favours a system of teaching and learning in which 'right' and 'wrong' are easily identified. They add that accounting academics need to compromise the ease of preparing examinations and the grading process under the old approach with the benefits of applying new pedagogical approaches despite the difficulties and challenges associated with these new approaches.

Other factors such as the environment could also play a role in supporting or hindering the activation of the learner-centred approach of teaching. For example, Murdoch and Guy (2002), Hill and Milner (2006) and Bui and Porter (2010) highlight the effects of class size on the educational process and the way academics approach teaching, as well as the degree to which they utilise innovative pedagogical approaches. Murdoch and Guy (2002), Hill and Milner (2006) and Bui and Porter (2010) argue that smaller classes have positive effects on students' grades and performance. Conversely, large class sizes are considered major impediments to students developing soft and generic skills, and increasing the quality of teaching and the adoption of innovative pedagogical approaches.

Rethinking the accounting curriculum, where more focus is devoted to principles-based standards such as IFRS and less focus is devoted to technical and detailed content is necessary for enabling the application of a learner-centred approach of pedagogy (Coetzee & Schmulian 2012). Given that Saudi Arabia has made the decision to transition to IFRS, Saudi higher education institutions and accounting educators need to reconsider their teaching methods, building on the experiences of other countries that have already adopted IFRS (Jackling, Howieson & Natoli 2012).

3.5.3 Pedagogical approaches to teaching IFRS

The adoption of IFRS presents an opportunity for accounting academics to rethink the curriculum and utilise modern pedagogical approaches. Jackling, de Lange and Natoli (2013) describe the way accounting academics in Australia dealt with the adoption of IFRS in the accounting curriculum. From a pedagogical perspective, they view the Australian experience as a lost opportunity to improve on the content of the accounting curriculum and pedagogical approaches. They encourage accounting academics to rethink accounting education and to utilise new teaching methods that are more relevant to a principles-based approach such as simulations, role plays, oral presentations by students and problem-based case studies with multiple solutions (Jackling, de Lange & Natoli 2013). Similarly, AlMotairy and Stainbank (2014) acknowledge the dominance of traditional approaches over more student-centred approaches, for example, with lecturing practices among academics in Saudi Arabia. Thus, it is necessary to re-examine the level of usage of modern pedagogical approaches among accounting academics in Saudi Arabia and the reasons behind the low level of utilisation of these approaches.

Hodgdon, Hughes and Street (2011) and Wells (2011) suggest the use of a framework-based teaching approach where the IFRS conceptual framework represents the starting point and the basis for defining and analysing business transactions and economic events. To achieve successful transition to teaching IFRS in the curriculum, the focus should be on the content of the courses, the way the courses are taught and delivered and the structure of the curriculum.

3.5.4 Framework-based teaching of IFRS

Barth (2008) and Carmona and Trombetta (2010) stress the need to shift the focus of accounting education to the development of student skills in judgement and analysis by following a conceptual approach of teaching where the framework, principles and concepts of standards are the principal focus. Following a framework approach is considered to have a more lasting effect on students' comprehension and adaptation to changes in accounting regulations and standards that may occur than the conventional teaching of rules (Barth 2008).

Wells (2011) argues that reporting under IFRS requires that future accounting graduates develop, possess and utilise technical, professional and judgement skills that are best attained and developed when framework-based teaching of IFRS is implemented. Wells (2011), states that the nature of IFRS learning is to understand the IFRS principles and its underlying concepts. This can be achieved, he adds, through exploration and deep examination of the IFRS conceptual framework. As the conceptual framework represents the reference for the development of IFRS, a connection between the conceptual framework and teaching IFRS is important. Wells (2011) introduces framework-based teaching indicating that the concepts outlined in the framework should be related back to IFRS requirements during the teaching process at any level. It is argued that following framework-based teaching allows for a deeper, more comprehensive and more robust understanding of IFRS requirements and underlying concepts (Hodgdon, Hughes & Street 2011; Wells 2011). It is also argued that following framework-based teaching will help develop students' abilities related to exercising the professional judgement needed for the application of IFRS because the conceptual framework forms and provides the concepts and principles on which judgements are based (Hodgdon, Hughes & Street 2011; Wells 2011).

According to the IFRS Foundation (2010), the IASB conceptual framework is intended to facilitate and enable the development and review of IFRS. Among the main concepts addressed by this framework are the objectives of financial reporting, qualitative characteristics of financial information, the way elements of financial statements are defined, recognised and measured, as well as capital-related concepts (IFRS Foundation 2010). Hilton and Johnstone (2013) suggest the use of the IFRS conceptual framework

as the starting point to develop the new curriculum. They emphasise the importance of integrating all components of the curriculum in a way where students are able to link different topics and important accounting and economic concepts to allow for better understanding and comprehension (Hilton & Johnstone 2013; Light *et al.* 2009).

Wells (2011) argues that the discussion of debatable issues introduced by the IASB during the standards-setting process with students increases the chance for a better understanding of the underlying concepts and the development of judgement skills. Wells (2011) also stresses the importance of understanding the objective of financial reporting, qualitative characteristics and major concepts outlined in the framework to the framework-based teaching of IFRS, as they provide the foundation from which other elements and parts of financial statements are derived. Wells (2011) adds that it is important to relate economic events and transactions to the objective of financial reporting and qualitative characteristics in framework-based teaching. Researchers argue that applying framework-based teaching allows the identification of the elements of financial statements resulting from economic events and financial transactions, as well as the identification of the relevant IFRS standards to be used (Hodgdon, Hughes & Street 2011; Wells 2011).

3.6 Factors affecting capacity to support incorporation of IFRS into accounting curriculum

According to Larson and Brady (2009), careful planning that considers opportunities and challenges, and involves and acknowledges stakeholders when considering the magnitude and importance of the change is necessary for the success of later steps in curriculum-reform projects. Larson and Street (2011) argue that factors such as whether IFRS are being fully adopted in a country or whether the country is in a transition phase will affect the way IFRS are incorporated and taught. Other issues that could affect the way IFRS are incorporated into the curriculum relate to the following factors (Jackling, de Lange & Natoli 2013):

- availability and access to financial accounting textbooks
- the way introductory financial accounting classes are formed

- whether all students major in accounting or the classes have students majoring in subjects other than accounting.

Identifying difficulties facing the incorporation of IFRS into the accounting curriculum based on the experiences of other countries that have already adopted IFRS is of great importance to the successful adoption of IFRS. This approach is embodied in CIF, which is the focus of the following chapter. Stoner and Sangster (2013) advise professional accounting bodies, universities and accounting academics in countries that are about to make a transition to IFRS to consider several issues, including the following:

- availability of teaching materials
- accounting academics' resistance to changing the way they teach
- need for faster adaptation of IFRS including terminology and language
- environment in which the change is to occur.

3.6.1 Availability of teaching materials and resources

The availability of required teaching materials and resources to accounting academics and students is highlighted repeatedly in the literature as one of the main factors influencing both the time and extent to which curriculum-reform initiatives are enacted (Alkhtani 2010; Munter & Reckers 2009). For example, Jackling, de Lange and Natoli (2013) state that the availability of teaching materials that cover IFRS is considered one of the main reasons for postponing the transition to IFRS in the accounting curriculum and one of the main causes resulting in increasing the hesitation of accounting academics to adopt teaching IFRS in Australia. Stoner and Sangster (2013) highlight that accounting programmes provided by vocational institutions heavily use accounting textbooks as the main reference, and make little use of other external materials provided by outside organisations such as the actual standards and online resources. This has resulted in vocational institutions delaying incorporation of IFRS into their accounting curricula (Stoner & Sangster 2013).

The lack of IFRS-related teaching resources is even more obvious in non-English-speaking countries (Vysotskaya & Prokofieva 2013). This issue has been attributed to the lack of availability of accurate and consistent translations of IFRS and IFRS-related teaching materials and resources into languages other than English for countries where English is not the native language used in instruction and interaction with students. Efforts from local professional bodies or individual academics are needed to fill this gap in the form of authorisation and translation of leading textbooks and teaching materials.

Academics play an important role in supporting the transition to IFRS in the curriculum through the development of teaching resources. Jackling, de Lange and Natoli (2013) indicate that minimum efforts were made by Australian academics to develop teaching materials. They instead relied on initiatives from textbook publishers. Jackling, de Lange and Natoli (2013) add that publishers of financial accounting textbooks have responded to the need to provide textbooks that cover IFRS with supplementary teaching materials. Academic institutions also play a role in supporting academics to allow them to participate in publishing and translating IFRS-related textbooks and teaching materials. Evidence from AlMotairy and AlTorky (2012) indicates that universities in Saudi Arabia have not provided academics with sufficient support (e.g., allowing lower teaching loads) to develop IFRS teaching resources to account for the shortage of such teaching materials in Arabic.

Academics also need to increase their awareness of and exposure to the resources provided beyond their academic institutions, as such a lack of awareness can result in missed opportunities and delays to the incorporation of IFRS into the curriculum. For example, AlMotairy and AlTorky (2012) note that almost 40 per cent of the academics in Saudi Arabia who participated in their study were not aware of teaching resources and case studies prepared by the 'Big 4' public accounting firms.

While there is a lack of awareness of external resources, a vast number of online resources are offered through a number of channels such as global accounting firms and professional accounting bodies in the US, Canada and Europe (Yallapragadarry, Toma & Roe 2011). Larson and Brady (2009) introduce and suggest a number of resources that can empower IFRS teaching. Larson and Street (2011) also provide an extensive review of IFRS-related teaching materials and resources in addition to suggested

strategies to help accounting academics access and use these resources. Example of these resources include IFRS standards and summaries, websites of professional bodies and public accounting firms, case studies and suggestions for accounting textbooks on IFRS.

The IFRS Education Initiative also provides accounting academics and students access via the internet to a number of useful resources and materials related to IFRS, most of which are free of charge or offered at a minimal cost (IFRS Foundation 2014d; Jackling 2013). Table 3.2 outlines some of these resources, which include the following:

- translations of the standards for listed companies and SMEs
- teaching materials that support framework-based teaching
- PowerPoint materials for train the trainer workshops
- 35 translated training modules for IFRS for SMEs.

The IFRS Foundation acknowledges that the Arabic translations of some of these materials are facilitated and funded by the Arab Society of Certified Accountants (ASCA) in Jordan and that these translations are not approved by the IASB (IFRS Foundation 2014e). Appendix B provides a detailed overview of the resources offered by the IFRS Education Initiative.

Table 3.2: IFRS Education Initiative resources in Arabic

Resources	Example
IFRS	<ul style="list-style-type: none"> • 2014 Red Book and eIFRS Professional • 2012 consolidated, unaccompanied IFRSs available on eIFRS Basic (free access with registration)
IFRS for SMEs and other publications	<ul style="list-style-type: none"> • translation of IFRS for SMEs • eIFRS terminology
XBRLIFRS taxonomy	<ul style="list-style-type: none"> • 2014 taxonomy
Framework-based teaching material	<ul style="list-style-type: none"> • Introduction • Stage 1: Property, plant and equipment • Stage 2: Property, plant and equipment with other non-financial assets • Stage 3: Non-financial assets • Stage 3: The Open Safari case study • Stage 3: Teaching notes for the Open Safari case study
Framework-based teaching workshops	<ul style="list-style-type: none"> • workshops conducted by IFRS Education Initiative staff in coordination with regional and global partners • train the trainer workshops on the topic ‘IFRS for SMEs’
Arabic-language material for ‘train the trainers’ workshops	<ul style="list-style-type: none"> • PowerPoint presentations for train the trainer workshops on the topic ‘IFRS for SMEs’
Arabic-language training modules	<ul style="list-style-type: none"> • 35 standalone training modules—one for each section of the IFRS for SMEs
IFRS support for students	<ul style="list-style-type: none"> • prearranged visits to meet IFRS Foundation staff • educational notes and articles

Source: IFRS Foundation (2014e)

3.6.2 Influence of language on IFRS education and implementation

Language-related factors such as the availability of translated standards and teaching materials, as well as considerations of the implications of language differences on the understanding and correct application of IFRS, have been identified as some of the main obstacles facing the internationalisation of accounting standards and their implementation around the world (Hellmann, Perera & Patel 2010b; Kettunen 2011; Larson & Street 2004; Skotarczyk 2011). The goal of global adoption of IFRS results in the need for translation of resources from English, the official and source language of IFRS, to other target languages (Baskerville & Evans 2011; Evans 2004). The issue of

the complete or timely availability of an official and approved translation of IFRS into languages other than English has been cited as an obstacle to the timely transition to IFRS in a number of countries (Carvalho & Salotti 2013; Coetzee & Schmulian 2013; Larson & Street 2004; Vysotskaya & Prokofieva 2013). More specifically to the context of Saudi Arabia, Alkhtani (2010) indicates that the lack of a high-quality translation of IFRS into Arabic is among the most challenging factors for the adoption of IFRS in Arabic-speaking countries, particularly for small listed companies and local accounting firms that have inadequate resources available to train their employees.

3.6.2.1 Why translation of IFRS is problematic

There are a number of concerns associated with the translation process raised by the IASB, accounting academics, accounting professionals and local accounting regulators and standards setters in countries that decided to adopt or make a transition to IFRS (Evans, Baskerville & Nara 2011; Hellmann, Perera & Patel 2010a, 2010b; Kettunen 2011). There are many difficulties associated with translating accounting text. The following difficulties in text translation are related to translating IFRS materials (Baskerville & Evans 2011; Evans 2004; Evans, Baskerville & Nara 2011, 2015; Nobes 2006; Skotarczyk 2011):

- mistranslation
- loss of meaning
- inaccurate interpretation of technical clauses and terminology
- problems associated with uncertainty and probability expressions
- problems associated with undefined concepts
- variety of meanings for some concepts
- inconsistent use of the same terminology across English-speaking countries
- complexity of sentence structures and absence of an equal term in other languages.

3.6.2.2 Quality, accuracy and availability of translations

Issues such as the quality of the original set of standards or accounting texts to be translated, and the trade-offs between the accuracy and appropriateness of the translation are repeatedly raised as a concern for attaining accurate translations

(Kettunen 2011). McGee and Preobragenskaya (2005) criticise the low quality of available translations of IFRS into the Russian language before 2011. They state that these translations did not consider the political, economic, legal or business environment in Russia. Similarly, Alkhtani (2010) expressed concerns about the quality and relevance of the IASB's translation of IFRS into Arabic. It is also noted that despite there being Portuguese translations of IFRS by the IFRS Foundation, the IASB and other local organisations in Brazil, there is a tendency for accounting academics, students and practitioners in Brazil to consult the English version of IFRS (Carvalho & Salotti 2013). This is attributed to the lack of availability of equivalent translations of certain IFRS-related terminology into Portuguese, which might lead to inaccuracy of interpretations of IFRS (Carvalho & Salotti 2013). The widespread dissatisfaction of the quality of the available translations of IFRS into languages other than English raises concerns about the reasons for these low-quality translations. It also raises concerns about the consequences that low-quality translation will have on the way IFRS are taught and consequently on the IFRS being correctly applied.

3.6.2.3 Translation of specialised terminology

It is argued that language and translation issues are more apparent when the translation process encompasses the translation of specialised terminology (Baskerville & Evans 2011; Evans, Baskerville & Nara 2015). Accounting terms often express theoretical concepts for which an exact and equal counterpart in different languages cannot be found and thought of independently of these concepts, making it more difficult to create cross-cultural language translations (Kettunen 2011). For example, Kettunen (2011) states that there are acknowledged circumstances in which the translation of IFRS were misleading. Zeff (2007) states that issues associated with translations are not limited to their accuracy but extend to affect the level of comprehensibility of the translated concepts and terms by accounting professionals.

Problems with translations are attributed to a number of factors, some of which are inherent to the translation process. For example, some researchers argue that meanings and values of some words and concepts are culturally inherent and lose their value and meaning during the translation process because they cannot be translated accurately to other cultures and contexts (Evans 2004; Skotarczyk 2011). Moreover, it is argued that

it is rare and can be almost impossible to transfer exact meaning from one language to another and reach an equivalent translation. This difficulty increases in the accounting field when there are differences in cultural, legal or accounting traditions (Evans 2004; Evans, Baskerville & Nara 2011; Kettunen 2011). Glanert (2008, p. 164) states that ‘two or more languages cannot signify identically’.

Literature on the translation of accounting textbooks has highlighted a challenge in transferring the same intended meaning of some accounting terminology and concepts that are highly dependable on the accounting practices that differ among countries and evolve and change over time (Evans 2003; Kettunen 2011). Given that finding equivalent terminology to convey the same concept in a different language and culture is quite difficult, it is argued that translators use what they perceive is the closest and nearest equivalent of terminology, which might lead to blurring and distorting their actual meaning (Evans 2004).

3.6.2.4 Language of principles-based standards

The issue and difficulty of translating terminology that is based on principles and concepts has been addressed in the literature. IFRS are principles-based where the accurate understanding of the conceptual framework is essential to the understanding and correct application of these standards. IFRS also necessitate the use of critical thinking and the expression of professional judgement. Baskerville and Evans (2011) indicate that the principles-based nature of IFRS greatly increases the challenges of providing accurate translations into languages other than English and poses a challenge for accounting academics to understand the translated standards. Hellmann, Perera and Patel (2010a) note that translation mistakes related to technical and language aspects occurred when IFRS were translated into German.

Kettunen (2011) highlights the importance of addressing concepts such as ‘genre’ and ‘register’ when discussing translation issues related to IFRS because of the high level of professional language and jargon used. In addition, Hellmann, Perera and Patel (2010b) indicated that cultural differences, whether related to differences in languages or values, have proven to be a major factor in the different application and interpretation of accounting standards, particularly in cases where the exercise of professional judgement

is needed. Therefore, more concerns about the accuracy of translation and loss of meanings of translated principles and concepts are raised in addition to the use of these translated standards in educational settings.

The model of international theory of accounting developed by Riahi-Belkaoui (1990) proposes that cognition represents the foundation on which decision making and judgement formation are built, which is ultimately determined by factors such as culture and language. This raises questions about the relevance of instructing in a language that is not the first language of the students or the instructors. Those at SOCPA responsible for appointing translators need to consider the principles-based nature of IFRS and the influence of cultural differences on the accuracy of translations. In addition, accounting academics need to make a decision about using Arabic or English as the language of instruction based on academic institutions' specific features and available resources.

3.6.2.5 Implications of cultural differences for accuracy and quality of translation

Evans (2004) argues that the way we perceive and think is influenced and affected by culture, indicating a connection between language and cultural values and norms. It is also argued that language is highly dependent on culture, where commonality of concepts across different cultures is often difficult to achieve, leading to great difficulty in achieving accuracy and consistency in translated materials (Baskerville & Evans 2011; Evans, Baskerville & Nara 2011; Glanert 2008). Crystal (2010, p. 15) highlights concerns of loss of meaning and absence of equivalent terminology in different languages by stating that 'people certainly find it easier to make a conceptual distinction if it neatly corresponds to words available in their language'.

Doupnik and Richter (2004) tested the influence of national cultural differences on the interpretation of probability terms within the context of IAS, comparing professional accountants from the US and Germany. They examined the effects that translation as well as culture and language had on the interpretation of uncertainty terms within the context of IAS. They identified substantial differences in the interpretation between accounting professionals from the two countries and questioned the ability to apply international and unified set of accounting standards consistently in different languages and cultural contexts (Doupnik & Richter 2003; Doupnik & Richter 2004).

Zeff (2007) argues that accounting traditions and practices result in the creation of concepts that are difficult to understand in other cultures and countries where such concepts are not known, despite accuracy of the translation of words. For example, the translation of IFRS introduces new concepts and issues that may not have been addressed or acknowledged in other cultures that decided to adopt or transition to IFRS (Zeff 2007). According to Evans, Baskerville and Nara (2015), evidence from the translation literature suggests that literal translations are not necessarily more faithful or more accurate. In fact, functional translations that help the reader understand the intended meaning are argued to be more relevant to principles-based standards such as IFRS (Evans, Baskerville & Nara 2015).

Reaching accurate translations when translating accounting terminology in general, and those related to IFRS in particular, requires financial and accounting knowledge, understanding of the standards, expertise of cultures and languages, as well as translation abilities in both the source and target languages (Baskerville & Evans 2011; Evans, Baskerville & Nara 2011,2015; Kettunen 2011). Baskerville and Evans (2011) stress that accounting regulators and standard setters must recognise the difficulties associated with the translation of IFRS because this awareness is important in reducing future problems and implications. Baskerville and Evans (2011) also suggest that accounting academics, and those involved in the educational process, need to be responsive and considerate to the difficulties faced by their students to understand IFRS concepts due to the inherited language and cultural differences. Increasing academics' awareness and abilities in dealing with these and other difficulties facing the transition to IFRS in the curriculum (e.g., IFRS content knowledge and skills in using modern pedagogical approaches) requires academics' engagement in training programmes tailored to these needs.

3.7 CPD activities

The speed of developments in the business environment and the way business is undertaken and conducted necessitate parallel development in the skills and knowledge of accounting academics, professionals and practitioners. With the increased adoption of

IFRS around the world, there is greater need for training and re-educating accounting academics and professionals in the area of IFRS because of the need to increase their knowledge to overcome the challenges facing the adoption of IFRS (AlMotairy & Stainbank 2014). Meeting the need for this re-education is enabled through engagement in CPD activities that meet the needs and serve the tasks of the trainee. It is suggested that the presence of robust, well-developed and well-governed education programmes for professional accountants can play a positive role in serving these needs and mitigating possible challenges (AlMotairy & Stainbank 2014).

The type, quality and format of CPD activities and programmes related to IFRS are of great importance to the successful implementation and understanding of IFRS when introduced for the first time in a new environment (Nie, Collins & Wang 2013). For example, a major obstacle facing Russian universities when incorporating IFRS into their curricula is due to the shortage of qualified accounting academics that possess appropriate practical and industry experience related to IFRS (Vysotskaya & Prokofieva 2013). Munter and Reckers (2009) state that there is an issue of a shortage of qualified academic staff in the US, which also applies to the area of IFRS, as well as an issue of re-educating and training academics. This pinpoints the necessity to prepare accounting academics in Saudi Arabia for the new phase at an early stage by identifying their level of awareness and knowledge of IFRS and the areas in which they require training and improvement. Undertaking these necessary preparations will allow administrators of academic institutions in Saudi Arabia to evaluate their institution's capacity to undertake curriculum change. This will facilitate the identification and implementation of appropriate plans to maximise the success of such a transition by taking into consideration the availability and quality of their human resources (i.e., accounting academics).

Through the International Accounting Education Standards Board (IAESB), IFAC has developed and established professional accounting education standards. These standards are intended to promote and develop the knowledge and skills of professional accountants and aim to maintain accounting professionals' competence to serve the public interest (IFAC 2006). The International Education Standard (IES) 7 requires member bodies to enable professional accountant's access to resources and opportunities that allow them to engage in CPD activities and maintain their

competence whether through providing such training themselves or through other channels (IFAC 2006). It also mandates member bodies to require professional accountants practising under the supervision of member bodies to maintain their level of professional competence. For example, IFAC requires member bodies to have professional accountants complete 120 hours of CPD for each three-year period (IFAC 2006).

The presence of education and training standards for accounting professionals plays a positive role in maintaining professionals' competence through ensuring current professional knowledge. However, equivalent CPD standards specifically for accounting academics are not required. This has negatively affected the availability and quality of training programmes and opportunities offered to accounting academics around the world. It has also affected academics maintaining their competence level and level of engagement in CPD activities. According to Zajkowski, Sampson and Davis (2007), 73 per cent of academics who responded to their questionnaire believed that assessing CPD needs is the responsibility of individual academics. Leaving this responsibility to academics themselves may result in avoidance of engagement in CPD programmes.

Academic engagement in CPD is generally influenced by indirect motives such as membership of professional bodies. For example, Zajkowski, Sampson and Davis (2007) note that Australian professional bodies require member academics to undertake CPD activities. However, academics who are not members of these bodies are not bound by these requirements. Zajkowski, Sampson and Davis (2007) suggest that setting requirements to bind academics to undergo CPD is a necessity to enable maintenance of competence and update of knowledge in both the discipline content and teaching skills.

It is argued that training needs of accounting academics are not limited to IFRS and content knowledge of the accounting discipline but they also extend to teaching and delivery skills where student-centred approaches are emphasised (AlMotairy & Stainbank 2014; Zajkowski, Sampson & Davis 2007). In the 'Introduction to International Education Standards' (paragraph 37), IFAC (2014) notes the need to develop students' lifelong learning skills during their studies and before joining the

professional field. This requires accounting educators to improve their abilities to use pedagogical approaches that develop these skills among students. However, according to AlMotairy and AlTorky (2012), none of the academics in Saudi Arabia who participated in their study had attended any specialised training programmes for IFRS, and only 13 per cent and 23 per cent of total participants attended general lectures and conferences, respectively, as a form of CPD. This result indicates that greater efforts are needed from Saudi Arabian accounting education departments to allow and encourage accounting academics to engage more in training programs related to IFRS.

The popularity of training programmes and courses varies for many reasons such as the origin of the provider of such programmes (international or local), the content, price, CPD hours requirement and whether certification is provided for participants at the end of the training course (Ross 2012; Vysotskaya & Prokofieva 2013). The main concern highlighted in the literature about international training courses is the relatively high costs associated with undertaking such training programmes. Although more affordable local alternatives are available, they usually lack practical components, international recognition and absence of certification at the end of the training programme (Vysotskaya & Prokofieva 2013). Support provided by academic institutions to their academic staff for paying CPD fees has a positive influence on academics engaging in CPD. According to Zajkowski, Sampson and Davis (2007), the majority of Australian and New Zealand universities (75 per cent and 71.4 per cent respectively) cover the costs of academics attending CPD.

Despite the importance of academics engaging in CPD programmes, many reasons can impede such engagement. For example, Jackling, de Lange and Natoli (2013) attribute the low engagement level of accounting academics in Australia with professional-development initiatives and activities to the lack of available time to partake in such activities. They add that junior accounting academics are more likely to be open to change and accept revising the teaching methods they currently use compared to their senior counterparts who may be less willing to make such changes (Jackling, de Lange & Natoli 2013). Stoner and Sangster (2013) indicate that accounting academics in the United Kingdom (UK) suffered because of low levels of training provided to them for IFRS in the following areas: the educational process; teaching IFRS; assessment modes and techniques; suitable classroom materials to be used. Yallapragadarry, Toma and

Roe (2011) and Paul and Burks (2010) also acknowledge that accounting academics in the US suffer from a lack of appropriate training opportunities in the area of IFRS.

These experiences highlight the need for providing accounting academics with professional-development activities and training to allow for better and smoother incorporation of IFRS into the accounting curriculum. In addition, these experiences highlight the importance of careful examination of the real needs of accounting academics in the content, duration, certification, and quality of professional-development activities provided to avoid waste of valuable time and resources. Apart from internal CPD opportunities, outside professional and academic accounting bodies also play a role in providing accounting academics and professionals with training programmes in the areas of IFRS that meet their needs (IFAC 2006). Thus, outside professional and academic accounting bodies can play an essential role in providing training programmes and other areas of support for IFRS.

3.8 Support from outside organisations

The presence of a strong relationship between academic institutions and outside professional and academic accounting bodies is an important factor to the success of any transition project. Stevenson (2010) notes the important role played by national standard setters around the world in smoothing the transition process, aligning goals, saving time and directing efforts between the academic and professional sectors of accounting. Stoner and Sangster (2013) also stress the importance of the role played by professional accounting bodies in the process of transition to IFRS and the alignment of efforts and goals between universities and professional accounting bodies. Jackling, de Lange and Natoli (2013) highlight the role played by Australian professional accounting bodies and large public accounting firms in providing initial IFRS professional-development activities and programmes to accounting academics in Australia.

The absence of an effective relationship between professional accounting bodies and academic institutions could have counterproductive results for the transition to IFRS. Vysotskaya and Prokofieva (2013) and Albu and Albu (2012) criticise the absent and passive roles played by professional accounting bodies and organisations and large

public firms, which negatively affects the quality and advancement of professional accountants and accounting education in Russia and Romania. Similarly, Alkhtani (2010) acknowledges the expected role of SOCPA in increasing the number and quality of training opportunities and programmes offered in Saudi Arabia. Alkhtani (2010) also emphasises that SOCPA needs to align goals and be more involved with academic institutions for the sake of improving the content and outcomes of training programmes.

Professional bodies can play a directive role to lead the change, and trigger and enable universities to conduct initiatives in curriculum changes. An example of this leading role is that of the Canadian professional accounting bodies who began to include IFRS and IFRS-related issues in their professional-certification programmes, which ultimately increased the pressure on universities in Canada to respond to such steps and revisit their accounting curricula and adjust their pedagogical approaches (Hilton & Johnstone 2013). In addition, IFRS-related materials and resources such as comparisons between Canadian standards and IFRS and test banks have been provided by professional bodies to support accounting academics and practitioners during the IFRS transition phase (Hilton & Johnstone 2013). This highlights roles that should be considered and undertaken by SOCPA and the SAA in Saudi Arabia.

Professional accounting bodies can play a vital role in helping universities revisit their pedagogical approaches, revise their accounting curricula and cope with the requirements of adoption of IFRS. For example, for a long time, the professional accounting organisation in South Africa has greatly influenced the way accounting curricula are designed in South African universities. The influence of the professional accounting organisations in South Africa and Brazil is not direct but stems from the desire of universities in both countries to prepare their students for passing the professional accounting examination given by the professional accounting body (Carvalho & Salotti 2013; Coetzee & Schmulian 2013). Therefore, the South African professional accounting organisation was required to revisit its examination, which was highly dependent on a rules-based format and approach, and move towards framework-based teaching and principles-based standards to compel universities to change their rules-based curricula.

Seeking accreditation is another driver for the alignment between universities' accounting programmes and professional bodies' requirements. Jackling, de Lange and Natoli (2013) highlight the supervisory role played by professional accounting bodies in Australia over Australian universities and other educational providers in relation to the professional accreditation requirements for academic institutions. They suggest that these accreditation requirements are aimed at the improvement and development of accounting students' technical and professional skills, as well as the preparation of students for challenges in the practical field. The UK provides another example of this type of relationship between universities and professional bodies. According to Stoner and Sangster (2013), almost all accounting programmes at the undergraduate level within universities in the UK have gained accreditation by at least two professional accounting bodies as a way to attract prospective students who are seeking to pursue their professional careers and professional designations.

The support from outside organisations should not be limited to professional accounting bodies. It should also extend to include the private sector represented by international and big public accounting firms due to the large amount of expertise and resources available to them. A promising example of such cooperation is the collaboration between one of the Big 4 accounting firms, KPMG, and the AAA represented by its Education Committee in 2008 when they surveyed American accounting academics (Munter & Reckers 2009). In Russia, public accounting firms have played a similar role. According to Vysotskaya and Prokofieva (2013), an important factor that had a positive influence on postgraduate accounting education and training was the expansion of the operations of internal accounting firms in general and the Big 4 in particular.

These examples shed light on the importance of the alignment of goals and plans among different sectors, governmental and private, such as academic institutions, professional accounting bodies and Big 4 accounting firms to assure timely and successful transition to IFRS and incorporation of IFRS into the accounting curriculum in Saudi Arabia. This discussion also highlights the proactive role that needs to be undertaken by accounting academics in improving their teaching skills by searching for teaching resources and materials beyond local boundaries and traditional channels.

3.9 Conclusion

The globalisation of business and the calls for a unified set of accounting standards around the world have brought new challenges to the accounting profession at all levels. Cultural differences and differences in the local environments of different countries adopting IFRS are argued to be a major hurdle facing the complete adoption of a single global set of standards such as IFRS (Nobes & Parker 2008). In the context of this study, the Islamic economic environment and the major influence of religion in Saudi Arabia on all facets of life introduces special issues to the transition to IFRS, making it different from other countries that have already adopted IFRS. The literature highlights the following recurring issues (Hamid, Craig & Clarke 1993; Ibrahim 2000; Maali & Napier 2010; Suandi 2013):

- compatibility between IFRS and Islamic financial transactions
- need for separate accounting standards to account for Islamic financial transactions
- need for the most important Islamic finance and accounting topics to be covered by IFRS and in the accounting curriculum.

The principles-based nature of IFRS has implications for accounting professionals and accounting educators. Under the IFRS, accounting professionals are required to undertake new tasks that require a different set of professional skills such as critical thinking and professional judgement. Accounting academics are required to prepare their students for the emerging needs of the market and equip them with required knowledge and skills. This necessitates that revisions to accounting curricula are made, approaches to teaching need to be re-evaluated and altered so that pedagogical approaches that allow more interaction from the side of students are introduced and supported.

Among the most desirable approaches to teaching IFRS is the framework-based teaching approach, which is intended to enhance the development of students' professional-judgement skills (Wells 2011). Hodgdon, Hughes and Street (2011) argue that the selection and implementation of pedagogical approaches should stem from the conceptual framework to allow IFRS principles and basic concepts to be connected to

learning goals and outcomes. Hilton and Johnstone (2013) recommend the integration of all components of the accounting curriculum where the conceptual framework of IFRS is considered the starting point to the development of the curriculum.

The review of the literature has highlighted factors that need to be considered when incorporating IFRS into the accounting curriculum to increase academic institutions' capacity to prepare for and undertake such change. The shortage of teaching materials and resources treating IFRS has been a recurring problem in countries that have adopted IFRS (Jackling, de Lange & Natoli 2013; Munter & Reckers 2009). This problem appears to be of greater concern in countries where English is not the first language and consequently not the language used during the educational process (Vysotskaya & Prokofieva 2013).

The shortage of high-quality translations of IFRS and related teaching materials has the potential to delay the incorporation of IFRS into the curriculum. The quality of the available translations provided by the IASB and some local bodies does not meet the needs and expectations of professional users and academics (Alkhtani 2010; Carvalho & Salotti 2013; McGee & Preobragenskaya 2005). The specialised terminology of accounting and the language of principles-based standards alongside the influence of cultural differences are factors contributing to the difficulty in creating high-quality and consistent translations of IFRS (Baskerville & Evans 2011; Doupnik & Richter 2004; Evans, Baskerville & Nara 2011; Glanert 2008). Language-related issues have implications for accounting education because of the level of understating and comprehension that can be gained from the teaching materials. This will affect the application of IFRS by current accounting professionals and future graduates (Zeff 2007). It will also affect the choice between Arabic and English as relevant languages of instruction in Saudi higher education institution.

Successful introduction and incorporation of IFRS in the accounting curriculum requires developments of the knowledge of accounting academics in IFRS content and the pedagogical approaches most suitable to teach IFRS. Academics' engagement in, and benefit from, CPD activities can be increased when factors influencing academics' engagement in CPD are known and mitigated. Some of these factors relate to academics' resistance to engage in CPD. Other factors affecting academics' engagement

in CPD include time constraints, high teaching loads, the reputation of the provider of training programmes and dissatisfaction with the quality of available programmes (Jackling, de Lange & Natoli 2013; Vysotskaya & Prokofieva 2013; Yallapragadarry, Toma & Roe 2011). To overcome these obstacles, there needs to be mechanisms (e.g., financial incentives, lower teaching loads, time releases) to reduce academics' hesitation to engage in CPD designed to increase academics' knowledge of IFRS and maximise the opportunity for overcoming challenges facing IFRS adoption. AlMotairy and Stainbank (2014) suggest the presence of a powerful and governed education programme for accounting professionals to maintain accounting professionals' competence. A similar programme for accounting academics could help in serving these needs.

Professional accounting bodies are usually a major provider of professional-development activities and their role in providing these programmes and supporting the adoption of IFRS should not be ignored (IFAC 2006). Professional and academic accounting bodies can play a positive role in fostering the incorporation of IFRS into the curriculum. They can lead and trigger change by incorporating IFRS in professional-certification programmes and providing IFRS-related teaching materials and resources such as textbooks, case studies and test banks (Hilton & Johnstone 2013). Other outside organisations such as international public accounting firms can also play a role due to the large amount of expertise and resources available to these organisations. Academics' awareness of services provided by outside organisations should be increased and extended beyond local boundaries to avoid lost opportunities in executing curriculum reform and implementation.

As the transition to IFRS in Saudi Arabia continues, Saudi academic institutions need to revise their current accounting curriculum to suitably incorporate IFRS. This revision is made more difficult given that Saudi administrators and accounting academics are faced with the additional hurdles of cultural differences and the Islamic environment of Saudi Arabia. In addition to this, change is also required to address the principles-based nature of IFRS from both a teaching resources and human resources perspective. For instance, teaching resources need to be IFRS compatible and translations of the standards need to be made available to accounting academics and students in the short term. With respect to human resources, accounting academics need to be trained to utilise the teaching

approaches which complement the principles-based standards of IFRS which favours a framework-based teaching of its standards. This can be achieved through the selection of high quality accounting academics along with the provision of tailored training opportunities for them. Academic and professional accounting bodies in Saudi Arabia such as SAA and SOCPA are expected to have significant roles in providing these training opportunities.

Chapter 4: Theoretical Framework

4.1 Introduction

The importance of having a planned curriculum reform to achieve desired outcomes arising from initiatives for curriculum change has been stressed in the literature. Verspoor and World Bank (1989) argue that many promising initiatives for curriculum change in developing countries tend to fail or produce undesired outcomes because of the low level of alignment between the content that should be changed and the process in which they undergo change. Lueddeke (1999) argues that decision making related to introducing change and innovation at the higher education level is better served with the use of a framework that considers factors that are integral to its success. The need to plan for change at an early stage is imperative. Appropriate planning will help save time and money and avoid commissioning project tasks that do not reflect the goals of the planned reform.

This chapter introduces the Curriculum Implementation Framework (CIF) as the underpinning theoretical framework for this study. It is used as a basis for planning and examining the potential influence the adoption of IFRS will have on curriculum reform and implementation in Saudi Arabia. This chapter outlines the theoretical framework for curriculum change and implementation and provides a description of the following main constructs of the CIF:

- profile of implementation
- capacity to support curriculum change
- support from outside professional and academic accounting bodies.

4.2 Framework for implementing IFRS in accounting curricula

It is argued that accounting programmes and curricula need to be responsive to the changes and developments occurring within their environments to allow for the utilisation of new opportunities and avoid prospective obstacles (Carr & Mathews 2004; Rebele 2002). However, due to the professional nature of accounting, accounting

curriculum change is influenced by both internal and external parties such as academics (internal) and professional and accreditation bodies (external) (Wolf & Hughes 2007). It is argued that initiatives for curriculum reform need to be planned and executed ensuring consideration of the environment in which they will occur. Such consideration includes recognising the needs of future employers of graduates, understanding the demographics and characteristics of students and accounting academics and identifying the strengths and weaknesses of academic institutions in relation to their human, physical and monetary resources (Albrecht & Sack 2000; Mathews 2001).

As Albrecht and Sack (2000) posit, the need and calls for change and innovation in accounting education is recognised by accounting academics. However, the lack of responsive action to calls for change from accounting academics hinders the development of accounting programmes and curricula. Rebele (2002) claims that many accounting programmes and curricula have been responsive to the calls for change; however, the problem has been the lack of effectiveness and efficiency of the way such initiatives have been planned and undertaken. Rebele (2002, p. 4) acknowledges that accounting academics realise the need for change and highlights the need to have a holistic overview of the change process:

Most accounting educators have embraced the need for change. What is missing is a comprehensive understanding of accounting education's environment, guidance on the direction change should take, the types of fundamental changes most likely to prove effective in improving accounting education, and evaluation of the effectiveness of change processes and changes that are made.

This introduces an important point related to the necessity of having a comprehensive plan to enable better achievement of desired outcomes and successful development of accounting education in general, and accounting curricula in particular.

Many attempts to improve and change curricula fail due to the low level of alignment of goals and understanding between those who plan and design the change and those who implement the change (Fuller 2007). As Verspoor and World Bank (1989, p. 133) note, 'large-scale programs tend to emphasise adoption and neglect implementation'. This lack of focus on the implementation phase may result in the failure of promising

projects. As such, four educational and curriculum frameworks to ensure focus on curriculum change and implementation were considered to guide this study.

The first of the four frameworks is the UK Higher Education Academy Model of a Curriculum. It is argued that the main purpose of this model is to guide higher education institutions when they undergo curriculum-design projects, whether at the collective 'program' level or at the individual 'units' level. The model draws on conceptions of the teaching methods and learning goals, as well as philosophy and rationale of what constitutes a relevant content of the curriculum as the core themes from which other themes develop. Themes include methods used for teaching, learning goals identified, content of the curriculum, students' learning and assessment strategies employed to evaluate students' performance (Hicks 2007). Although this model incorporates a number of themes important to the design of a new curriculum, it lacks coverage of factors outside the academic institution's environment. As the present study focuses on curriculum change in alignment with the needs of the accounting profession globally, the role of professional accounting bodies cannot be overlooked, as professional accounting bodies have great influence on the accounting profession and therefore on the way accounting curricula are designed and implemented. The UK Higher Education Academy Model is also criticised for having a static nature, where the focus is on curriculum design not on curriculum change and implementation. Therefore, this model was discounted because the main goal of the present study is to identify the readiness of academic institutions in Saudi Arabia to incorporate IFRS into their accounting curricula, which necessitates a focus on factors affecting the change and implementation aspects of a new curriculum.

The second framework considered for this study is Biggs's (1989, 2003) 3P model of curriculum, which incorporates three phases: 1) presage, 2) process, 3) product. This model focuses on developing approaches to teaching and learning as part of designing and developing the curriculum (Hicks 2007). The presage phase focuses on student-related factors (i.e., prior knowledge, ways of learning, ability and motivation) and the teaching context (i.e., content of the curriculum, learning outcomes and assessment strategy) within the educational environment. The process phase of the model focuses on approaches to teaching and learning, with emphasis on promoting deep approaches to learning as opposed to superficial approaches. The final phase of the model, the

product phase, emphasises the outcome of the educational process in relation to the type of knowledge and skills expected to be gained from engagement with the curriculum (Biggs 1989, 2003; Hicks 2007). Although this model considers the importance of designing and implementing approaches to learning that focus on developing students' skills, which has great relevance to the principles-based nature IFRS, the model fails to address academic institutions' abilities in undertaking curriculum change in relation to human (i.e., academic staff), financial and physical resources. Similar to the UK Higher Education Academy Model, the 3P model of curriculum also fails to address the role of outside organisations in supporting academic institutions during the design and implementation of curriculum change.

The third framework considered is Barnett and Coate's (2005) three-domains discipline framework; the three domains are 1) knowing, 2) acting, 3) being. In this framework, domains can be weighted and integrated differently based on the area of study. According to Barnett and Coate (2005, p. 70):

The three domains of knowing, acting and being can provide a frame through which to understand and communicate different patterns of curricula across disciplines, courses and curricula.

Within the scheme suggested for professional subjects (e.g., accounting), Barnett and Coate (2005) give more weight to the acting domain than the knowing and being domains (illustrated in Figure 4.1). They argue that the focus of professional subjects is usually derived and highly affected by the needs of each profession. They also propose that professional subjects are usually characterised by their practical orientation. The weighting appointed to the acting domain of the framework requires students to engage in learning activities such as problem solving, case studies and role play. Barnett and Coate (2005) further argue that students are better able to improve self-development skills when their knowledge and actions are integrated (i.e., knowing and acting domains). Even though this framework addresses the importance of the practical component of the curriculum in professional subjects such as accounting, it focuses only on integrating the three domains and on the weight that should be devoted to each when designing a curriculum in a specific subject area. It does not address factors affecting academic institutions' capacity to implement and execute curriculum change. Like the previous two frameworks, the three-domains discipline framework fails to address the

important role that needs to be undertaken by organisations outside the academic institutions to facilitate the change.

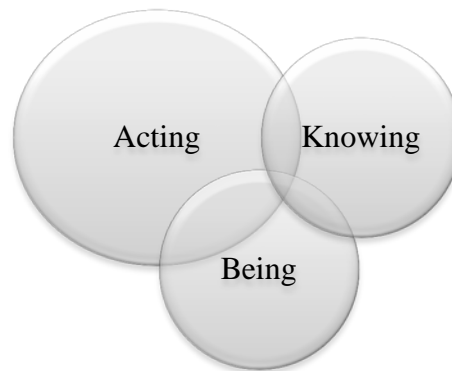


Figure 4.1: Three-domains discipline framework weighting for curricula in professional subjects

In the transition to IFRS, Saudi higher education institutions will need to adapt their current curricula to address the adoption of IFRS. The level and starting point of this adaptation will vary depending on specific factors of the academic institution such as the size of the institution, existing resources, experience and number of staff. Therefore, the development of a framework that considers academic institutions' existing familiarisation with IFRS, the different factors that might affect curriculum change, the level and type of support that can be gained from outside organisations will be necessary for the successful implementation of curriculum-reform initiatives in the accounting discipline. The fourth framework, the CIF, considers all these factors.

4.3 Curriculum Implementation Framework (CIF)

This study has adopted the CIF proposed by Rogan and Grayson (2003) as a means to assess the transition to IFRS education in Saudi Arabia. Given that the CIF was designed around the implementation of a new natural-science curriculum as part of a new developed curriculum in South Africa in 2005, modifications and alterations to the names of some constructs and sub-constructs of the CIF are introduced to account for the differences in the environment, discipline, area of study, and the level of education of the students. The modified framework will consider the Islamic environment of Saudi Arabia as well as the implementation of a new curriculum in the accounting field at the higher education level (i.e., post-secondary education).

Rogan and Grayson (2003) proposed a theory of curriculum implementation based on three main constructs (see Figure 4.2). The first construct, ‘profile of implementation’, explains and compares the different methods of implementing a new curriculum into practice through the consideration of learning environments and methods of interaction in class. For example, this construct allows administrators and planners of academic institutions to plan for change by selecting the most appropriate path by considering the current state of the curriculum and how different it is from the intended change, as well as the strengths and weaknesses of the academic institution and its staff.

The second construct, ‘capacity to support curriculum change’, identifies factors that could be supportive or obstructive in implementing new curriculum-reform initiatives. For example, physical resources, factors related to teachers’ skills, students’ engagement, and the environment and management of the academic institution. The third construct, ‘support from outside professional and academic accounting bodies’, includes considering the support that could be provided by organisations outside the academic institution to facilitate the transition and innovation process. Such support could include providing teaching materials, physical resources, professional-development resources and programmes, as well as direct support to academics and students in the form of access to databases. The following sections will explore and explain in detail the main constructs and sub-constructs comprising the CIF and discuss them in the context of the related literature.

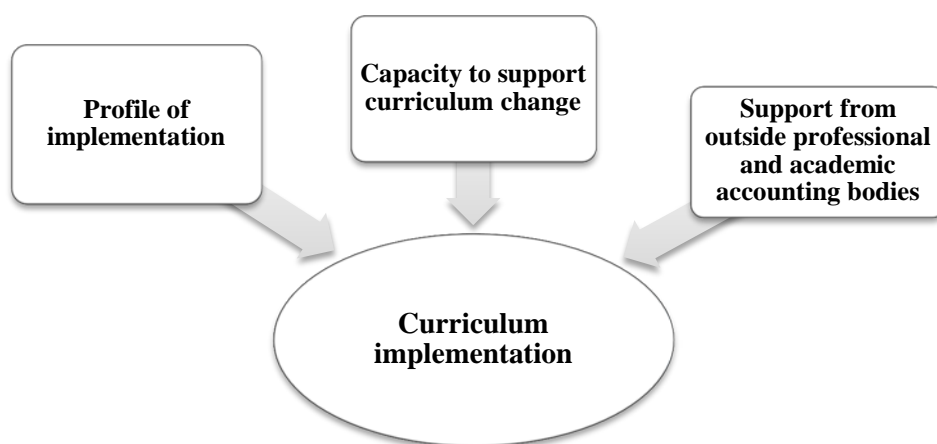


Figure 4.2: CIF (Source: Rogan & Grayson 2003)

4.3.1 Profile of implementation

The profile of implementation is the commencement point of curriculum reform. It identifies the appropriate paths to follow to achieve the required curriculum reform. The profile of implementation acts as a map for those involved in the planning and design stages of curriculum change, incorporating the strengths and weaknesses of the academic institution and its staff (Rogan & Grayson 2003). As higher education institutions in Saudi Arabia differ in terms of availability of resources, experience and qualifications of accounting academics, as well as their stage of incorporating IFRS into their accounting curricula, it is important to have an understanding and a clear conception of the profile of implementation construct.

The profile of implementation construct is reflected in the first research question:

RQ1: How does the educational profile of the learning environment in Saudi Arabia affect the preparation for the teaching of IFRS?

Answering this question through the analysis of questionnaires and interviews will enable an assessment of the educational profiles of Saudi higher education institutions and academic staff in relation to IFRS.

4.3.1.1 Stage of incorporation of IFRS

The first step in the assessment of the profile of implementation construct is the determination of the stage at which higher education institutions stand with respect to the incorporation of IFRS. This necessitates the identification of academics' perceptions of the importance of making changes to the curriculum and the steps followed by academic institutions to address the required change. This will help in determining the stage to which Saudi higher education institutions have progressed in including IFRS in their curricula. It will also assist in identifying plans to incorporate IFRS in the future as well as plans to prepare academic staff to teach IFRS. To address this issue, the following research sub-question is proposed:

RQ1a: What is the state of accounting education in higher education institutions in Saudi Arabia with respect to preparedness for the transition to IFRS?

4.3.1.2 Influence of Islamic economic environment on IFRS adoption

Another important aspect to be investigated within the profile of implementation construct is the Islamic economic environment of Saudi Arabia. This aspect is unique to this study and is not addressed in Rogan and Grayson's (2003) framework. As noted, Saudi Arabia is an Islamic country where Islamic values and Shari'ah law guide all facets of life. The influence of Islamic law will therefore affect the way business is organised and the way accounting and financial regulations are formed and interpreted (Lewis 2001). Western accounting standards are not necessarily completely compatible with an Islamic environment (White 2004).

Saudi Arabia's decision to adopt IFRS will require a close examination of both the accounting profession represented by SOCPA and accounting educators. For example, SOCPA will need to address Islamic financial transactions when it transitions to IFRS, while accounting educators will need to cover Islamic financial transactions within their accounting curricula to ensure that their graduates are knowledgeable about the special treatment of such transactions. Accounting academics' awareness and perceptions of the implications that the Islamic economic environment of Saudi Arabia will have on the level and degree of transition to IFRS and its incorporation into the curriculum will be investigated, analysed and compared to the related literature. This will assist higher education institutions and professional and academic bodies in Saudi Arabia to consider these issues when they make, implement and monitor plans. To investigate the influence of the Islamic economic environment, the following research sub-question is proposed:

RQ1b: What is the influence of the Islamic economic environment on the transition to IFRS in the accounting curricula of higher education institutions in Saudi Arabia?

4.3.1.3 Approaches to teaching

Another dimension of the profile of implementation construct is ‘classroom interaction’. Here Rogan and Grayson (2003) differentiate among four levels of interaction where level one is characterised by an instructor-centred approach in which the instructor’s presence dominates the class. This approach is typified by low levels of engagement of students where their participation is limited to straightforward questions and answers. Conversely, level four is characterised by a student-centred approach where students play the dominant role in class with high levels of interaction and application of different skills. In this environment, instructors act as facilitators advising students and providing them with guidance when necessary. It can be observed that as one moves from level one to level four, the direction heads towards a student-centred approach to teaching. Although Rogan and Grayson (2003) do not suggest that level one practices are of lower status than those of level four, they highlight that higher levels are inclusive of lower levels and that a combination of different levels may be appropriate.

As this study investigates the implications of the transition to IFRS in the higher education accounting curricula in Saudi Arabia, there is a need to revisit the style of class interaction and teaching approaches adopted by accounting academics in these higher education institutions. As discussed in Chapter 3, IFRS are principles-based. It has also been discussed that the teaching of standards with a principles-based nature requires the development of critical-thinking and judgement skills of students. This is reflected in the way the new accounting curriculum is taught and delivered, as well as in the way students’ performances are assessed and evaluated to ensure students capture the required skills and knowledge. Class interaction needs to be analysed within the profile of implementation construct of the framework; consequently, the following research sub-question is proposed:

RQ1c: How do academics in Saudi Arabia perceive approaches to teaching principles-based IFRS standards?

4.3.2 Capacity to support curriculum change

An important aspect of the change process is the consideration of ‘how’ the change can be achieved. This is often overlooked when examining ‘what’ needs to be changed in the curriculum (Rogan & Grayson 2003). According to de Feiter, Vonk and van den Akker (1995), it is important to follow a systematic approach during curriculum-reform initiatives by considering all related factors such as conditions, diversity of institutions, problems related to implementation, and ensuring continuous monitoring of progress during and after implementation. The importance of understanding the capacity to support reform, or innovation initiatives, stems from the differences in the capabilities of higher education institutions’ to undertake the proposed change.

This aspect of the CIF is reflected in the aims of the second research question:

RQ2: What factors influence the capacity to support curriculum change to incorporate IFRS in the curricula of higher education institutions in Saudi Arabia?

Answering RQ2 will help to reach an understanding and elaboration of the factors that are likely to influence the way academic institutions incorporate IFRS in their accounting curricula.

Rogan and Grayson (2003) introduced four areas to help in judging and measuring the capacity of academic institutions to undertake curriculum change. These four areas relate to: 1) physical resources, 2) instructor-related factors, 3) learner factors, and 4) environment and administration of the academic institution. Evidence from the accounting education literature highlights factors affecting innovation in accounting education and curricula. Howieson (2003) has underlined four factors representing barriers to any initiatives for change in accounting education. The first factor relates to the low level of awareness shown by both accounting academics and college administrators of the implications of the required change. This low level of awareness requires re-training academics, adoption of new teaching approaches as well as consideration of the environment in which the change is to occur (Howieson 2003). The second factor is the scarceness of financial and physical resources, which results in

fewer opportunities for development and innovation. The third factor is the perceived lack of appreciation of teaching quality compared to research activity in the system of most universities. This factor relates to policies followed by academic institutions' administrators to motivate academic staff to produce research. The fourth factor introduced by Howieson (2003) relates to the length of the accounting programmes, where longer programmes (e.g., four or five years) provide more opportunity for innovation compared to shorter programmes (e.g., two or three years).

Differences between educational sectors and institutions with respect to the orientation and learning focus, level of degrees offered, length of the programme and different class sizes affect the way students approach learning in the different educational settings (Eley 1992; Fuller & Chalmers 1999). Therefore, the possible effect of the type of academic institution on the capacity of academic institutions to support curriculum change will be investigated within the capacity to support curriculum change construct.

Outlined below is a more detailed description of the factors affecting academic institutions' capacity to support change. These factors are presented to allow for a better understanding of their prospective influence on any curriculum-implementation initiative.

4.3.2.1 Process-related and policy-related factors

Process-related and policy-related factors include the level of engagement of users in the decisions relating to the design of the change process, vagueness of the required changes, and unrealistic reform objectives that ignore available resources and inappropriate training for agents to cope with the requirements of the introduced changes (Bui & Porter 2010; Fogleman & McNeill 2005; Fullan 2001; Hord & Hall 2005; Ogborn 2002; Pintó, Couso & Gutierrez 2005; Rondinelli, Middleton & Verspoor 1990).

Research has demonstrated that leadership style at academic institutions where curriculum-implementation initiatives are proposed plays a vital role in the success of such initiatives during the implementation phase (Rogan & Grayson 2003). Being able to communicate a shared vision with academic staff, understand their abilities, plan and

shape realistic change that considers the available resources and improves the skills and knowledge of academic staff through providing training and development activities play a role in increasing the capacity to support innovation (Rogan & Grayson 2003).

Carless (1997) highlights the importance of conveying perceived practicality of proposed changes on the level at which these changes and reforms are implemented and embraced by instructors. Carless (1997) cited three criteria proposed by Doyle and Ponder (1977) to help convey to instructors that the proposed change is practical: 1) the clarity and rich descriptions of the proposed change including a description of classroom interaction; 2) the presence of alignment and conformity between proposed changes and instructors' current practices, as well as the environment and setting where the change is to occur; in addition, the level of instructor involvement and whether it conforms or contradicts with the instructors' perceptions of the educational process; 3) consideration of how instructors weigh costs, benefits, efforts and rewards associated with the implementation of the new change (Doyle & Ponder 1977).

In a more recent study by Bui and Porter (2010), the reward and promotion policies of universities were identified as an important institutional and policy factor affecting the behaviour of academics. For example, Bui and Porter (2010) argue that universities that assign higher status to research activity compared to teaching quality in the reward system may drive academics to give priority to undertake research activities and ignore professional development and innovation for teaching. This demonstrates the interrelationship between process and policy in guiding the change and the agents undertaking the change.

4.3.2.2 Agent-related factors

Agent-related factors may include acceptance and willingness to change; the level of alignment of the perceived value of the reform between those who plan it and those who implement it; and qualifications of those who plan and those who implement the change (Rogan & Grayson 2003; Stein & Wang 1988). Highlighting these factors will help in planning for curriculum reform where policies and mechanisms are set to ensure that agents embark on the change.

Student-related factors affect and influence the implementation of a new curriculum. Rogan and Grayson (2003) and Rogan and Aldous (2005) state that effect of the background and competency of students on the educational setting may lead to the success or failure of new curriculum-implementation initiatives. Specifically, they highlight issues such as students' commitment and discipline, as well as their proficiency in the language of instruction. An example of the importance of students' willingness to change the way they approach learning was introduced by Bui and Porter's (2010) survey of accounting students, which demonstrated the effect of a low level of interest in the acquisition of knowledge accompanied by low levels of creativity and curiosity. Students' enthusiasm and readiness to learn in a new way despite the perceived difficulties of change will have a major effect on instructors' willingness to use and utilise new pedagogical approaches. This creates a burden for accounting academics when preparing students for changing the way they approach learning.

Most change and reform initiatives bring new challenges and uncertainties to the environment that might reflect negatively on agents' willingness to change and openness to learn new practices, acquire new skills, be exposed to insecurity and move from their comfort zones (Rogan & Grayson 2003). Jackling, de Lange and Natoli (2013) criticise the passive role played by Australian accounting academics before and after the adoption of IFRS in Australia and their reluctance to change their pedagogical approaches. Having a strong background and knowledge in the subject matter by instructors greatly influences their confidence levels, commitment to change and willingness to undertake training and professional-development activities (Pintó, Couso & Gutierrez 2005; Rogan & Grayson 2003).

In addition to the influence of instructors' knowledge of the subject matter on their acceptance and willingness to implement change, their perceptions and views about their self-identity, the learning and educational process, as well as the degree to which they believe that the change is supported within their environment are proven to play vital roles (Pintó, Couso & Gutierrez 2005). This is expected to affect academics' level of adaptation with the change and their usage of new curriculum resources and materials (Pintó, Couso & Gutierrez 2005). Additionally, such initiatives are not expected to achieve optimal results in the first year of adoption of the new curriculum as demonstrated by Pintó, Couso and Gutierrez (2005) and Geier (2005), which identified

a gradual improvement in the instructors' utilisation of resources and materials needed to deliver the new curriculum.

Further, a lack of sufficient resources may increase academics' hesitation to change the way they approach teaching. Carless (1997) notes that a lack of time, skills, self-confidence and capability of instructors are obstacles to developing tailored materials appropriate for a new curriculum. In addition, Carless (1997, p. 361) comments that teachers' charged with implementing a new curriculum seek ready-made materials that can be used without adaptation in their own classrooms'.

4.3.2.3 Resource-related factors

The third aspect of factors affecting academic institutions' capacity to support curriculum change relates to resources. Resource-related factors may include support materials for instructors and students such as infrastructure, textbooks, equipment and case studies (Ball & Cohen 2000; Carless 1997; Rogan & Grayson 2003; Schneider & Krajcik 2002; Stronkhorst & van den Akker 2006). The implementation of new instructional and educational reforms designed to provide optimal learning experiences may encounter difficulties when there is an absence of necessary resources, inadequate time, large number of students in a class; and a lack of appropriate infrastructure (Fogleman, McNeill & Krajcik 2011; Howieson 2003; Songer, Lee & Kam 2002).

The lack of availability of adequate teaching and physical resources may play a major role in hindering any curriculum-change initiative. This lack limits the abilities of instructors to convey concepts and deliver ideas, as well as students' ability to receive, absorb and interact with the educational environment (Carless 1997; Rogan & Grayson 2003). Educational and curriculum-reform initiatives are not feasible if there are inadequate resources. The implications of a lack of adequate resources can interrupt the implementation of new curriculum-reform initiatives and affect the way instructors adapt to or modify the curriculum (Fogleman, McNeill and Krajcik 2011).

The lack of high-quality teaching resources is of great relevance to the issues discussed in this study as any curriculum-reform initiative to be undertaken by higher education institutions in Saudi Arabia to incorporate IFRS into their accounting curricula might

face similar obstacles. Producing and using low-quality teaching materials and resources that do not reflect the intended change of the curriculum might result in counterproductive outcomes that hinder change instead of fostering it (Carless 1997). The shortage of non-English IFRS-related teaching materials could create such an obstacle.

4.3.2.4 Language and translation of IFRS and teaching materials

As the introduction of IFRS into the new accounting curriculum might necessitate the use of English references or textbooks, students at Saudi higher education institutions whose first language is Arabic may face difficulties unless high-quality Arabic-language alternatives or translations are made available. In fact, the availability of translated standards and related materials is considered one of the main difficulties facing the adoption of a unified set of accounting standards in countries where English is not the first language (Hellmann, Perera & Patel 2010b; Kettunen 2011; Larson & Street 2004; Skotarczyk 2011). As discussed in Chapter 3, making available an official and approved translation of IFRS into languages other than English is recognised as an obstacle in a number of countries undertaking the adoption of IFRS (Carvalho & Salotti 2013; Coetzee & Schmulian 2013; Larson & Street 2004; Vysotskaya & Prokofieva 2013). Baskerville and Evans (2011) and Evans (2004) highlight the importance of making available teaching and educational materials in languages other than English to the academic community to avoid encountering similar obstacles.

The importance of translation within the accounting discipline has been stressed in the literature due to the specialised terminology used as well as the cultural influences related to accounting terminology and applying accounting standards (Baskerville & Evans 2011; Evans, Baskerville & Nara 2011, 2015). Evans, Baskerville and Nara (2015) argue that translation in the accounting discipline is not given the attention and dedication it deserves, and that its importance is usually undervalued. The need for translation is part of the need for accuracy and inclusiveness in available resource materials. Accurate translation is important for IFRS, as the principles-based nature of the standards requires the use of critical thinking and the exercise of professional judgement. As Baskerville and Evans (2011) argue, translating terminology relating to accounting principles and concepts is more difficult than translating terminology

relating to accounting rules. Language and translation issues extend to the appropriate language of instruction to be used and therefore affect curriculum implementation of IFRS in Saudi Arabia.

4.3.2.5 Effect of different educational sectors

As discussed in Chapter 3, differences between various sectors of the education system (i.e., universities versus TAFE and VET) in relation to their mission and focus may have implications on the way these sectors structure their curricula. As the higher educational system in Saudi Arabia can be divided into two sectors (i.e., universities and other academic institutions), the possible influence of the differences between the two sectors on their capacity to undertake change and on the way they approach the transition to IFRS in the curriculum will be investigated. Therefore, to test for any differences among different higher education institutions in Saudi Arabia, it is hypothesised in this study that the type of academic institution (i.e., university versus other academic institutions) has an effect on two aspects: 1) challenges facing the incorporation of IFRS into the curriculum; and 2) language and translation issues.

After reviewing the related literature regarding factors affecting academic institutions' capacity to support curriculum change, the following research sub-questions are proposed:

RQ2a: What is the level of awareness of the administrators of Saudi academic institutions of the process and policy implications of the required change?

RQ2b: What are the obstacles to teaching IFRS perceived by accounting academics in Saudi Arabia?

RQ2c: What are Saudi academics' opinions of the implications of cultural issues for the transition to IFRS in the curriculum in terms of 1) language and 2) translation?

RQ2d: Does the type of academic institution affect institutions' capacity to transition to IFRS?

4.3.3 Support from outside professional and academic accounting bodies

Introducing a new curriculum that incorporates new materials and resources requires support for educators during all phases of the transition to IFRS (Penuel *et al.* 2007). Improving accounting educators' content knowledge in IFRS, supplementing academics with IFRS-related teaching materials and improving academics' awareness of the pedagogical approaches and techniques most relevant to IFRS are important aspects of the support that outside accounting organisations can provide (Porter *et al.* 2003).

Preparing agents for change is as important as the intended change itself, if not more important. Due to the specific nature of different curriculum-reform initiatives and programmes, the related professional-development activities that would be beneficial to educators in a field may vary. The connection between how professional development is designed and conducted and its effect on the success of educators' practices and the achievement of desired learning outcomes is vital to the success of curriculum-reform initiatives (Borko 2004; Fishman *et al.* 2003).

There is an expectation that professional accounting bodies will support the adoption of IFRS through their role in providing training and CPD programmes (IFAC 2006). Given that accounting is a distinguished profession in Saudi Arabia, similar forms of support are assumed from professional accounting bodies for both accounting academics and accounting professionals. According to AlMotairy & AlSalman (2011), SOCPA has undertaken the responsibility of developing accounting and auditing standards, offering training programs to accounting professionals as well as providing professional certification programs. SOCPA has also established quality review programs to facilitate supervising accounting firms operating in Saudi Arabia (AlMotairy & AlSalman, 2011).

In addition to the support provided to accounting professionals highlighted in the previous paragraph, professional accounting bodies in Saudi Arabia need to address

accounting academics' concerns and needs during the planning and designing of training programmes. According to Rothwell and Herbert (2007), among the major challenges facing CPD training providers are updating training materials and programmes, as well as identifying factors affecting participants' attitudes towards engaging in these training programmes. Awareness of these factors will increase professional bodies' chances to provide appropriate CPD programmes.

To increase the effectiveness of professional development in the process of implementing a new curriculum, the appropriate professional-development activities related to the new curriculum need to be identified (Smylie 1997). Factors such as reform orientation, content and activities, the duration of the reform and development activities, the participation of colleagues in the reform process, the alignment of professional-development activities with educators' aims and objectives are important in increasing the effectiveness of CPD programmes (Desimone 2002; Garet *et al.* 2001; Lumpe, Haney & Czerniak 2000). As the transition to IFRS in Saudi Arabia will create training needs for accounting academics and accounting professionals, the expected role of outside professional and academic accounting bodies needs to be studied and evaluated. This will help in closing the expectation gap between accounting academics and the administrators of these bodies.

Researchers argue that teaching materials developed for the new curriculum can be the source of professional-development activities if they are developed and designed in an educative manner that will help instructors to learn as they use these materials (Ball & Cohen 1996). This discussion again highlights the issue of making available teaching materials and resources. This issue has been discussed in the previous construct related to capacity to support curriculum change. The responsibility of making available high-quality and well-designed teaching materials is part of the role that could be played by outside professional and academic accounting bodies. The role of these bodies in the development of accounting textbooks and other teaching materials that consider the needs of the market and the needs of higher education institutions should be highlighted. Additionally, their role in making available professional-development activities that meet the needs of accounting academics in Saudi Arabia should also be emphasised. This construct addresses the third research question:

RQ3: How can outside professional and academic accounting bodies, such as SOCPA and SAA, assist in the transition to IFRS in accounting education in Saudi Arabia?

Addressing this research question allows the identification of the different aspects that could be a focus for SOCPA and SAA in the transition to IFRS for accounting academics in Saudi Arabia.

To address this construct further, the following research sub-questions are proposed:

RQ3a: What are the factors affecting Saudi academics' engagement with CPD training programmes?

RQ3b: What areas of support can outside professional and academic accounting bodies undertake to assist in the transition to IFRS in Saudi higher education institutions?

4.4 Conclusion

Having a theoretical framework of curriculum implementation is important in guiding curriculum initiatives. The theory of curriculum implementation as proposed by Rogan and Grayson (2003) is based on three main constructs: 'profile of implementation', 'capacity to support curriculum change' and 'support from outside professional and academic accounting bodies'. These three constructs are used to guide this study. The Islamic economic environment of Saudi Arabia and its influence in the incorporation of IFRS into the higher education curriculum is reviewed as part of the profile of implementation construct alongside the most relevant pedagogical approaches for teaching principles-based standards such as IFRS. Such analysis enables a better understanding of the learning environment in Saudi Arabia and how it may affect the incorporation of IFRS into the curriculum.

Reviewing the literature on accounting education and curricula has revealed five areas that play a role in affecting academic institutions' capacity to support innovation in the curriculum. These areas relate to policy-related and process-related factors; agent-

related factors; resources-related factors; language-related factors and the type of academic institution. The administration of academic institutions need to facilitate an environment that is ready for the intended change through first understating the magnitude of the change required, and secondly by providing academics with the required tools and support to implement this change. Agents including accounting academics and students need to be prepared for the change by increasing their willingness to embark on change and learn new skills. Agents' uncertainty, concerns and resistance to change need to be mitigated and neutralised through addressing matters such as content knowledge, proficiency in the language of instruction used and ability to utilise pedagogical approaches. A lack of teaching materials, teaching equipment and arrangement of classes are among the most cited resource-related factors that need to be addressed by those responsible for curriculum change. Language-related factors comprise two main aspects: the language of instruction used and the availability of translations of IFRS and IFRS-related materials. The type of academic institution and its effect on the way new curriculum is designed and implemented needs to be addressed by identifying factors affecting different types of academic institutions.

Reviewing the accounting education literature for countries that have already adopted IFRS reveals that the most common and called-for areas of support from outside professional accounting bodies consist of two main areas: offering CPD training programmes and providing supporting teaching materials and resources with IFRS coverage. A modified and more detailed version of the CIF that was built around the educational environment of Saudi Arabia, the accounting discipline and higher education system in Saudi Arabia is provided in Figure 4.3. This expanded framework is intended to reflect a more inclusive representation and view of the context of this study and is built around the review of the literature in chapters three and four.

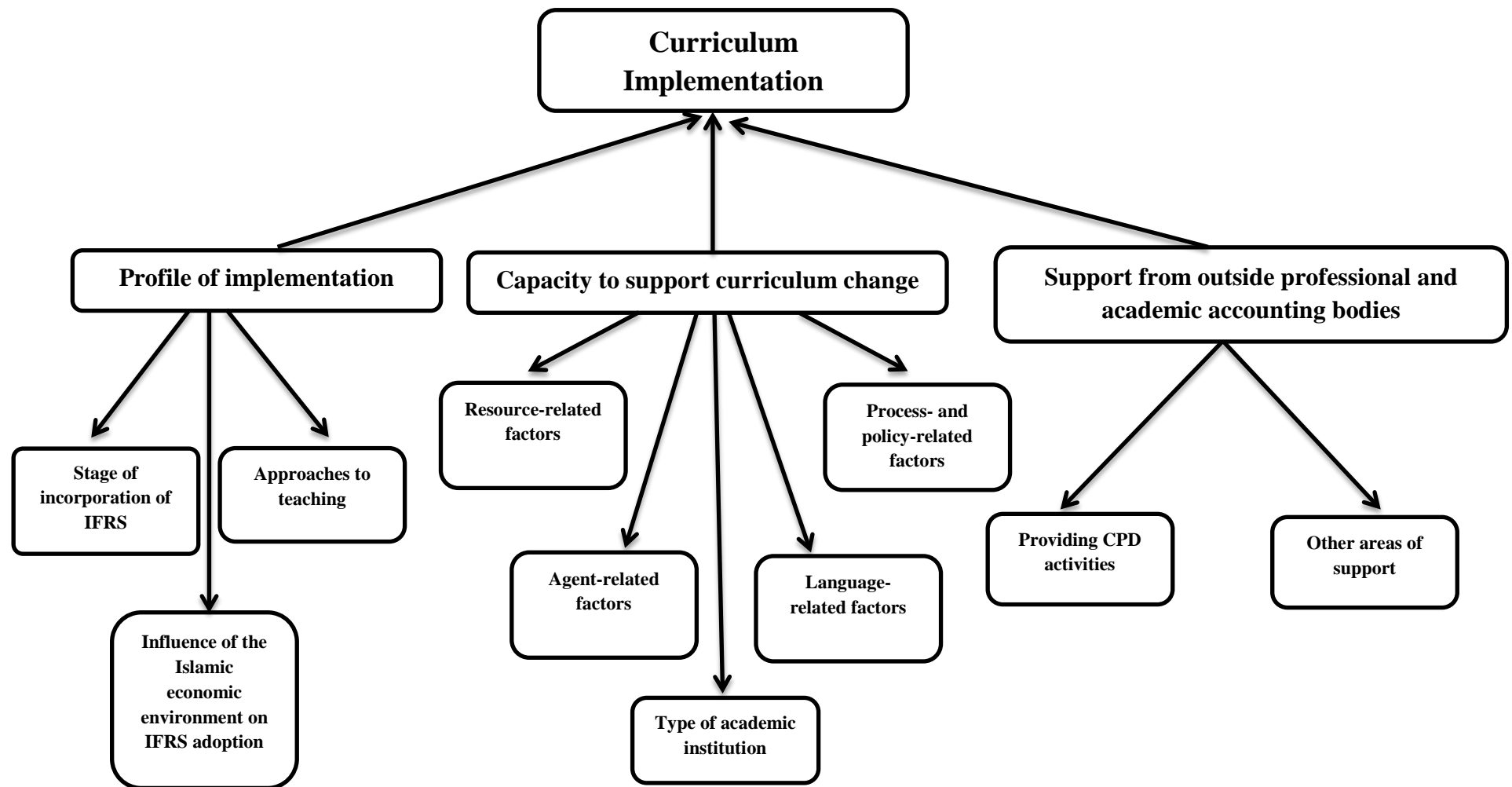


Figure 4.3: Expanded Curriculum Implementation Framework

Chapter 5: Research Design and Methods

5.1 Introduction

The choice of research design and data-collection techniques have a great influence on the quality of data gathered and consequently, on the research findings and outcomes. Thus, to address the research aims, the most appropriate research design and data-collection techniques must be adopted. The research method must also reflect the time limitations, availability of resources, scope of research project, target population and the research objectives (Gill & Johnson 2002; Sekaran & Bougie 2010).

This chapter justifies and validates the research design and data-collection methods employed in this study to examine the research questions in the context of the CIF presented in the previous chapter.

5.2 Methods from past research in accounting education

Various methods of research design and data collection have been adopted in accounting education research such as surveys, quasi-experiments, secondary data and interviews (Apostolou *et al.* 2013). The choice of methods depends on 1) the target population (typically academics or students); 2) the research (e.g., curriculum development, generic skills, education technology); and 3) the objectives of the research (Apostolou *et al.* 2013). Of a review of 126 empirical articles in accounting education over a three-year period (2010–2012), Apostolou *et al.* (2013) identified 69 articles (54.76 per cent) that had used surveys as their data-collection method.

With respect to IFRS education, some researchers have reported their personal experiences of research employing a commentary format using case studies (Bonnier *et al.* 2013; Carvalho & Salotti 2013; Coetzee & Schmulian 2013; Hilton & Johnstone 2013; Jackling, de Lange & Natoli 2013; Stoner & Sangster 2013). Despite the benefits and insights attained from these studies, the authors acknowledge that their research findings and implications are not generalisable to other academic environments.

Other methods that have been used include interviews with accounting academics (Nie, Collins & Wang 2013) and questionnaires (e.g., KPMG-AAA 2011) (KPMG 2011). The AAA Education Committee and KPMG conducted an annual survey questionnaire of US accounting academics from 2008 to 2011. The 2011 version of that questionnaire was used to guide the development of the questionnaire adopted in this study (KPMG 2011).

To allow for a wider capturing of accounting academics' perceptions of the research topics, and to enable more in-depth discussions of the issues relating to IFRS curriculum implementation in Saudi Arabia, this research adopts a mixed-methods research approach. This approach utilises both quantitative and qualitative approaches through questionnaires (quantitative) and interviews (qualitative).

5.3 Overview of research methods

This section provides a justification of the research approaches and methods used in this study. The section begins with a critical review of the mixed-methods approach. The quantitative and qualitative approaches adopted for the study are then reviewed.

5.3.1 Mixed-methods approach

Validity and accuracy of research findings are the main drivers for choosing the research design adopted in this study. The key consideration for this research was to utilise a method that would allow multiple design approaches and provide multiple sources of data. The mixing of methods is defined as triangulation. It enables the coverage of diverse viewpoints on a topic (Olsen 2004). Methodological triangulation and data triangulation were employed in this study to increase the validation of qualitative research results (Creswell and Plano Clark 2011; Guion, Diehl & McDonald 2011). For example, methodological triangulation was used in the quantitative and qualitative methods and data triangulation was used to gain different sources of information (i.e., from accounting academics and the SAA board members). According to Thurmond (2001, p. 254), the advantages of triangulation include:

Increasing confidence in research data, creating innovative ways of understanding a phenomenon, revealing unique findings, challenging or integrating theories and providing a clearer understanding of the problem.

For Richards and Morse (2007), a mixed-methods research design is present when a single method is used along with one or more strategies drawn from a second method in the same project. These may be both qualitative, one qualitative and one quantitative, or both quantitative.

Given the broad nature of this study, the types of research questions being asked (i.e., a mixture of ‘how’ and ‘what’ questions) and the advantages of mixed-methods research, the present research adopts a mixed-methods approach to allow for a better elaboration of the CIF and the constructs that compose the framework.

5.3.2 Quantitative approach

As this research aims to collect primary data from the first targeted group, (i.e., accounting academics in higher education institutions in Saudi Arabia), the survey-design method was used. The survey design is defined by Creswell (2014, p. 145) as follows:

A quantitative or numeric description of trends, attitudes, or opinions of a population by studying a sample of that population.

Using a questionnaire as a research tool is common due to the large coverage it provides of participants compared to other research instruments, as well as the anonymity it can allow and the low cost of design and distribution (Creswell 2014; Veal 2005; Wilkinson & Birmingham 2003). The advantages and features of using a questionnaire, along with the geographical and population dispersion of Saudi Arabia make it a sound choice for data collection in this study. Two types of questionnaires are used in this study: paper-based (mail) questionnaires and online (electronic) questionnaires (Veal 2005). The adoption of these two types of questionnaires was intended to allow greater access to a larger population and to provide participants with alternative options for responding.⁵ However, it should be noted that there are some disadvantages associated with the use

⁵ The content of both types of questionnaires (paper-based and online) were the same.

of questionnaires such as respondents' lack of ability to clarify responses, low response rates, need for follow-up procedures and the need for respondent computer literacy for online/electronic questionnaires (Sekaran & Bougie 2010). A pilot test was conducted to identify and account for issues that require further clarification or amendments. A detailed explanation of the pilot test is provided in Section 5.8.

5.3.3 Qualitative approach

The use of qualitative data through conducting interviews was planned and designed to provide an in-depth analysis and discussion of the issues related to transition to IFRS and its implications for the accounting curriculum in higher education institutions in Saudi Arabia. Findings from qualitative data allow for greater richness of descriptions, and are more likely to reveal complex and interrelated issues that cannot be captured by close-ended questionnaire questions. Further, qualitative data have the capacity to facilitate the identification of themes and patterns (Miles, Huberman & Saldaña 2014).

The use of interviews has some disadvantages such as the time required to arrange and conduct them, costs associated with travel when interviews are conducted throughout a large geographic area, participants' concerns about privacy and confidentiality, and the possibility of interviewer bias skewing the results. However, these disadvantages were considered during the planning phase, and privacy and bias measures and concerns were addressed and mitigated (see Sections 5.6.4 and 5.8).

5.4 Research design

This study follows an explanatory sequential design where data collected from one phase are used to inform questions and issues discussed in the next phase to help interpret results and allow for more in-depth analysis (Creswell & Plano Clark 2011). The initial data collection began using paper-based (mail) and online (electronic) questionnaires sent to accounting academics in higher education institutions across Saudi Arabia. This was followed by semi-structured interviews that were conducted with accounting academics who agreed to be interviewed when completing the questionnaires. The interview questions were informed by academics' responses in the

questionnaire. The next, and final, stage was interviews with the SAA's board members to discuss both the role of the SAA in IFRS curriculum implementation as well as to clarify issues identified during the accounting academics' interviews that relate to the role of the SAA.

5.5 Target population

The quantitative element of this study uses three groups: 1) public universities; 2) private universities; 3) other academic institutions represented by the IPA and the TVTC that offer accounting degrees at the diploma level (IPA 2013; MOE 2014; TVTC 2013). Only academic institutions that teach accounting programmes were included. A database containing the contact information of accounting academics in Saudi Arabia was compiled via the websites of respective institutions, indicating a population size of 382 academics. Given the size of the population, questionnaires were sent to all accounting academics in the list, as the goal was to cover the whole population.

The qualitative element of this study comprises two groups. The first group is a sample of academics who agreed to be interviewed when completing the questionnaire. The purpose of these interviews was to conduct detailed discussions with accounting academics about the major issues related to higher education institutions implementing IFRS in their curricula. The second group consists of board members of the SAA, the major academic accounting body in Saudi Arabia.

Qualitative studies tend to focus on a small number of cases or participants that were purposively selected to allow for more in-depth and rich exploration, discussion and analysis (Creswell 2014; Miles, Huberman & Saldaña 2014). The sample size was not predetermined for either group of participants, as only those who agreed to be interviewed were included in the sample. The sample size for the first group of respondents (accounting academics) was 15 participants and the sample size of the second group of respondents (SAA board members) was four of the nine board members.

5.6 Development and distribution of data-collection instruments

5.6.1 Questionnaire structure and content

The design and structure of the questionnaire aimed to maximise the accuracy, reliability and completeness of the instrument in testing and achieving the research objectives of this study. The development of the questionnaire was primarily guided by the CIF. The 2011 version of the KPMG-AAA survey also served as a guide as aspects related to the first and second constructs of this study (profile of implementation and capacity to support curriculum change) had been addressed by the KPMG-AAA survey (KPMG 2011). This study also addresses the effect of the Islamic environment as well as the role of outside accounting bodies in Saudi Arabia based on the related literature.

The arrangement of variables and the relationship between them was considered during the design phase (Veal 2005). For example, demographic questions (possible independent variables) were addressed in the first section of the questionnaire, while later sections were grouped around the constructs of the CIF. The final questionnaire consisted of seven sections. A more detailed explanation of each section is presented in Section 6.6. The English version of the questionnaire is presented in Appendix C.

5.6.2 Arabic translation

Since the majority of accounting academics in Saudi Arabia are Arabs and Arabic is their native language, the questionnaire was translated into Arabic to provide participants with the option to complete the questionnaire in Arabic or English. The translation was reviewed for accuracy by a Saudi academic who is fluent in both Arabic and English. After the completion of the review process, the final version of the translated questionnaire was used and sent to participants (see Appendix D for the Arabic version of the questionnaire). The Arabic version of the questionnaire was developed using the Google Survey website while the English version was developed using the SurveyMonkey website. Both online and paper-based forms of the questionnaire were developed using the above-mentioned websites.

5.6.3 Interviews

The first step in deciding on the type of interview questions to include was to identify the main approaches typically utilised, which are 1) structured, 2) unstructured, and 3) semi-structured⁶ (Longhurst 2003; Patton 2002). Semi-structured interviews focus the respondents' answers while allowing for a more thorough and detailed exploration, detection and confirmation of interviewees' perceptions, and understanding of experiences and practices related to the issues investigated (Patton 2002; Veal 2005). Despite having prepared list of questions, semi-structured interviews allow for flexibility where important emerging issues and themes are explored and interviewees are encouraged to express unconventionally their perceptions, opinions and knowledge, as well as explain their responses (Longhurst 2003; Veal 2005). As such, the present research adopted semi-structured interviews to conduct the qualitative analysis.

5.6.4 Instrument distribution

To distribute the questionnaires, a list of accounting academics' email addresses from the selected higher education institutions was compiled. The number of accounting academics on the compiled list is 382. One hundred and eighty-four online questionnaires and 198 paper-based (mail) questionnaires were sent to academics on the compiled database. A link to the online questionnaire using SurveyMonkey (for the English version) and Google Survey (for the Arabic version) was sent to their email addresses together with information to participants outlining the nature of the research study (see Appendix E). Two follow-up reminder emails were sent. A first reminder was sent after two weeks and the second reminder was sent after four weeks.

For the paper-based (mail) questionnaires, a coordinator was identified in each institution, usually the secretary of the accounting department, and the questionnaires were sent to the coordinator. Each coordinator worked as a facilitator by distributing

⁶ Within structured interviews, the exact wording of questions is predetermined, which can limit the richness and comprehensiveness of responses and decrease flexibility of responses. Conversely, with unstructured interviews, questions are developed and emerge during the interview, which can lead to variation in information collected from different respondents (Longhurst 2003; Patton 2002).

questionnaires to accounting academics in the department using their mail/drop boxes or in person. Completed questionnaires were returned to the coordinator who then sent the questionnaires to the researcher's address or contacted the researcher to arrange collection. In cases where no coordinator was identified, the researcher distributed and collected the paper-based questionnaires in person.

For the qualitative element of the study, 23 accounting academics expressed their consent to be interviewed when responding to the questionnaire and provided their contact information. Participants were then contacted either by phone or email to explain the nature of the interview and to establish an appointment at a time and place convenient to participants (see Appendix F for the form providing information to interview participant). However, interviews were limited to academics that were willing and available to be interviewed within a specified timeframe due to time constraints of the researcher and the interviewees. This limited the number of interviews with academics to 15. For participants from the second group (i.e., SAA board members), a contact list was collated from the website of the SAA. Four board members agreed to be interviewed and were provided with information about the research and interview schedule.

Given that written consent was required previously for the first group (at the end of the completed questionnaires) and the fact that verbal consents were audio recorded for both interviewed groups, no paper-based consent forms were sent to interview participants, consistent with the Victoria University ethics approval process. After obtaining participants' approval and verbal consent, interviewees were asked to express and share their experiences, opinions and perceptions on the implications of the transition to IFRS for accounting education and curriculum implementation in Saudi Arabian higher education institutions. Interviews were conducted in Arabic and ranged from half an hour to one hour in length. Whenever there was any lack of clarity relating to any of the issues discussed, clarification and further comment were sought from interviewees. Appendices G and H present the interview questions for both groups of participants (i.e., academics and SAA board members).

5.7 Questionnaire design

Beginning a questionnaire with straightforward questions is a recommended strategy to encourage participants to complete the questionnaire. Thus, the first section of the questionnaire relates to information on the demographic characteristics of respondents and their academic institutions. Construct one of the CIF, profile of implementation, is addressed through the questions in sections one, three and six of the questionnaire. The second construct of the CIF, capacity to support curriculum change, is addressed primarily through questions in section three. The third construct of the CIF, support from outside accounting bodies, is addressed through questions in sections four and five of the questionnaire.

The second section of the questionnaire addresses academics' perceptions of IFRS and academic institutions' incorporation of IFRS into their accounting curricula to date. The third section seeks information on facilitation, administrative support, availability of human resources and teaching and physical resources. The fourth section examines the respondents' perceived role of outside professional and academic accounting bodies in the transition to IFRS. The fifth section relates to CPD by seeking information about professional-development activities undertaken by respondents, activities planned or requested, as well as factors affecting or influencing participants' engagement in and choice of training programmes. The sixth section seeks information relating to the Islamic economic environment of Saudi Arabia and its influence on the transition to IFRS. The seventh section is comprised of questions related to respondents' experience and their willingness to participate in an interview.

5.7.1 Question formats and measures used

The development and choice of questions included in the questionnaire incorporated a number of principles, including avoidance of jargon, simplicity of presentation and wording, avoidance of vague wording and asking leading questions (Veal 2005).

Table 5.1 presents the question formats used in the questionnaire adopted in this study. Question classifications presented in this table are adopted from de Vaus (2013) and Veal (2005).

The design of the questionnaire, the order of the questions and the variety of question formats adopted in this questionnaire were intended to ease the process of reading and completing the questionnaire (Veal 2005). It was also intended to increase the response rate, capture fruitful data from participants, and explore, measure and explain the main constructs of the CIF to help answer the overarching research questions of this study.

Table 5.1: Format of questionnaire

Types of questions
Open-ended
Binary choice
Multiple choice (single response allowed)
Checklist (multiple responses allowed)
Ranking
Likert scales

5.8 Questionnaire validation (content and reliability analysis)

Increasing the level of reliability could be attained through following a number of techniques such as the following (de Vaus 2013):

- use and adoption of multiple indicators whenever appropriate and possible
- adoption of tested and validated questions used in questionnaires from previous research
- avoiding factors that reflect negatively on the reliability of questionnaires such as vague wording.

To increase the reliability of the questionnaire instrument and participants' responses, the present research employed the Cronbach alpha indicator to test the use and adoption of multiple indicators. Cronbach alpha is an acceptable indicator of internal consistency in that it provides an indication of the degree to which a set of items measure a single construct/concept (Sekaran & Bougie 2010). The internal-consistency reliability increases as the value of Cronbach alpha is nearer to 1. Values below 0.6 are considered

poor (Sekaran & Bougie 2010). However, it is widely perceived in the literature that a value between 0.7 and 0.8 is considered acceptable when testing the Cronbach alpha for a scale or a measure (Field 2013). Kline (1999) argues that the acceptable value of Cronbach alpha differs according to the tests undertaken, where 0.8 is generally accepted for cognitive tests, while 0.7 is more appropriate for ability tests. Thus, for the Likert-scale questions utilised in the questionnaire, Cronbach alpha tests were performed. The results of these tests are presented in Table 5.2.

Table 5.2: Internal-consistency test of reliability

Concept measured	Number of items	Cronbach alpha
Usefulness of pedagogical approaches	10	0.80
Challenges of incorporating IFRS into the curriculum	10	0.90
Language and translation issues	4	0.70
Value of external agencies' contributions	8	0.83
Effects of the Islamic environment	5	0.55
Major Islamic financial transactions	10	0.93

As Table 5.2 demonstrates, the Cronbach alpha for the 'Effects of the Islamic environment' had a score of 0.55 for the five items tested. Therefore, a reliability test for that concept was conducted to identify the item or items that contributed to the low Cronbach alpha score. The results of this test (Table 5.3) demonstrate that by deleting item five, the Cronbach alpha score increases to 0.69.

Table 5.3: Reliability of the effects of Islamic environment measure

Item	Cronbach alpha if item deleted
1	0.38
2	0.41
3	0.43
4	0.44
5	0.69

Tested and validated questions used in questionnaires from previous research were also adopted in this study. Apart from the demographic and concluding questions, the majority of the remaining questions used in the questionnaire were either adopted or guided by the 2011 version of the KPMG-AAA questionnaire (KPMG 2011). The clarity of the wording and concepts were tested using a pilot test to avoid vagueness that

could negatively affect the responses and therefore the reliability of the questionnaire data.

Testing the ability of a developed instrument to measure the concepts that it was intended to measure is termed 'validity' (Sekaran & Bougie 2010). Validity constitutes ensuring the precision, completeness and soundness of research findings through the exclusion or control of variables that could result in lower confidence or usefulness of research findings and outcomes (Marczyk, DeMatteo & Festinger 2005). Conducting a pilot test before commencing main data collection is recommended, as it allows examining and testing the reliability and validity of the instrument used to collect data, as well as the indicators and measures used within that instrument to test particular variables and constructs (de Vaus 2013). According to Veal (2005) and Wilkinson and Birmingham (2003), pilot questionnaires serve a variety of purposes such as testing the wording, sequence and arrangement of questions, and the layout of the questionnaire. It can also help increase clarity, capture mistakes, provide an estimate of the time required to complete the questionnaire, estimate the response rate, and test validity.

However, it should be noted that there are some limitations inherent in pilot studies such as exposing a number of participants to the data-collection instrument, which results in the necessity of excluding them from study, which reduces the number of study participants (Cooper & Schindler 2006; van Teijlingen & Hundley 2002). This issue is of greater concern when the target population is small or has unusual characteristics (Cooper & Schindler 2006). In this study, the total population number is 382 participants and is limited to accounting academics. The pilot questionnaire was sent to three accounting academics working in different higher education institutions. Those selected came from different nationalities to allow better capture of issues related to the clarity of the wording raised by academics with diverse backgrounds.

Accounting academics who participated in the pilot test were asked to complete the questionnaire, and provide comments and feedback on their perceptions of the accuracy and completeness of the questionnaire. Respondents provided useful feedback related to issues such as the language used in some questions, the need to add more questions on demographics and the order of the questions in the questionnaire. A number of modifications and alterations were made accordingly.

5.9 Data collection

5.9.1 Questionnaires

With respect to the data collection for the questionnaire, academics at 16 of the 25 academic institutions received the online version of the questionnaire via email from the compiled database. The remaining nine academic institutions in the study had paper-based questionnaires distributed to academics either in person via the researcher or through a coordinator (i.e., the department secretary). For five institutions with low response rates for the online questionnaires, a decision was made to deliver in person a paper-based version of the questionnaire to academics in an endeavour to improve the response rates. To avoid duplication of responses by academics working at institutions where both paper-based and online questionnaires were distributed, academics were asked to complete the paper-based version only if they had not previously completed the online questionnaire.

5.9.2 Interviews

Interviews were conducted with both groups of participants: academics and board members of the SAA. When completing the questionnaire, academics were asked a question requesting their participation in interviews. Board members of the SAA were contacted by phone or email to request their participation in an interview. Participants who agreed to be interviewed were contacted by phone or email to schedule an appointment at the preferred time and location of the participants. This resulted in the need for the researcher to travel to meet academics working in different academic institutions around Saudi Arabia. All the interviewed board members of the SAA were located in the capital city, Riyadh.

5.10 Data preparation

The analysis of collected data typically goes through three phases: preparing the data for analysis, analysing the data and interpreting the analysed results (Marczyk, DeMatteo & Festinger 2005). The use of online survey websites such as SurveyMonkey and Google accelerated the process of preparing collected data from the questionnaires for analysis.

The SurveyMonkey website allows the set-up of question formats and scales to be used in advance, allowing accurate transfer of both the type and content of questions into the Statistical Package for the Social Sciences (SPSS) software. The Arabic online questionnaires received through Google and the paper-based questionnaires were re-entered into SurveyMonkey and reviewed for accuracy. The transmitted data from SurveyMonkey to SPSS were already in a coded format. These were reviewed and screened to ensure the accuracy of the coding and to enable the naming of the variables.

Despite the fact that missing data are common in quantitative research, there is no agreement in the literature regarding a cut-off percentage that constitutes an acceptable amount of missing data that avoids invalid statistical analysis and results (Dong & Peng 2013; Peugh & Enders 2004). For example, Enders (2003) indicates that within educational and psychological studies, a 15 per cent rate of missing data is common, while Bennett (2001) considers missing data exceeding 10 per cent a large amount, arguing that it will result in biased results when analysed. Therefore, three questionnaires were excluded from the sample of this study, as they were missing over 15 per cent of data. Questionnaires with less than 15 per cent of missing data were kept and used as they provided insightful feedback on 85 per cent or more of the questionnaire's content. Thus, to ensure the overall quality of the questionnaires, the missing values from these questionnaires were coded to obtain a pair wise deletion. That is, the respondent is dropped (i.e., omitted) only on analyses involving variables that have missing values (Marczyk, DeMatteo & Festinger 2005; Sekaran & Bougie 2010).

To obtain the qualitative data, all interviews were audio recorded and transcribed. As interviews were conducted in Arabic, they were first transcribed into Arabic and then translated into English and double-checked for accuracy. Transcribed interviews were uploaded to the NVivo program in the form of Word documents to prepare the data for detailed content and thematic analysis.

5.11 Data-analysis techniques

The statistical tests and data-analysis techniques employed in this study include descriptive and inferential statistics for the quantitative element and content/thematic analysis for the qualitative element.

5.11.1 Descriptive statistics

In this study, frequency distributions and a measure of central tendency (the mean) were used to provide an overview of the directions and perceptions that most accounting academics identified in relation to IFRS and its incorporation into the curriculum. To examine the level of variation and centralisation of values around the mean, standard deviation measures were employed to allow for a more accurate interpretation of results (Marczyk, DeMatteo & Festinger 2005). Descriptive statistics are presented in this study through a combination of textual and tabular forms as part of the process of presentation, analysis and interpretation of results.

5.11.2 Inferential statistics

Inferential tests (Mann-Whitney U) were performed to test for differences in academics' perceptions and opinions regarding challenges facing academic institutions in relation to incorporating IFRS in the curriculum, and issues related to language and translation. The Mann-Whitney U test was employed to collect ordinal data and compare two independent samples based on the type of academic institution (i.e., university versus other academic institution) (Field 2013).

5.11.3 Content/thematic analysis

Content analysis was employed on the transcribed data to search for and analyse meanings where codes were assigned to excerpts of the selected text bundled around similar research questions. This facilitated the identification of recurring patterns (Miles, Huberman & Saldaña 2014; Patton 2002; Richards & Morse 2007). An evaluation of the coded excerpts was then conducted to examine classified codes further

to gain more accurate and specified categories and patterns, which allowed for the exploration of themes and constructs and provided more meaningful interpretation and analysis of the findings (Miles, Huberman & Saldaña 2014).

According to Miles, Huberman and Saldaña (2014), pattern codes may take four types: 1) categories or themes; 2) causes/explanations; 3) relationships among people; and 4) theoretical constructs. In this study, themes were identified and related to the theoretical constructs of the CIF where relationships between and among factors and themes were identified, explained and displayed in visual formats. Within-case and cross-case analyses were conducted to allow for deep understanding of each individual case and to identify common issues and variables across different cases (Miles, Huberman & Saldaña 2014).

To enable deep qualitative data analysis, Bazeley (2009) suggests a number of strategies such as the refinement of names of categories or themes and the interpretation, refinement and connection of categories or themes through comparing and analysing patterns, as well as the use and creation of matrices and graphs to display and demonstrate relationships. These strategies were utilised in this study to allow for improved analysis and presentation of findings. Identifying themes involved a long refinement process to ensure that similar concepts were not duplicated in different categories. The use of graphs and figures was also utilised to demonstrate more clearly the relationships between themes and constructs.

5.12 Conclusion

This chapter provided a detailed explanation of the way this research project was designed, planned and conducted. The use of a mixed-methods approach was intended to increase the accuracy of the research findings through the adoption of two data-collection techniques (i.e., questionnaires and interviews). The sequential design followed in this study allowed data collected from the initial stage (i.e., questionnaires) to inform data collection at the subsequent stage (i.e., semi-structured interviews). The use of Arabic in questionnaires and interviews was intended to affect positively participants' willingness to participate and share their views. It was also intended to

lower the chances for misconception of concepts and statements resulting from language difficulties. Collected data were translated into English, coded, checked for accuracy and prepared for analysis. The analysis of the collected data is divided into two parts, with the first employing statistical analysis (i.e., descriptive and inferential) on the quantitative data, and the second employing thematic and content analysis to analyse the qualitative data. The following two chapters will present the results from the quantitative and qualitative data.

Chapter 6: Quantitative Analysis

6.1 Introduction

This chapter provides a quantitative descriptive and inferential analysis of data collected from questionnaires. The aim was to survey academics' perceptions of the transition to IFRS and its implications for accounting education in Saudi Arabia. Surveying a large number of the Saudi academic accounting community was designed to help gain a general understanding of the perspectives of the participants to inform accounting educators and the accounting curriculum. The data gathered from questionnaires were analysed and grouped around the related research questions and sub-questions to allow for better capture of the findings.

RQ1 investigates the educational profiles of higher education institutions in Saudi Arabia to allow for an evaluation of the environment in which curriculum change and implementation will occur. RQ2 addresses academics' perceptions of the factors that are likely to influence the capacity of Saudi higher education institutions to undertake and support curriculum-change initiatives. RQ3 explores Saudi accounting academics' opinions of how outside professional and academic accounting bodies in Saudi Arabia can help academic institutions and accounting academics transition to IFRS. This chapter comprises six sections covering descriptive and inferential statistics. Section 1 provides demographical and background information of participants. Section 2 highlights the state of accounting education in relation to teaching IFRS in higher education institutions in Saudi Arabia. Section 3 discusses the influence of the Islamic environment of Saudi Arabia on including IFRS in the accounting curriculum. Section 4 reviews the factors influencing Saudi higher education institutions' engagement with IFRS, while Section 5 discusses the teaching resources needed to assist the teaching of IFRS. The final section reviews the expected role of outside agencies in the transition to IFRS from the perspective of surveyed academics.

6.2 Demographics and background analysis

Table 6.1 provides summary frequency statistics regarding the respondents' demographics and background information in Panels A, B and C. These frequency statistics aid in assessing the strengths and weaknesses of academic institutions and academic staff with respect to the 'profile of implementation' construct. The total number of respondents varies for items due to the variation in response rates for each question. Panel A presents the individual characteristics of respondents in gender, nationality and language ability. As discussed in Chapter 2, the most recent MOE statistics indicate that in all higher education institutions, including all colleges and all academic majors the gender percentage of academics in Saudi Arabia is 61 per cent male and 39 per cent female (MOE 2013). However, the results in Panel A indicate 81.8 per cent of accounting academic respondents are male and 18.2 per cent are female. This disparity can be attributed to the social structure and education system of Saudi Arabia in which there are separate male and female campuses. The separation of male and female campuses has limited access to female accounting academics due to religious reasons, with the majority of responses received from females via the online questionnaire.

Panel A also demonstrates that 48.6 per cent of the responding accounting academics are Saudi nationals and 51.4 per cent are non-Saudi. The results of this study demonstrate a relatively even distribution of Saudi and non-Saudi academics in this sample. As discussed in Chapter 2, the latest MOE statistics (MOE 2013) demonstrate that the percentage of academics in all higher education institutions (including all colleges and all majors) that are Saudi nationals is approximately 58 per cent, with non-Saudi academics at 42 per cent. The difference in the percentage of Saudi versus non-Saudi academics in the present study compared to the MOE figures could be attributed to the fact that the national figures are comprised of all academics in Saudi Arabia regardless of their colleges or academic majors. The language diversity of respondents demonstrated that 72.3 per cent are multilingual and the remaining of 27.7 per cent are monolingual (Arabic).

Panel B presents participants' academic profile and IFRS experience, for example, academic position, years of experience in teaching in higher education, degree of knowledge of IFRS and practical experience of IFRS. With respect to the academic position of respondents, the majority were lecturers (36.5 per cent) and assistant professors (32.3 per cent). According to the MOE (2013), lecturers and assistant professors in Saudi Arabia account for 22 per cent and 27 per cent respectively of the total academics in Saudi Arabia according to the academic rank. This indicates that this sample has a greater proportion of lecturers and assistant professors than the national figures. This difference could be attributed to the fact that this sample only comprises academics from the accounting discipline, while the national figures represent academics from all disciplines. In addition, only 4.8 per cent of respondents had no knowledge of IFRS. The responses of the 4.8 per cent (nine academics) were excluded when analysing questions that require IFRS knowledge.

Panel C presents information on the profiles of higher education institutions (i.e., type of academic institution and language of instruction used in teaching the accounting curriculum). The sample demonstrates that the majority of respondents work at public universities (68.5 per cent). This result is attributed to the fact that the number of public universities has increased dramatically since 1998 due to government support for the higher education system resulting in the creation of a number of public universities. Currently, there are 25 public universities and nine private universities in Saudi Arabia (MOE 2013, 2014). There are also two public institutions: the IPA and the TVTC. Both of these institutions have branches and campuses across Saudi Arabia. However, only universities and institutions with business colleges that provide accounting programmes have been included in the study. This resulted in the inclusion of 22 public universities, six private universities and two other academic institutions. Sixty-one per cent of respondents use Arabic for teaching instruction. This would seem to have clear implications on the need to have teaching resources and materials available in Arabic.

Table 6.1: Demographics and background of respondents

Item	Frequency	Percentage
Panel A: Participant demographics		
Gender		
Male	153	81.8
Female	34	18.2
Total	187	100
Nationality		
Saudi	90	48.6
Non-Saudi	95	51.4
Total	185	100
Language diversity		
Monolingual	51	27.7
Multilingual	133	72.3
Total	184	100
Panel B: Participant academic profile and IFRS experience		
Academic position		
Professor	13	7.0
Associate Professor	25	13.5
Assistant Professor	60	32.3
Lecturer	68	36.5
Other	20	10.7
Total	186	100
Years of experience teaching in higher education		
More than 20 years	49	26.3
16–20 years	21	11.3
11–15 years	24	12.9
6–10 years	42	22.6
Fewer than 5 years	50	26.9
Total	186	100

Degree of knowledge of IFRS		
No knowledge at all	9	4.8
Some knowledge	90	48.1
Proficient	59	31.6
Very knowledgeable	27	14.4
Expert	2	1.1
Total	187	100

Practical experience of IFRS		
Yes	40	22.5
No	138	77.5
Total	178	100

Panel C: Higher education institution profiles

Type of higher education institution		
Public university	128	68.5
Private university	15	8.0
Other academic institutions	44	23.5
Total	187	100

Language of instruction		
Arabic	114	61.0
English	58	31.0
Both	15	8.0
Total	187	100

Note: The total number of respondents for panels A and B vary for items due to the variation in response rates for each question.

The following sections address research questions connected to the CIF constructs and sub-constructs. The following section examines the IFRS accounting education in academic institutions in Saudi Arabia in relation to the profile of implementation construct of the CIF. This is partly addressed through the RQ1:

RQ1: How does the educational profile of the learning environment in Saudi Arabia affect the preparation for the teaching of IFRS?

6.3 State of accounting education in Saudi Arabia in relation to teaching IFRS

This section analyses the state of the transition to integrating IFRS into accounting education and curricula in Saudi Arabia, specifically examining academics' perceptions of the importance of the inclusion of IFRS in the curriculum, as well as their perceptions of the timing of IFRS incorporation into the accounting curriculum and academic level at which IFRS should be included. This is examined by focusing on the following research sub-question:

RQ1a: What is the state of accounting education in higher education institutions in Saudi Arabia with respect to preparedness for the transition to IFRS?

RQ1a includes an assessment of the profile of higher education institutions and accounting academics in Saudi Arabia with respect to IFRS and its incorporation into the curriculum enabling an elaboration of the profile of implementation construct. The analysis will evaluate the plans set by academic institutions to incorporate IFRS into the curriculum as well as the steps undertaken by academic institutions to prepare academics for the change. The results display the frequencies of responses for each item and the means and standard deviation where appropriate. The analysis of the state of IFRS incorporation and the steps taken to incorporate IFRS will be further addressed in Section 7.3.1 (qualitative results analysis).

6.3.1 Academics' perceptions of importance of teaching IFRS in Saudi higher education institutions

Table 6.2 presents accounting academics' responses and perceptions of the importance of commencing teaching IFRS in higher education institutions in Saudi Arabia, where response categories on a Likert scale range from 1= Not at all important to 5= Very important. The findings demonstrate that the majority of academics perceive the need for commencing teaching IFRS in higher education institutions in Saudi Arabia as an important step (mean=4.15). More specifically, over three-quarters of the respondents (77.4 per cent) believe that it is either important or very important to start teaching IFRS. This perception of the level of importance of IFRS teaching is expected to affect the timing of IFRS incorporation and the level to which IFRS are incorporated in the curriculum. It is also expected to reflect academics' willingness and openness to curriculum change and engage in CPD activities related to IFRS.

Table 6.2: Academics' perceptions of importance of teaching IFRS

Option	Frequency	Percentage
Very important	93	52.5
Important	44	24.9
Somewhat important	22	12.4
Moderately important	16	9.1
Not at all important	2	1.1
Total	177	100

Note: Mean = 4.15; Std deviation = 1.095; Min = 1; Max = 5.

6.3.2 Academics' expectations of timing of inclusion of IFRS in curriculum

The results presented in Table 6.3 demonstrate that more than one-quarter of respondents (28.5 per cent) do not believe IFRS will be incorporated significantly into the accounting curriculum and 21.8 per cent of respondents believe that it will not be incorporated before the academic year 2016–2017. Additionally, only 12.3 per cent of respondents indicated that IFRS are already incorporated into the curriculum. These results indicate low preparation and readiness for the incorporation and teaching of IFRS despite the high perception of the high level of importance of teaching IFRS as part of the accounting curriculum (Table 6.2).

Table 6.3: Academics' expectations of timing of inclusion of IFRS in curriculum

Option	Frequency	Percentage
Do not believe IFRS will be incorporated significantly into the curriculum	51	28.5
Beginning in 2016–2017 academic year	39	21.8
Beginning in 2014–2015 academic year	30	16.8
Beginning in 2015–2016 academic year	26	14.5
IFRS are already incorporated into the curriculum (2012–2013 or earlier)	22	12.3
Beginning in 2013–2014 academic year	11	6.1
Total	179	100

Note: The total number of respondents for Tables 6.3 to 6.7 varies due to the variation in response rates for each question.

6.3.3 Academics' perceptions of academic level at which IFRS should be covered

Table 6.4 demonstrates that almost three-quarters of the respondents (73.6 per cent) believe that IFRS should be covered at both the postgraduate and undergraduate levels; 18.5 per cent believe IFRS should be covered at the undergraduate level only, and 7.3 per cent believe it should be covered at the postgraduate level only. In addressing RQ1, this suggests that academic institutions should take steps to address the incorporation of IFRS into the curriculum regardless of the level of degrees they offer.

Table 6.4: Academics' perceptions of academic level at which IFRS should be covered

Option	Frequency	Percentage
Both undergraduate and postgraduate	131	73.6
Undergraduate only	33	18.5
Postgraduate only	13	7.3
None	1	0.6
Total	178	100

6.3.4 Academics' perceptions of steps taken to incorporate IFRS in curriculum

As demonstrated in Table 6.5, 39.9 per cent of respondents indicated that no significant steps had yet been taken by the accounting department at their institution to incorporate IFRS into the accounting curriculum; 23 per cent of respondents indicated that their accounting departments are actively assessing future courses of action for the incorporation of IFRS into the curriculum. These results confirm those presented in

Table 6.3, demonstrating that there is a need to improve the state of accounting education and curricula in relation to preparing for the transition to IFRS.

Table 6.5: Academics' perceptions of steps taken by institutions to incorporate IFRS in curriculum

Option	Frequency	Percentage
No significant steps yet taken	73	39.9
Actively assessing future course of action	42	23.0
Integrated significant components of IFRS into existing course/s	39	21.3
Created a separate undergraduate course	20	10.9
Created a separate graduate course	9	4.9
Total	183	100

6.3.5 Academics' expectations of when graduates will enter workforce with adequate IFRS knowledge

Table 6.6 demonstrates that the majority of academics (43.2 per cent) believe that there will not be graduates entering the workforce with an adequate knowledge of IFRS until at least 2020 (i.e., after the class commencing in 2017 graduate). These results demonstrate that most academics do not believe there will be adequate incorporation of IFRS into their academic institutions' curricula before the 2017 date that SOCPA announced when IFRS would become compulsory for all listed companies in the Saudi market. These results again demonstrate a low level of preparedness to incorporate IFRS into the curriculum.

Table 6.6: Academics' expectations of when graduates will enter workforce with adequate IFRS knowledge

Option	Frequency	Percentage
Post-2017 class	76	43.2
Class of 2017	34	19.3
Class of 2016	25	14.2
Class of 2015	22	12.5
Class of 2014	10	5.7
Class of 2013	9	5.1
Total	176	100

6.3.6 Academics' expectations of SOCPA including IFRS in fellowship examination

Table 6.7 demonstrates that more than half (51.8 per cent) of respondents believe that SOCPA's fellowship examination will not cover IFRS until 2017 or later. These expectations may explain the delays in the incorporation of IFRS into the accounting curriculum. Evidence from the literature indicates that professional accounting bodies' modification to their professional examination and certification systems is an important factor triggering academic institutions to undergo curriculum change (Carvalho & Salotti 2013; Coetzee & Schmulian 2013; Hilton & Johnstone 2013). It is possible that accounting institutions in Saudi Arabia are waiting for SOCPA to complete its transition before taking any major steps in incorporating IFRS in the curriculum.

Table 6.7: Academics' expectations of SOCPA including IFRS in fellowship examination

Option	Frequency	Percentage
2017	49	28.5
2018 or later	40	23.3
2015	33	19.2
2016	29	16.8
2014	14	8.1
Not at all	7	4.1
Total	172	100

6.4 Influence of the Islamic economic environment on inclusion of IFRS in accounting curriculum in Saudi Arabia

This section examines the influence of the Islamic economic environment in Saudi Arabia on the transition to IFRS in the accounting curriculum to elaborate further on the profile of implementation construct (RQ1). Evaluating the effect that the educational profiles of academic institutions in Saudi Arabia have on the extent to which IFRS are taught and incorporated in accounting curricula requires the consideration of the Islamic economic environment within which these academic institutions operate. This section specifically addresses the following research sub-question:

RQ1b: What is the influence of the Islamic economic environment on the transition to IFRS in the accounting curricula of higher education institutions in Saudi Arabia?

To address RQ1b, questions were developed to examine Saudi accounting academics' views with respect to the extent of the influence that the Islamic economic environment in Saudi Arabia has on: 1) the level of transition to IFRS; 2) the acceptance of new sets of standards; and 3) the need for separate accounting standards that cover Islamic financial transactions. In addition, this section investigates academics' opinions about the most important topics treating Islamic financial transactions that need to be covered by IFRS and the accounting curriculum. Analysis of responses to this research question will allow for a greater understanding of the profile of implementation construct in relation to the Islamic economic environment of Saudi Arabia.

6.4.1 Academics' perceptions of influence of Islamic economic environment

A list of statements were provided to academics to express their opinions about the influence of the Islamic economic environment, where response categories on a Likert scale ranged from 1= Strongly disagree to 5= Strongly agree. The initial findings demonstrate that the majority of academics agree that there is a need to maintain separate financial reporting standards related to Islamic financial transactions (mean=3.61). The results also demonstrate that the majority of participants do not agree that the Islamic environment in Saudi Arabia will hinder the level of transition to IFRS by SOCPA (mean=2.51). The remaining items had neutral outcomes with mean scores close to three (Table 6.8). These results indicate doubt among academics about the importance and implications of the Islamic economic environment.

Table 6.8: Academics' perceptions of influence of Islamic economic environment

Option	Mean	Std deviation
Separate financial reporting standards related to Islamic financial transactions should be maintained	3.61	1.073
Islamic financial transactions can generally be accounted for using IFRS	3.21	0.905
Islamic accounting-related topics will constitute a major part of the accounting courses provided in the new curriculum	3.19	0.979
A full adoption of IFRS is not possible due to differences between IFRS and Shari'ah interpretation	2.94	1.194
Islamic environment in Saudi Arabia will hinder the level of transition to IFRS by SOCPA	2.51	1.113

Note: Min = 1; Max = 5.

6.4.2 Academics' perceptions of importance of IFRS covering Islamic financial transactions

A list of Islamic financial transactions was provided to academics to express their opinions regarding the importance of applying IFRS to these transactions, where response categories on a Likert scale ranged from 1= Not at all important to 5= Very important (Table 6.9). All listed items registered a mean score higher than four except the last two items: classification and measurement of Qard (loan) (mean=3.95) and accounting treatment of Ijarah (lease financing) (mean=3.86). The results suggest that Saudi accounting academics place a high level of importance on the application of IFRS to the listed topics in the questionnaire.

Table 6.9: Academics' perceptions of importance of applying IFRS to Islamic financial transactions in accounting curriculum

Option	Mean	Std deviation
Zakat calculations, presentation and related disclosures	4.15	1.090
Additional Shari'ah-related disclosures (compliance with Shari'ah teachings)	4.14	1.049
Musharakah (equity and profit/loss sharing) treatment and presentation	4.09	0.996
Murabaha (cost plus sale or trade with mark-up) treatment and presentation	4.04	0.982
Sukuk (bonds) valuation	4.04	1.051
PER treatment and presentation	4.03	0.986
Applying IFRS 4 (insurance contracts) to Takaful	4.02	1.016
Mudharabah (profit-sharing finance) treatment and presentation	4.00	1.044
Classification and measurement of Qard (loan)	3.95	1.064
Accounting treatment of Ijarah (lease financing)	3.86	1.138

Note: Min = 1; Max = 5

6.5 Academics' perceptions of modern pedagogical approaches

This section examines the way academics in Saudi Arabia perceive student-centred pedagogical approaches in teaching IFRS. This is examined to address another aspect of the profile of implementation construct of the CIF and relates to RQ1.

Principles-based standards such as IFRS encourage the use of innovative pedagogical approaches that focus on the development of students' judgement and critical-thinking skills. This requires students to be the centre and focus of the educational process, which is not as important for teaching rules-based standards (Bui & Porter 2010; Coetzee & Schmulian 2011; Howieson 2003; Parker 2001). As the IFRS conceptual framework represents the foundation of IFRS, it is argued that following a framework-based teaching approach allows for a deeper and more robust understanding of IFRS requirements and concepts and greater development of students' professional-judgement and critical-thinking skills (Hodgdon, Hughes & Street 2011; Wells 2011).

Exploring academics' perceptions of the usefulness of certain pedagogical approaches will help address the profile of implementation construct through the following research sub-question:

RQ1c: How do academics in Saudi Arabia perceive approaches to teaching principles-based IFRS standards?

Academics expressed their opinions about the usefulness of certain pedagogical approaches in teaching IFRS, where response categories on a Likert scale ranged from 1 = Not at all useful to 5 = Extremely useful. As presented in Table 6.10, nine of the ten approaches listed were perceived to have a relatively high level of value for teaching IFRS with a mean score over four; however, role play (mean=3.55) was not considered as valuable as the other approaches. This demonstrates academics' awareness of the value of student-centred teaching approaches, which should reflect on academics' willingness to utilise such approaches.

Table 6.10: Academics' perceptions of value of pedagogical approaches

Option	Mean	Std deviation
Use of case studies to develop students' analytical, evaluation and judgement skills	4.30	0.685
Guest speakers (IFRS experts) who provide a real-life learning experience for students	4.28	0.877
Cooperative-based learning approach (short-term industry work placement prior to course completion)	4.18	0.862
Simulations (real-life business problems)	4.16	0.860
PBL approach	4.13	0.937
Side-by-side comparison of Saudi GAAP and IFRS in a lecture format	4.11	0.939
Research projects related to emerging IFRS topics and issues	4.07	0.820
Start by teaching theory and rationale of IFRS before teaching the new standards	4.02	1.024
Oral presentations related to emerging IFRS topics and issues	4.01	0.909
Role plays used to enhance students' communication and interpersonal skills and stimulate their creativity	3.55	1.134

Note: Min = 1; Max = 5

Given that participants in this study placed highest value on case studies for teaching approaches, their opinions about the supposed emphasis of these case studies were investigated. The results in Table 6.11 indicate that 82.9 per cent of respondents feel that case studies used in teaching IFRS should emphasise the technical aspects (rules) of IFRS as opposed to the conceptual foundations of IFRS. This issue is more apparent among more junior academics (assistant professors 85% and lecturers 87%) compared to experienced ones (professors 63% and associate professors 79%). These results are at odds with the IFRS Education Initiative direction, which emphasises the conceptual foundations and framework of IFRS. As most accounting academics in Saudi Arabia tend to prefer an approach not ideally suited to teaching IFRS, an awareness of this issue at the level of those who plan and implement curriculum change is required to ensure there is an appropriate shift in direction of academics' teaching approaches and that accounting academics are prepared to teach the principles-based approach.

Table 6.11: Major emphasis of case studies

Emphasis	Frequency	Percentage
Case studies should emphasise technical aspects (rules) of IFRS	145	82.9
Case studies should emphasise conceptual foundations (principles-based approach)	25	14.3
Both	5	2.8
Total	175	100

6.6 Factors influencing higher education institutions' engagement with IFRS

RQ2 addresses the factors likely to influence the incorporation of IFRS in curriculum initiatives. It also examines the challenges that may hinder such initiatives surrounding the construct of capacity to support curriculum change. In particular, this section addresses the following research question:

RQ2: What factors influence the capacity to support curriculum change to incorporate IFRS in the curricula of higher education institutions in Saudi Arabia?

Results demonstrate frequency of responses for selected items in the questionnaire as well as means and standard deviation where appropriate.

6.6.1 Academics' perceptions of administrators' understanding of and preparation for IFRS

Evaluating administrators' level of awareness of the policy and process implications of the transition to IFRS is important for assessing the capacity of higher education institutions to execute curriculum-change initiatives. This section addresses the following research sub-question:

RQ2a: What is the level of awareness of the administrators of Saudi academic institutions of the process and policy implications of the required change?

Table 6.12 (Panel A) demonstrates that the respondents perceive that the administrators of their higher education institutions have a high level of understanding of the changes required for conversion to IFRS (mean=3.52). Table 6.12 (Panel B) presents the steps taken by administrations to prepare accounting academics to teach IFRS. The results show that 39.3 per cent of academics believe that the administrators have not yet implemented any plans to prepare for IFRS teaching; 36.5 per cent of respondents feel that their administration has yet to decide on the proper form of action to be followed. This highlights the gap between understanding the required changes to incorporate IFRS teaching and taking the required steps to implement such changes. These results may also indicate a low level of communication of plans and shared goals between administrators of academic institutions and accounting academics.

Table 6.12: Academics' perceptions of administrators' understanding of and preparation for IFRS

Option	Frequency	Percentage
Panel A: Administrators' understanding of required change		
Understands very well	55	31.3
Understands	50	28.4
Don't know	40	22.7
Does not understand	19	10.8
Does not understand at all	12	6.8
Total	176	100
Panel B: Steps taken by administrators to prepare for teaching IFRS		
<i>Note: Multiple responses allowed, which causes number of responses to exceed 178 and percentage to exceed 100</i>		
No plans	70	39.3
Undecided	65	36.5
A combination of hiring new IFRS-ready faculty and developing existing faculty	26	14.6
Individual faculty members who will be responsible for teaching IFRS have been identified	14	7.9
Will hire new IFRS-ready faculty (e.g., from countries that have adopted IFRS)	9	5.1
Time release to existing faculty to develop course materials has been provided	7	3.9
Other	8	4.5
Funding is to be provided to existing faculty to attend training	5	2.8
Funding to be provided to existing faculty to develop course materials	0	0

Note: Mean = 3.52; Std deviation = 1.156; Min = 1; Max = 5

6.6.2 Academics' perceptions of challenges of teaching IFRS in Saudi higher education institutions

In keeping with the theme of RQ2, this section addresses the perceptions of accounting academics in Saudi Arabia of the obstacles involved in teaching of IFRS. More specifically, this section addresses the following research sub-question:

RQ2b: What are the obstacles to teaching IFRS perceived by accounting academics in Saudi Arabia?

Table 6.13 compares the means of a list of challenges that may hinder or affect the teaching of IFRS in higher education institutions in Saudi Arabia as perceived by the respondents, where response categories on a Likert scale ranged from 1= Not at all challenging to 5= Very challenging. According to these results, no factor stands out as a great challenge, as the highest reported mean score is only 3.08. This may indicate that accounting academics in Saudi Arabia are not highly engaged with the incorporation of IFRS, resulting in a low level of awareness of the future challenges of teaching IFRS once they are incorporated into the accounting curriculum.

Table 6.13: Academics' perceptions of challenges of teaching IFRS

Option	Mean	Std deviation
Language barriers	3.08	1.364
Developing curriculum materials for IFRS	3.04	1.232
Training faculty to teach IFRS	2.97	1.410
Faculty expertise in IFRS	2.95	1.338
Timing of when to begin teaching students IFRS	2.85	1.316
Large class sizes	2.77	1.424
Getting faculty cooperation to teach IFRS	2.73	1.355
Availability of financial resources (budgetary constraints)	2.69	1.388
Making room in the curriculum for IFRS	2.67	1.222

Note: Min = 1; Max = 5

In keeping with RQ2b, this section examines the materials accounting academics in Saudi higher education institutions consider important for teaching IFRS. The results demonstrate that respondents believe the most important materials to facilitate teaching IFRS are textbooks and case studies. Table 6.14 demonstrates that 62.6 per cent of

respondents ranked textbooks as highest in importance, while 22.1 per cent ranked case studies highest in importance. Comparing these results with those presented in Table 6.13, which ranked ‘Developing curriculum materials for IFRS’ as the second greatest perceived challenge facing the teaching of IFRS, demonstrates the importance of making available teaching materials with adequate coverage of IFRS to enable accounting academics to foster curriculum change.

Table 6.14: IFRS teaching materials

Materials	Frequency	Percentage
Textbooks	82	62.6
Case studies	29	22.1
PowerPoint presentations	10	7.6
Videos	4	3.1
Webcasts	3	2.3
Smart boards	3	2.3
Total	131	100

6.6.3 Language and translation issues

A specific challenge facing the teaching of IFRS and its incorporation in the curriculum in Saudi Arabia is the issue of language and translation. This challenge is reflected in the following research sub-question:

RQ2c: What are Saudi academics’ opinions of the implications of cultural issues for the transition to IFRS in the curriculum in terms of 1) language and 2) translation?

Table 6.15 presents academics’ opinions of language issues related to IFRS, where response categories on a Likert scale range from 1= Strongly disagree to 5= Strongly agree. The results in Table 6.15 suggest a strong reluctance among academics towards teaching IFRS in English (mean=2.23). This result is not surprising given that 61 per cent of respondents indicated that they teach in Arabic (Table 6.1). This also suggests that academics need high-quality translation of IFRS and IFRS teaching materials to teach IFRS in Arabic.

Table 6.15: Academics' opinions on language and translation issues

Option	Mean	Std deviation
I believe in consulting the English original version of IFRS despite the availability of an Arabic translation	3.43	1.235
An equivalent translation of IFRS to Arabic is not possible	2.51	1.234
Availability of consistent high-quality translations of IFRS teaching materials in Arabic is unachievable in the next five years	2.40	1.217
IFRS should only be taught and delivered in English	2.23	1.276

Note: Min = 1; Max = 5.

6.6.4 Inferential analysis of the effect of type of academic institution on IFRS transition

This section examines the effect the type of academic institution has on the transition to IFRS. More specifically, this section addresses academics' responses with respect to: 1) challenges facing the incorporation of IFRS into the curriculum; and 2) language and translation issues. This is addressed via the following research sub-question:

RQ2d: Does the type of academic institution affect institutions' capacity to transition to IFRS?

To distinguish these results further, a Mann-Whitney U test was conducted to identify any differences in perceptions among academics regarding the challenges of teaching IFRS based on the type of academic institution in which they are employed (Table 6.16).

Table 6.16 demonstrates that academics' perceptions of the types of challenges facing the incorporation of IFRS into accounting curricula did not differ between academics working at different institutions (i.e., universities and other academic institutions) except for two items: faculty expertise in IFRS ($U=2200.500$, $z=-2.055$, $p=0.040 < 0.05$) and large class size ($U=2018.000$, $z=-2.455$, $p=0.014 < 0.05$). The results indicate that faculty expertise in IFRS is more of a concern for academics working at other academic

institutions (mean rank⁷=101.11) than it is for academics working at universities (mean rank=83.17). A possible reason for this difference is the difference in the educational backgrounds of the academics in the two institutions. Specifically, all study respondents who work at other academic institutions hold either a bachelor or master's degree (except for two academics who hold a doctorate degree), whereas the majority of respondents working at universities (67.13 per cent) hold a doctorate. These results have implications for the type and extent of CPD activities that need to be provided to accounting academics in each type of academic institutions.

The results also indicate that large class sizes are more of a concern for academics working at universities (mean rank=91.60) than for academics working at other academic institutions (mean rank=70.22). This is because there are a greater number of students enrolled in universities compared to other academic institutions due to the absorptive capacity differences between the two types of academic institutions (MOE 2013). Even though large class sizes are a common issue cited in the general education literature, the magnitude of this issue for accounting departments at higher education institutions is expected to increase with the introduction of IFRS curriculum. This is because the principles-based nature of the IFRS requires students to play a greater role in class discussions and activities. Consideration of this factor will allow for better utilisation of modern pedagogical approaches, something that is difficult to achieve when class sizes are large.

⁷The 'Mann-Whitney test relies on scores being ranked from lowest to highest; therefore, the group with the lowest mean rank is the group with the greatest number of low scores in it. Similarly, the group that has the highest mean rank should have a greater number of high scores within it' (Field 2013, p. 225).

Table 6.16: Academics' perception of challenges involved in IFRS incorporation in curriculum: differences between academics at universities and other academic institutions

Option		No.	Mean rank	Std deviation	Asymp. sig. (2-tailed)
Language barriers	University	131	84.55	1.364	0.347
	Other ⁸	41	92.74		
Developing curriculum materials for IFRS	University	132	88.15	1.232	0.756
	Other	42	85.45		
Training Faculty to teach IFRS	University	133	86.33	1.410	0.574
	Other	41	91.29		
Faculty expertise in IFRS	University	132	83.17	1.338	0.040**
	Other	42	101.11		
Timing of when to start teaching students IFRS	University	131	84.02	1.316	0.157
	Other	42	96.29		
Large class sizes	University	131	91.60	1.424	0.014**
	Other	41	70.22		
Getting faculty cooperation to teach IFRS	University	131	84.78	1.355	0.408
	Other	41	91.99		
Availability of financial resources (Budgetary constraints)	University	131	87.23	1.388	0.915
	Other	42	86.30		
Making room in the curriculum for IFRS	University	130	85.33	1.222	0.746
	Other	41	88.12		
Availability of support materials such as infrastructure, textbooks, equipment and case studies	University	131	87.06	1.413	0.977
	Other	42	86.81		

Note: **Differences between groups significant at 5% level (p<0.05)

⁸'University' refers to public and private universities and 'Other' refers to other academic institutions (i.e., IPA and TVTC).

To distinguish these results further, a Mann-Whitney U test was conducted to identify whether any differences in perceptions among academics regarding language and translation issues occur based on the type of academic institution.

The results in Table 6.17 indicate that academics' perceptions regarding language and translation issues differed significantly between the two groups in two factors: the availability of IFRS teaching materials in the next five years ($U=2188.000$, $z=-1.996$, $p=0.046 < 0.05$) and the use of English as the language of instruction ($U=1744.000$, $z=-3.721$, $p<0.001$). Academics working at universities (mean rank=90.67) have a lower level of expectation of the possibility of making available high-quality IFRS teaching materials within the next five years than academics working at other academic institutions (mean rank=73.60). The results also demonstrate that academics working at universities (mean rank=94.69) are more open to using English as the language of instruction than academics working at other academic institutions (mean rank=63.02).

The degree to which academics have confidence in the availability of high-quality translations of IFRS and related teaching materials could have implications for the timing and extent to which IFRS are incorporated in the accounting curriculum in each type of academic institution. These results also highlight to what extent accounting academics at different types of institutions are open to changes in the language of instruction. This could have implications for using English as the main language of instruction to compensate for the scarcity of IFRS teaching resources in Arabic. Alternatively, it could indicate a need to ensure high-quality translations in Arabic of IFRS and IFRS-related teaching materials.

Table 6.17: Academics' perception of language and translation issues: differences between academics at universities and other academic institutions

Option		No.	Mean rank	Std deviation	Asymp. sig. (2-tailed)
I believe in consulting the English original version of IFRS despite the availability of an Arabic translation	University	131	90.17	1.235	0.129
	Other	42	77.11		
An equivalent translation of IFRS to Arabic is not possible	University	132	90.39	1.234	0.166
	Other	42	78.40		
Availability of consistent high-quality translations of IFRS teaching materials into Arabic is unachievable in the next five years	University	130	90.67	1.217	0.046**
	Other	42	73.60		
IFRS should only be taught and delivered in English	University	131	94.69	1.276	0.000*
	Other	42	63.02		

Note: *Differences between groups significant at 1% level ($p < 0.01$); **Differences between groups significant at 5% level ($p < 0.05$)

6.7 Role of outside professional and academic accounting bodies in IFRS transition

To help address the issue of the role of professional and academic accounting bodies in supporting academic institutions to undergo curriculum change, the following research question is posed:

RQ3: How can outside professional and academic accounting bodies, such as SOCPA and SAA, assist in the transition to IFRS in accounting education in Saudi Arabia?

6.7.1 CPD activities

This section examines the factors affecting academics' participation in CPD by addressing the following research sub-question:

RQ3a: What are the factors affecting Saudi academics' engagement with CPD training programmes?

Having answers to this question will help provide recommendations to organisations about which CPD activities are relevant for accounting academics in Saudi Arabia. It will also provide direction for academics to engage in CPD programmes, and consequently update their knowledge and improve their ability to teach IFRS.

6.7.1.1 Academics' CPD preparation for IFRS

Table 6.18 (Panel A) presents the personal efforts undertaken by accounting academics to update and increase their knowledge of IFRS. Just over one-third of respondents (36.4 per cent) indicated that they had not undertaken any CPD activities related to IFRS; 34.2 per cent indicated that they attended an IFRS session/s at a conference, while only 10.2 per cent had undertaken an IFRS certification programme. Overall, the results indicate that more than one-third of accounting academics in Saudi Arabia need to engage in CPD programmes.

Table 6.18 (Panel B) presents the organisations that sponsored or conducted these CPD programmes. SOCPA conducted the majority of programmes (13.4 per cent) followed closely by ‘other’ with (12.8 per cent), which represents a variety of accounting associations in the Arabic world such as those in Jordan, Sudan and Syria. Public universities have also conducted a number of other programmes, representing 11.8 per cent of the programmes attended by the respondents. The remaining four organisations had less engagement in CPD activities related to IFRS, with a surprisingly passive role played by the SAA, which was reported to have sponsored only 4.8 per cent of these activities. However, these results could also suggest a low awareness from respondents of the CPD activities sponsored by the SAA.

The results indicate a need for higher levels of participation in CPD activities by accounting academics in Saudi Arabia. This suggests that more effort and engagement from academic and professional accounting bodies is required to support curriculum-change initiatives at higher education institutions in Saudi Arabia. This result is similar to findings about countries that have already adopted IFRS such as Australia and the UK (Jackling, de Lange and Natoli 2013; Stoner and Sangster 2013).

Table 6.18: Academics’ CPD preparation for IFRS

Statement	Frequency	*Percentage
Panel A: Academics’ CPD preparation for IFRS		
I have not undertaken any CPD activities related to teaching IFRS	68	36.4
Attended an IFRS session/s at a conference	64	34.2
Undertaken IFRS certification programmes	19	10.2
Participated in IFRS webcasts	15	8.0
Other	2	1.1
Panel B: Types of organisations that conduct CPD		
SOCPA	25	13.4
Other	24	12.8
Public universities	22	11.8
Big 4 public accounting firms	17	9.1
SAA	9	4.8
IFRS Education Initiative	8	4.3
Private universities	6	3.2

Note: *Percentage column is not cumulative; it presents the percentages of those who answered yes to each of the following statements individually (percentages are calculated based on the total number of participants [187])

6.7.1.2 Factors determining CPD activities

The overwhelming factor considered when selecting a CPD course by accounting academics in Saudi Arabia was the ‘provider of CPD courses’, which was ranked first by 56.8 per cent of respondents, while ‘course format’ was selected by 23.5 per cent of respondents. Despite the importance given in the literature to the cost of CPD courses when choosing among training options (Ross & Anderson 2013; Vysotskaya & Prokofieva 2013), this factor did not seem greatly important to the majority of respondents in this study. This can be attributed to the fact that most academic institutions in Saudi Arabia cover the costs of attending training programmes by their academic staff.

6.7.1.3 Other factors affecting academics’ choice of CPD courses

Participants in this study listed a number of additional factors affecting their choice of CPD activities. Of the 31 responses received to this question, 12 cited the trainer/presenter of the training programme as important. The next most important factor was the timing of the training programme and whether it conflicted with their tasks and teaching schedules. It is also worth noting that only four academics identified support and sponsorship from their employer as an important factor when choosing among CPD courses. This explains the results in the previous section where the majority of academics assume they will have support from their employer.

6.7.2 Other areas of support from outside professional and academic bodies

A list of contributions and service items adopted from the KPMG-AAA survey and related literature was provided for academics to express their opinions on the value of contributions by outside academic and professional accounting bodies (KPMG 2011). Likert scale responses ranged from 1= Not at all valuable to 5= Extremely valuable. This addresses the following research sub-question:

RQ3b: What areas of support can outside professional and academic accounting bodies undertake to assist in the transition to IFRS in Saudi higher education institutions?

The results of academics' responses are summarised in Table 6.19. Respondents perceive all listed contributions as valuable, with mean scores higher than four in general and a minimum mean score of 3.99. This suggests that accounting academics in Saudi Arabia expect outside professional and academic accounting bodies to contribute and provide a wide range of services not limited to the translation of standards. It also reinforces the view that academics' opinions that language barriers are the most challenging issue facing academics when teaching IFRS (as presented in Table 6.13). Further, these results confirm academics' opinions that textbooks and case studies are the most important teaching materials for teaching IFRS (as presented in Table 6.14).

Table 6.19: Academics' opinions on value of outside professional and academic bodies in supporting IFRS teaching

Option	Mean	Std deviation
Issue Arabic IFRS accounting textbooks	4.35	0.791
Translate English accounting books and standards into Arabic	4.33	0.806
Provide case studies comparing and contrasting IFRS and Saudi standards	4.20	0.799
Provide accreditation to IFRS accounting programmes in Saudi universities	4.20	0.879
Arrange with IASB and IFRS Education Initiative to provide framework-based IFRS understanding and teaching workshops	4.16	0.822
Provide supplementary standards and materials related to Islamic financial and accounting transactions	4.12	0.827
Provide IFRS test banks with solutions	4.12	0.846
Provide standalone webcasts or podcasts for classroom use	3.99	0.921

Note: Min = 1; Max = 5.

6.8 Conclusion

The widespread belief among academics in Saudi Arabia of the importance of teaching IFRS and the low level of incorporation of IFRS in the curriculum signals that there is great scope for improvement and development to the curriculum that can be executed by academic institutions. The Islamic economic environment in Saudi Arabia influences the needs of financial-statements' users and therefore the knowledge that is acquired by accounting graduates to serve these needs. The results indicate that there is scope for

SOCPA to address the lack of specific standards relating Islamic financial transactions within IFRS. This result supports the findings of the 2011 AOSSG survey which concluded that the IASB needed to provide greater consideration of Islamic financial transactions which required gaining the support of local accounting-standards setters. Academic institutions will also need to consider the influence of the Islamic economic environment on the type and number of Islamic accounting courses that need to be addressed, incorporated and taught in the curriculum.

The results of this study indicate that academics have an appreciation of the importance of student-centred teaching approaches. This concurs with the accounting literature which encourages teaching approaches that reflect the expected skills of accounting graduates and the emerging needs of the market (Coetzee & Schmulian 2012; Fortin & Legault 2010; Hilton & Johnstone 2013; Hodgdon, Hughes & Street 2011). However, academic awareness of the nature and objective of student-centred teaching approaches needs to be increased to allow for a better utilisation of these approaches. Thus far, the majority of responses indicate tendencies towards a technical rules-based approach to teaching as opposed to a conceptual principles-based approach. This is at odds with the conceptual approach to teaching IFRS favoured in the literature since it is perceived to have a greater impact on students understanding and grasp of accounting standards (Barth 2008; Carmona and Trombetta 2010; Wells 2011). Thus, there is scope to enhance academics' competence in framework-based teaching through a range of activities including specialised workshops and training programmes.

Implementing curriculum change requires understating the magnitude and implications of the change proposal from all parties participating in the change process. As the results of the questionnaire demonstrate, the majority of respondents believe the administrators of their academic institutions understand the change required to incorporate IFRS effectively. However, the results also show that there is a low level of engagement in planning for the change. This suggests that channels of communication need to be opened between academics and administrators to plan for the transition to IFRS.

One of the most important factors that need to be addressed during the planning phase of implementing IFRS in accounting curricula is the shortage of teaching materials and

resources with adequate IFRS coverage in Arabic. The results demonstrate that this is an important contributor to delaying the incorporation of IFRS into accounting curricula in Saudi Arabia. This reinforces previous findings about how the availability of teaching resources is one of the main factors impeding an effective implementation of curriculum change initiatives (Alkhtani 2010; Jackling, de Lange and Natoli 2013; Munter & Reckers 2009). The respondents also indicated their concern regarding language barriers. This has resulted in low levels of utilisation of teaching materials available in English and hesitation to use English as the language of instruction. Similar concerns were cited in the literature in countries where English is not the first language (Carvalho & Salotti 2013; Coetzee & Schmulian 2013; Larson & Street 2004; Vysotskaya & Prokofieva 2013). In these countries, the availability of high quality and timely translations of IFRS and related materials constituted an obstacle to the transition to IFRS. Faculty expertise in IFRS appears to be of greater concern for academics working in other academic institutions, where the majority of academic staff hold either a bachelor or a master degree. This means that more training of academic staff in the area of IFRS needs to be considered during the planning phase to prepare academics for teaching IFRS and minimise problems with avoidance that could stem from a lack of deep knowledge of the IFRS content.

As most professional accounting bodies are considered major providers of training and certification programmes, an active role in providing accounting academics with CPD activities in the area of IFRS is highly expected and valued by accounting academics. The respondents identified a number of factors they felt were important when selecting CPD activities; this information will enable professional and academic accounting bodies to provide training programmes that meet the needs of academics. Among these factors are the provider of CPD courses, course format, trainer/presenter of the programme and timing of training programmes. Consideration of these factors by professional and academic accounting bodies, as well as outside training providers will maximise time and resources invested in training programmes. The expected role of outside accounting bodies is not limited to offering training opportunities and workshops; it also covers other areas such as providing teaching resources and materials, translating IFRS and overseeing and evaluating accounting programmes.

Chapter 7: Qualitative Analysis

7.1 Introduction

This chapter provides a detailed qualitative analysis of data collected from interviews. The purpose of collecting qualitative data from interviews with accounting academics and SAA board members is to provide a detailed and in-depth exploration of participants' perceptions of the transition to IFRS and its implications for accounting education in Saudi Arabia. The content analysis of the qualitative data will allow themes related to the three constructs of the CIF (i.e., profile of implementation, capacity to support curriculum change and support from outside professional and academic accounting bodies) to be identified and explored.

Part I of this chapter analyses the qualitative data collected from semi-structured interviews with 15 accounting academics working in higher education institutions in Saudi Arabia (Group I). This will allow expansion of academics' responses to the questionnaire, thus overcoming some of the limitations of analysing closed-ended questions only. Part II analyses the data collected from semi-structured interviews with four SAA board members to provide perspectives from an outside academic accounting body on the implementation of IFRS in Saudi Arabia (Group II).

Part I: Interviews with accounting academics

The qualitative data were collected via semi-structured interviews using the methods for collection and analysis outlined in Chapter 5. The data were discussed and analysed around the CIF constructs adopted in this research and the related research questions.

7.2 Demographics of participants

Semi-structured interviews were conducted with 15 academics. Table 7.1 presents the demographic characteristics of participants. The majority of interviewed academics were assistant professors and lecturers (six of each). Among the 15 interviewees, 12 were academic staff and three were department heads. The majority of the academic interviewees have more than 20 years of experience working as academics, and work in public universities where Arabic is the main language of instruction. The use of English as the main language of instruction was not common, with only four of the academic interviewees reporting that they teach solely in English, and one interviewee reporting using Arabic and English for instruction.

Table 7.1: Participant demographics (Group I)

Interviewee	Academic rank	Academic position	Years of experience	Employer	Language of instruction
1	Assistant professor	Academic staff	More than 20 years	Public university	Arabic
2	Associate professor	Academic staff	More than 20 years	Public university	Arabic
3	Lecturer	Academic staff	5 years or less	Other academic institutions ⁹	Arabic
4	Assistant professor	Academic staff	11–15 years	Public university	Arabic
5	Lecturer	Academic staff	5 years or less	Other academic institutions	English
6	Lecturer	Academic staff	5 years or less	Other academic institutions	English
7	Lecturer	Academic staff	11–15 years	Other academic institutions	Arabic
8	Lecturer	Academic staff	More than 20 years	Other academic institutions	Arabic
9	Assistant professor	Department head	5 years or less	Public university	Arabic and English
10	Assistant professor	Academic staff	More than 20 years	Public university	Arabic
11	Lecturer	Academic staff	6–10 years	Other academic institutions	English
12	Professor	Department head	More than 20 years	Private university	English
13	Assistant professor	Academic staff	More than 20 years	Public university	Arabic
14	Associate professor	Department head	16–20 years	Public university	Arabic
15	Assistant professor	Academic staff	More than 20 years	Public university	Arabic

⁹ 'Other academic institutions' refers to the IPA and the TVTC.

7.3 Profile of implementation

To allow for a better understanding of the CIF profile of implementation construct, it is important to examine the learning environment in which the proposed curriculum change and implementation of IFRS will occur. As such, this study analyses the steps taken by Saudi higher education institutions to incorporate IFRS, the significance of the Islamic economic environment in Saudi Arabia, and approaches suggested for teaching principles-based standards such as IFRS. Figure 7.1 presents the principal themes relating to the profile of implementation construct that emerged from the qualitative analysis of interview data.

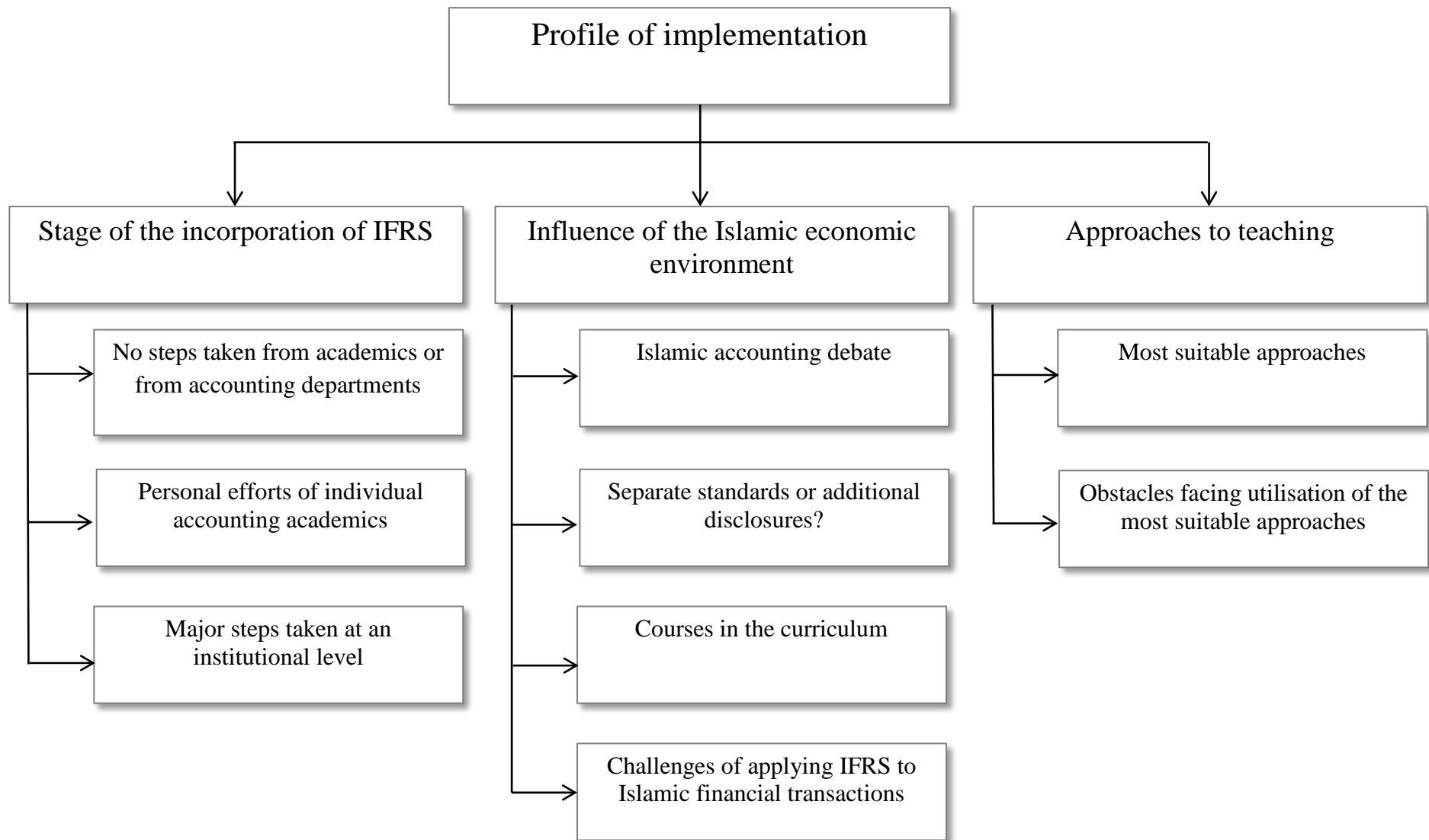


Figure 7.1 Major themes of the profile of implementation

7.3.1 Stage of IFRS incorporation

This section addresses the following research sub-question:

RQ1a: What is the state of accounting education in higher education institutions in Saudi Arabia with respect to preparedness for the transition to IFRS?

The first stage of the interviews with academics focused on identifying the steps taken by their academic institutions to address the incorporation of IFRS in the accounting curriculum. Figure 7.2 presents the steps reported by the Group I interviewees.

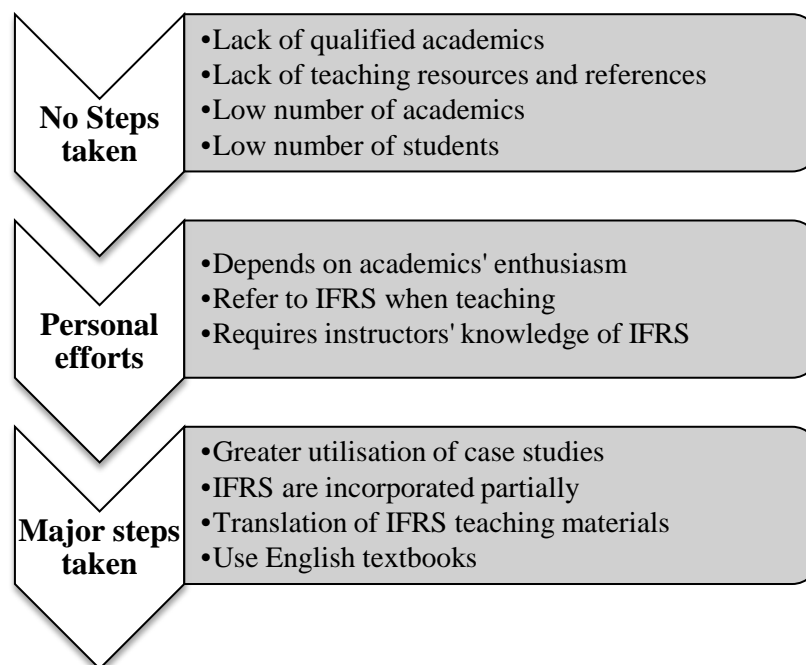


Figure 7.2: Steps taken for IFRS implementation

Typically, when no steps were taken to address implementing IFRS (i.e., the decision to modify the curriculum in the near future was not considered), it reflected a paucity of knowledge of IFRS by the institution and its academics. A lack of teaching resources was also cited as a reason for the inaction. Other reasons such as the low number of accounting academics and low number of students majoring in accounting were highlighted by the interviewee from a private university and were not common in public universities or other academic institutions. In some cases where no steps had been taken

by accounting departments to officially incorporate IFRS in the curriculum, individual academics felt it was important to educate students about IFRS and did so in teaching different topics within the intermediate accounting course.

Several accounting departments were reported to have serious concerns about and awareness of the importance of making modifications to the accounting curriculum to prepare students to join the workforce with an adequate knowledge of IFRS. To achieve this, they identified ways to facilitate major reform of the curriculum and took steps to modify the curriculum. Such steps involved academic institutions translating textbooks and case studies from English to Arabic (when Arabic was the language of instruction) to expedite the process of incorporating IFRS. Although academic institutions that use English as the main language of instruction face fewer obstacles in relation to the availability of teaching resources, they have also undertaken modifications through the introduction of English accounting textbooks that more appropriately cover IFRS.

Not surprisingly, the level of effort in preparing for IFRS varied among the individual academics in different academic institutions, and within the same institution, due to the varying levels of knowledge and expertise of IFRS among the individual academics.

7.3.2 Influence of Islamic economic environment

This section addresses the following research sub-question:

RQ1b: What is the influence of the Islamic economic environment on the transition to IFRS in the accounting curricula of higher education institutions in Saudi Arabia?

Group I interviewees were asked about the challenges that might result from applying IFRS to Islamic financial transactions and the possible alternatives for overcoming these challenges or minimising their implications. The major themes emerged from discussions in the interviews related to differentiation between Islamic accounting and the concepts of Islamic financial transactions, challenges of applying IFRS to Islamic financial transactions, the need to have separate standards that account for Islamic

financial transactions, and the way Islamic financial transactions are treated within the accounting curriculum.

7.3.2.1 Islamic accounting debate

As a starting point of the discussion, a need emerged to have a common understanding of the concepts of Islamic accounting and Islamic financial transactions. Specifically, how these concepts are perceived by accounting academics. The findings demonstrated that interviewees were divided in their views, with some rejecting any claimed differences between Islamic financial transactions and conventional business transactions and therefore rejecting the need for Islamic accounting standards to account for Islamic financial transactions. Interviewee 1 stated:

I believe that there is nothing called Islamic accounting because accounting is simply the ability to reflect what's happening and transfer it in the form of financial reports to interested users. If we take a financial transaction in accordance with Islamic teachings and another one which is not and try to record them, we will find out that the procedures are the same.

Conversely, some interviewees argued that the issue extends beyond the classification of transactions as Islamic or non-Islamic to cover other aspects of the accounting process for such transactions. Interviewee 4 stated:

Those who do not differentiate between the two types [Islamic versus conventional financial transactions] talked only about the disclosure part of the issue and ignored the measurement aspect of it.

Reaching consensus on the definition and scope of Islamic financial transactions and Islamic accounting among accounting academics and professionals is an important step. It will help to understand the implications of Islamic financial transactions on the IFRS transition project in general and more specifically within accounting curriculum.

7.3.2.2 Challenges of applying IFRS to Islamic financial transactions: compatibility issues

There are a number of concepts and principles in IFRS, as well as the treatment of certain transactions, that may be seen as hurdles and divergences that potentially restrict the compatibility of Islamic financial transactions with the adoption of IFRS. Among the concepts highlighted in the literature are: substance over form, time value of money,

profit participation and classification of financial statements' items (PwC 2010). Ibrahim (2000) highlights how differences in economic principles and norms between the two accounting systems (i.e., Islamic and Western systems) can affect three main accounting elements: recognition, measurement and disclosure of transactions and events.

When interviewees were asked about their concerns relating to the application of IFRS to Islamic financial transactions, some identified a lack of specific standards within IFRS that cover Islamic financial transactions through definition, classification, measurement and disclosure. For example, Interviewee 7 reported issues experienced by an executive working at one of the major banks in Saudi Arabia:

Some of the measurement and disclosure requirements under IFRS create problems for us when we try to disclose some of our Islamic finance products. Under IFRS, all forms of lending need to be disclosed as well as the percentage of interest. This gives no option but to treat some of the ways of Islamic financing as interests, which puts us in an embarrassing position in front of our stockholders. It creates a discrepancy. There will be without any doubt an effect on the market and especially on corporations that deal with Islamic finance products if no standards that tackle these Islamic business transactions are provided.

7.3.2.3 Separate standards or only additional disclosure

With respect to the issue of compatibility between Islamic financial transactions and IFRS, interviewees' opinions were divided between those who believe in the need for specific standards and those who suggest a need for additional disclosures. Those who were in favour of minimising any major differences in the way Islamic financial transactions are recorded compared to conventional business transactions leaned towards additional voluntary-disclosure requirements as opposed to issuing separate accounting standards in addition to IFRS to account for Islamic financial transactions. The possibility of making such additional disclosures optional rather than mandatory requirements was frequently identified by interviewees given the associated costs and complications of making such disclosures. Some interviewees favoured making the additional Shari'ah-compliant disclosures a decision for the organisation not the regulator. They argued that organisations are better able to evaluate the costs and benefits associated with making such disclosures. They also noted that if the additional Shari'ah-compliant disclosures are very important to a wide base of financial-

statements' users, organisations that do not choose to provide them will be punished by the market. Conversely, if these disclosures are not as important as expected, organisations will avoid bearing additional costs.

The interviewees who preferred to have specific standards to account for Islamic financial transactions had different ideas about the ways to develop such standards to cover Islamic financial transactions. For example, some suggested the development of local standards (i.e., in the Saudi Arabian context), while others preferred the adoption of existing Islamic accounting standards developed by international bodies such as the AAOIFI. Those in favour of benefiting from the AAOIFI standards highlighted the time and cost savings that would result, as opposed to developing the standards locally and 'reinventing the wheel'. Others classified the experience of the AAOIFI as limited to the banking industry and preferred to join leading bodies in the Islamic world such as the Malaysian Accounting Standards Board (MASB) and IFRS to reach an agreed upon global set of Islamic accounting standards. Interviewee 14 noted:

I am not with leaning towards having special disclosures for us in Saudi Arabia. Why? Because the topic of Islamic financial transactions is not limited to Saudi Arabia but has been adopted and discussed in many Islamic countries. I have participated in 2009/2010 as a representative of the Saudi Organisation for Certified Public Accountants at that time in a meeting for accounting standards setters in Asia and Oceania. They initiated a task force under the leadership of Malaysia with the participation of Saudi Arabia for the goal of figuring out how IFRS can incorporate Islamic transactions.

Conversely, some interviewees were in favour of developing standards locally either because of a lack of trust of the way other organisations developed such standards or because of perceived differences between Islamic countries in interpretations of certain transactions. The following two quotations from interviewees demonstrate these concerns:

In my opinion, the route and track that AAOIFI has followed in developing their standards should have started from zero base. However, they chose to use the other route where they started from where others have ended (Interviewee 4).

I think that Zakat standards should be completely developed locally and we should avoid translating Zakat standards developed in other regions due to differences in certain jurisprudential interpretations for certain transactions in different regions (Interviewee 3).

There were clearly issues raised about the influence of the Islamic economic environment on accounting standards. A lack of agreement about specific standards within IFRS that cover Islamic financial transactions was raised as a concern among interviewees. This finding reinforces the results presented in Chapter 6 in relation to the implications of the Islamic economic environment on the transition to IFRS in Saudi Arabia. Overall, the results from the questionnaires and interviews illustrate that attempts to integrate Islamic financial transactions as part of the transition to IFRS is likely to introduce challenges for the academic community, as well as professional and academic accounting bodies.

7.3.2.4 Courses in curriculum

An important issue connected to Islamic financial transactions relates to the way such transactions are addressed and covered by courses¹⁰ in the curriculum. Two issues that evolved from the interviews were the availability of courses offering Islamic financial transactions within the current curriculum and the necessity of offering such courses in the curriculum. The availability of courses offering Islamic financial transactions differed among the different institutions from no courses offered, offering courses as electives and offering courses as core courses. The content of these courses also varied with some providing a holistic coverage of Islamic financial transactions and others limited to Zakat.

The need to avoid having a crowded curriculum was one reason given for opposing undertaking Islamic financial transactions courses as part of the curriculum. This concern was signalled more strongly by interviewees who worked at institutions where diploma-level certification was offered than by academics who work at universities where bachelor degrees are offered. This difference can be attributed to the length of both programmes (2 years and 4 years). Interviewee 6 exemplifies this position:

I think it is not feasible to incorporate Islamic financial transactions courses since our curriculum is already crowded and there is no room for any further courses to be added.

¹⁰ Courses refer to units or subjects.

Conversely, interviewees in favour of the addition of courses treating Islamic financial transactions into the curriculum felt that such courses would give their students a competitive advantage when they join the workforce. Clearly, there is a need for a cost–benefit evaluation that considers the different circumstances of different academic institutions, the needs of the market and availability of resources.

Academics' knowledge of Islamic financial transactions has also been raised as a concern for the addition of these courses in the curriculum. Interviewees expressed the view that there is limited knowledge among the majority of their colleagues in this area. They stressed that academics who will be assigned to teach these courses must have a strong background in accounting, Islamic Fiqh and Islamic interpretations of these transactions.

7.3.3 Approaches to teaching

This section addresses the following research sub-question:

RQ1c: How do academics in Saudi Arabia perceive approaches to teaching principles-based IFRS standards?

Interviewees were asked their opinions on the most suitable pedagogical approaches to teaching IFRS and to identify any obstacles that could deter or hinder the use of such approaches. Figure 7.3 presents the most common responses.

Pedagogical Approaches	Most suitable approaches	Guest speakers
		Facilitating class discussions
		Use of case studies
		Simulations
	Obstacles in utilising suitable approaches	Large class size
		Crowded curriculum
		Logistical facilitation
		Students' motivation and interaction
		Academics' willingness and qualifications
		Physical resources
		Teaching resources

Figure 7.3: Pedagogical approaches to teaching IFRS

7.3.3.1 Suitable approaches

As presented in Figure 7.3, interviewees identified a number of pedagogical approaches they perceive as suitable in delivering concepts and transferring principles-based concepts applicable to IFRS. The most frequently cited were the use of guest speakers, facilitation of class discussion to engage students further in class discussion, employing case studies to improve judgement and analytical skills, and the use of simulations that portray a real-life work environment. Interviewees stressed the importance of inviting guest speakers, particularly those with practical experience in IFRS to convey to students their experience and educate students on the real-life professional issues and problems involved in applying IFRS. Interviewee 14 expressed a positive experience with this approach:

One and [a] half years ago, we started to focus on the invitation of guest speakers and we started to invite public speakers and allocate one hour from 12–1 pm [the time that students have no classes]. We were focusing not just on technical aspects, but also skills and ethical aspects. We always invite[d] accounting specialists; most of them distinguished ex-students who came to give students motivation and we found great interaction from students.

The engagement of students in class discussions has proven to be a useful approach to increasing the level of students' understanding of issues and concepts discussed in class

(Barth 2008; Coetzee & Schmulian 2011; Coetzee & Schmulian 2012). In this format, instructors work as facilitators compared to traditional ‘one-way’ lecturing in which instructors do all the work. Despite the perceived usefulness of this approach indicated by interviewees, some reported concerns and hesitation to use this approach, particularly with first-year students. Interviewee 14 stated:

When I teach Accounting Principles courses and other core courses, the interaction is limited since most students do not have enough comprehension and knowledge. Honestly, until now, it is traditional lecturing but students interact through basic and not advanced questions and enquiries. Still, in my mind, when I build the principles, there is no room for interaction since most of what we discuss is fixed.

Other obstacles reported by interviewees that discourage higher levels of engagement from students in class discussions will be discussed in Section 7.3.3.2.

One of the perceived benefits of case studies, as indicated by interviewees, was the ability to foster a deeper understanding from students of the basis for choosing a specific treatment over another. This was seen to improve the development of a student’s ability to apply judgement. This is an important outcome given that the transition to IFRS introduces a new measurement basis such as fair value, which promotes the use of judgement concerning principles as opposed to following fixed rules. Such a shift in focus requires the development of a new set of skills for accounting students.

Transferring real-life work environments, processes and practices into the class through simulation techniques was reported by interviewees as a constructive tool for improving students’ skills. This is particularly the case when instructors are able to evaluate students’ level of comprehension and mastering of concepts, principles and techniques. Interviewee 4 stated:

I want to see students apply what I teach them in front of me and make sure that they understand that there is no one right answer all the time, especially with IFRS where professional judgements is highly applied.

7.3.3.2 Obstacles faced in adopting pedagogical approaches

Interviewees shared some views about the obstacles that limit the usage of different approaches to teaching. These obstacles varied from factors related to the environment such as class size and crowded curriculum to factors related to agents of the educational process such as academics and students, as well as to factors related to lack of material or physical resources.

Large class sizes appear to be one of the major obstacles due to the time needed for academics to cover topics, monitor, follow up and interact with students to ensure they are able to handle new knowledge. Having a crowded curriculum whether due to the number of courses covered, the topics covered by each course or the length of the programme (i.e., shorter diploma programmes) was acknowledged by interviewees as one of the major obstacles to them employing modern pedagogical approaches such as case studies, problem-based learning (PBL) and simulations. Consequently, interviewees indicated that this was likely to direct them towards continuing their use of conventional methods such as lecturing. The following two quotations illustrate academics' concerns with class sizes:

In order to have an active interaction with students and for the teacher to follow up with all students and give them [the] required attention to evaluate their understanding of the subject and ability to apply the new knowledge, the number of students should not exceed 20 students as a maximum. It should range from 15–20 (Interviewee 10).

In class, the student capacity is 40 students, but it reaches 60 students due to the large number of students. This makes it hard for us to apply some of the teaching approaches (Interviewee 14).

The problem of large class sizes was less important for the interviewee who works at a private university than it was for the academics working at public universities and other academic institutions. Interviewee 12 stated:

The class size here is very nominal which allows us to give students personal attention. So, basically we can monitor each student and evaluate their work.

Logistical facilitation was signalled as a major obstacle to the use of a specific approach (i.e., invitation of guest speakers). Academics noted that despite the usefulness of

inviting professionals and practitioners as guest speakers, they were discouraged from utilising such an approach due to bureaucratic difficulties. The following quotations illustrate these concerns:

I believe that transfer of expertise is very important and I am convinced that inviting guest speakers, especially if they were practitioners, will be very useful and will have an added value. However, in order to invite a single person, we need to go through a lot of bureaucratic procedures and requirements which cannot be fulfilled due to time and resource constraints (Interviewee 1).

Another issue that relates to inviting guest speakers lies in the bureaucratic procedures that we go through to arrange for a visit or an invitation of a professional expert or a well-known [high profile] academic on an organisational level. Therefore, it mostly works based on personal networks which not all academics have. This makes the use of such an approach difficult despite its usefulness (Interviewee 6).

Bureaucratic procedures acknowledged by interviewees included the completion of paperwork of the invitation, printing brochures, booking rooms and venues and arranging gifts and payments for speakers. Having a clear policy on a department, college or even university level with the steps needed to facilitate the organisation of events where guest speakers are invited were deemed important to relieve academics of such concerns in inviting guest speakers and allow them to focus on the educational process.

Students' motivation and level of interaction were mentioned repeatedly as an obstacle to applying a variety of pedagogical approaches. The application of pedagogical approaches where interactive learning is required necessitates that important roles be played by students through their preparation and interaction. Further, a low level of knowledge of IFRS, and a low level of awareness and ability in using modern teaching approaches was cited as impeding academics from using modern teaching approaches. Resistance to change and fear of the unknown were also identified as major obstacles in utilising new pedagogical approaches. This was expressed by some of the interviewees:

Another problem that we face is pressures from students. Students want to have clear and specific material to be taught and to be examined on. When we use case studies, even at the level of master students, we struggle because it constitutes a change for them and is perceived as a challenge. Having clear-cut questions and answers makes it easier for the student and the instructor as well (Interviewee 14).

The real problem, regardless of whether the number of students in a class is big or small, is that students do not have motivation. How to motivate them? It does not only depend on grades. The problem of lack of motivation is the same as that which we face in Egypt (Interviewee 15).

Me personally, and this might apply to a lot of colleagues, we are the outcomes of our environment, and we have been always taught according to a specific way (Interviewee 14).

Clearly, teaching IFRS as part of the accounting curriculum means it is important to motivate students and engage them in the educational process, as well as improve academics' content knowledge of IFRS. Incorporating modern teaching methods through the identification of training needs was another issue raised by the interviewees in the context of teaching IFRS.

The third group of obstacles relates to the lack of availability of the resources needed to support changing the way the curriculum is taught and delivered to students. Such resources include teaching material, as well as physical resources. The availability of teaching resources such as case studies appears to be an obstacle for using certain pedagogical approaches for academic institutions where the language of instruction is Arabic. However, for academic institutions that use English as the language of instruction this factor appeared to be of less importance. With respect to physical resources, the lack of supporting technology, internet or even the design and layout of classrooms were cited by the interviewees as obstacles in engaging with certain pedagogical approaches such as PBL and simulations.

This discussion demonstrates that the environment, the curriculum and the agents (i.e., academics, administrators and students) all play a role in either supporting or hindering the usage and utilisation of new pedagogical approaches that are identified as beneficial in conveying concepts and transferring ideas to students. A quotation from Interviewee 15 summarises the issue:

It is a joint and mutual interactive process [to introduce IFRS]. The process depends on three parts: the receiver, the lecturer and the academic material. If one of these three parts fails, the process will fail.

Table 7.2: Summary of major issues raised by interviewed academics with respect to the profile of implementation construct

Major issues raised by interviewed academics
With respect to the majority of interviewees, guest speakers, case studies, and simulations are the most popular approaches to teach IFRS.
With respect to the majority of interviewees, large class sizes, a crowded curriculum, student motivation, availability of resources and ability of academics to utilise student-centred approaches are the most cited obstacles facing the utilisation of student-centred approaches.
Large class sizes are of greater concern to academics working in public universities.
Crowded curriculum is more of a concern to academics working in other academic institutions where diploma programs are offered.
Obtaining cooperation from academics is difficult due to a lack of motivation and financial incentives.
There is certain scepticism of the importance of change and training among some academics.
A number of academic institutions lack academics with IFRS experience.
A number of academic lack the delivery and teaching skills favoured for teaching IFRS.

7.4 Capacity to support curriculum change

The academics from Group I were asked about the challenges most likely to hinder the integration of IFRS into the curriculum at their respective institutions. The identification of these challenges addresses the following research sub-questions:

RQ2b: What are the obstacles to teaching of IFRS perceived by accounting academics in Saudi Arabia?

RQ2c: What are Saudi academics' opinions of the implications of cultural issues for the transition to IFRS in the curriculum in terms of 1) language and 2) translation?

Addressing these two research questions will help to identify factors that are likely to influence higher education institutions' capacity to support curriculum change. Further,

it will aid in developing a greater understanding of the CIF construct addressing capacity to support curriculum change, which is used in this research. Figure 7.4 presents the main themes that evolved from the qualitative analysis of the Group I interview data relating to the construct of capacity to support curriculum change.

As presented in Figure 7.4, the most cited challenges were factors related to human resources, teaching materials, and to language and translation. Issues with reciprocal relationships and interrelatedness were identified as important aspects of these three factors.

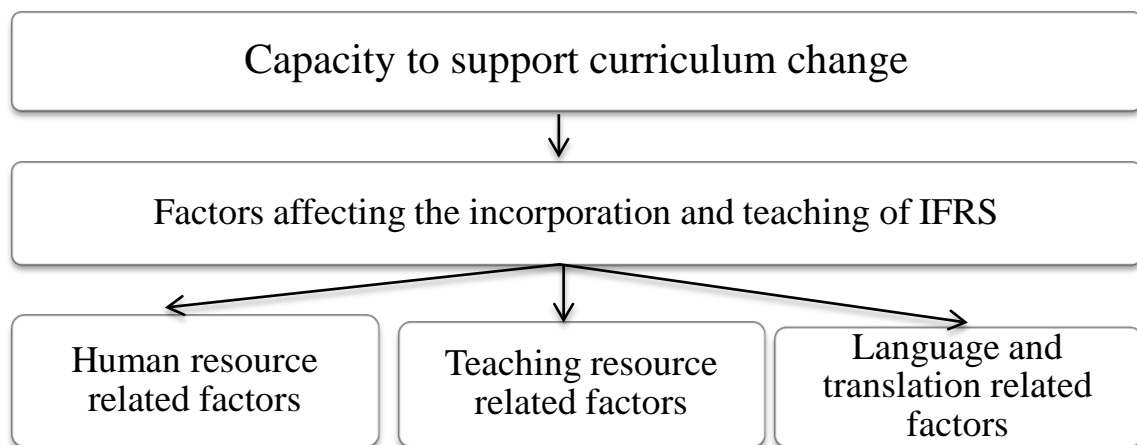


Figure 7.4: Major themes of capacity to support curriculum change

7.4.1 Human resources

The incorporation of IFRS into the curriculum represents a change process that needs to be examined carefully to identify the factors that might influence its success and progress. One of the factors that can influence the change process relates to the agents involved, for example, instructors, students and college administrators. According to Rogan and Grayson (2003), instructors' abilities, knowledge and experience play important roles in increasing the ability of academic institutions to undergo curriculum change and implementation. They add that students' backgrounds and abilities also play important roles in supporting or hindering change. More specifically to the accounting

education context, Howieson (2003) argues that the level of awareness of both accounting academics and administrators of the factors that need to be addressed to introduce change in accounting education is one of the most significant barriers facing change projects. Such awareness includes the need to understand the environment and prepare and train agents (i.e., accounting academics).

Group I interviewees highlighted a number of barriers to change related to human resources. These barriers can be categorised into two broad categories: behavioural factors and qualification factors. The interviewees cited behavioural factors such as teaching staff's lack of motivation and incentive, resistance to change, resistance to enrol in CPD programmes, as well as a lack of conviction of the importance of change and development. The issue of a lack of motivation and financial incentives was stressed by interviewees. Interviewee 7 stated:

Getting faculty cooperation is hard in my opinion due to [a] lack of motivation for accounting academics. Many academics are expecting financial compensation as a result of the projected new tasks that [are] going to be added on them. Some academics fear that when they get training in a new area, that their teaching load and tasks will increase without any compensating increase in their salaries and rewards. If they are not expecting a reward for that, they will not be motivated to make that step.

Another issue relates to the lack of conviction of the importance of the change, which negatively affects academics' willingness to engage in the change process. In addition, resistance to enrolling in CPD programmes in general and specifically in the area of IFRS was highlighted by interviewees. The following comments illustrate this:

Some academics think that they [have] reached a point where they do not need continuous training, which makes it hard to convince them to enrol in training programmes due to resistance to change (Interviewee 1).

There is a dereliction from some accounting academics in keeping up with new emerging issues and especially in the area of IFRS (Interviewee 11).

For the second category under human resources, qualification factors, it was evident from the interviews that some academic institutions lack academics qualified in IFRS. Other institutions lack accounting academics in general due to the limited number of available accounting faculty members.

Another issue relates to the lack of qualified academics that can deliver and convey ideas and concepts to students; this raises a further issue of the teaching and communication skills of academics. Accounting academics' English language abilities were identified as a difficulty facing academics because most teaching resources relating to IFRS are available in English. The following quotations represent some of the issues raised by academics:

One of the major obstacles is the limited number of accounting academics. This makes it hard for us in terms of how far we can go in incorporating IFRS in the curriculum and modifying the syllabus (Interviewee 12).

I don't [think] academics have much of a problem in accounting knowledge compared to information delivery, teaching skills and interaction with students. Academics need courses in these areas (Interviewee 4).

Both behavioural and qualification factors related to human resources are important determinants of successful initiatives for change. Academic institutions' administrators need to be aware of these factors to manage successfully the change and transition to IFRS within their accounting curricula.

7.4.2 Teaching resources

Another important aspect highlighted by accounting academics is the lack of teaching materials and resources, which constitutes an important basis for achieving the proposed changes in the curriculum. The required teaching materials and resources cited by interviewees ranged from authored textbooks, translated textbooks, case studies and access to resources provided by SOCPA. A recurring theme of academics who work in academic institutions where the language of instruction is Arabic is the lack of current accounting textbooks compatible with IFRS in Arabic. The lack of availability of appropriate textbooks has led academics to refer students to old textbooks or to use materials and handouts, which negatively affects the quality of learning and the educational process.

Academics suggested a range of solutions such as the authorship of new textbooks that cover IFRS while considering the environment of Saudi Arabia, as well as the translation of leading English accounting textbooks. Interviewed academics expected

this to occur with the support from professional and academic organisations such as SOCPA and SAA. It is noteworthy that the interviewees who teach at academic institutions where the language of instruction is English did not report similar concerns because of the availability of a wide range of accounting textbooks and case studies in English.

The Group I interviews (e.g., with Interviewees 3, 7, 8, 9 and 14) indicated the need to increase academics' level of awareness of the availability of teaching resources provided by different organisations such as the IFRS Education Initiative, public accounting firms and international professional accounting bodies. Academics in Saudi Arabia should be aware of, and consider, teaching resources provided by international bodies outside the local Saudi environment to avoid wasting opportunities for fostering curriculum change.

7.4.3 Cultural issues: translation and language

7.4.3.1 Translation

The lack of availability of translated standards and related materials and issues with language differences have been identified as some of the main obstacles facing the internationalisation of accounting standards and their implementation in different countries (Hellmann, Perera & Patel 2010b; Kettunen 2011; Larson & Street 2004; Skotarczyk 2011). The complete and timely availability of translations of IFRS into other languages were reported as obstacles in a number of countries studied by Larson and Street (2004). Differences in languages result in the need for translation of standards, and teaching and educational materials from English (the official and source language of IFRS) to other local languages (Baskerville & Evans 2011; Evans 2004).

Language-related issues were reported repeatedly by interviewees as an impediment to the transition to IFRS in Saudi Arabia (e.g., Interviewees 1, 2, and 3). Some of these issues are problems generally associated with translation and are not restricted to Arabic, for example, loss of meaning and accuracy of translation. Interviewee 4 noted a professor from Case Western Reserve University in the US who said that 'culture is coded in language':

I think that English terminologies used to prepare IFRS are reflections of that culture and its values. So, when you try to translate it into Arabic, the origin of the value is not there, you don't have it in your culture which will create a difficulty in translation for sure.

Similar arguments were addressed in the literature by Evans (2004) who argues that language and cultural values are intertwined. Researchers also argue that shared concepts across different cultures is difficult to achieve, as language is highly dependent on culture, which leads to a lack of consistency across translated materials (Baskerville & Evans 2011; Evans, Baskerville & Nara 2011; Glanert 2008). Similarly, Zeff (2007) argues that regardless of the accuracy of translation, accounting traditions and practices in a culture create concepts that are difficult to understand in other cultures that do not recognise such concepts.

Interviewees reported believing that the lack of a high-quality translated version of IFRS into Arabic for academics and students is a barrier to incorporating IFRS into the curriculum for academic institutions where the language of instruction is Arabic (e.g., Interviewees 1, 2, 3, 10 and 13). Interviewees demonstrated a low level of satisfaction of the quality of the available Arabic translation of IFRS provided by the IASB. Therefore, steps taken by SOCPA to recruit qualified accounting academics to conduct a local translation of IFRS that considers the local environment of Saudi Arabia, including the Islamic aspect, were welcomed by interviewees (e.g., Interviewees 1, 3, and 8). The availability of a high-quality translation of IFRS has been demonstrated to be an important step in encouraging IFRS curriculum-change initiatives as well as overcoming most of the challenges related to language and teaching materials (Carvalho & Salotti 2013; Coetzee & Schmulian 2013; Larson & Street 2004; Vysotskaya & Prokofieva 2013).

7.4.3.2 Language

The language abilities of academics and students are also a recurring concern of the Group I interviewees. As Interviewee 7 stated:

With regard to language barriers, there is a disparity in the language abilities of accounting academics, which makes it harder since most of [the] teaching resources are available in English. Add to that, the level of students who are accepted in the programme is declining at all levels.

The low level of the language abilities of the students is attributed to the poor outcomes of the English preparatory year offered in some higher education institutions that teach completely or partially in English. Some interviewees indicated that IFRS are expected to require greater comprehension abilities from students due to the principles-based nature of IFRS.

The discussion of language abilities of academics and students was extended to cover the appropriate language of instruction to be used in teaching the accounting curriculum. Specifically, the discussion addressed whether the language of instruction should be Arabic, representing the first language of students and the majority of the academics, or English the language of business and textbooks. Those in favour of using English as the principal language of instruction justified the choice by highlighting the availability of textbooks, case studies and other learning and teaching materials in English. In addition, the fact that English is a requirement for most businesses in Saudi Arabia represented another reason for the preference of English as the principal language of instruction. However, the majority of interviewees demonstrated a preference for teaching in Arabic due to the greater ease of transferring and conveying concepts and principles to students clearly and accurately (e.g., Interviewees 1, 2, 4, 9 and 14). Interviewee 9 stated that at a relatively recent meeting organised by the SAA for accounting-department heads in Saudi higher education institutions, there was a discussion about the issue of the language of instruction to be used in teaching accounting. The majority of attendees rejected the idea of teaching in English due to the low English-language levels of students who finish high school. They also argued that being in an Arab country where the native language is Arabic was a reason for not using English.

Increasing academics knowledge and engagement with IFRS, as well as increasing academics' awareness and ability to use modern teaching approaches, are necessary factors for fostering and enhancing the capacity to support the introduction of IFRS into the accounting curricula in Saudi Arabia. It is necessary to find ways to motivate students and engage them in the educational process. It is also necessary to identify academics' training needs improve their knowledge of IFRS and teaching methods. In

addition, the environment, including the agents that drive change, play a role in the utilisation of new pedagogical approaches. Efforts need to be devoted to substituting the shortage in teaching materials and resources in Arabic. In doing so, cultural influences of language and translation need to be considered and addressed.

Table 7.3: Summary of major issues raised by interviewed academics with respect to the capacity to support curriculum change construct

Major issues raised by interviewed academics
There is a shortage of teaching materials and resources in Arabic (e.g.,) IFRS, textbooks and case studies.
There is a lack of awareness of the availability of teaching resources provided by the IASB.
There are issues regarding the clarity and accuracy of IFRS translations.
The quality of available IFRS Arabic translations offered by the IASB is not of a high standard.
The language ability of students and academics constitutes a hurdle regarding the use of English as the language of instruction.

7.5 Expected role of outside accounting bodies

To allow for a better understanding of the CIF construct of support from outside accounting bodies, academics' perceptions of the various areas of support expected from outside professional and academic accounting bodies were explored (Figure 7.5). Figure 7.5 presents the principal themes that evolved from the qualitative analysis of interview data related to the support from outside accounting bodies construct.

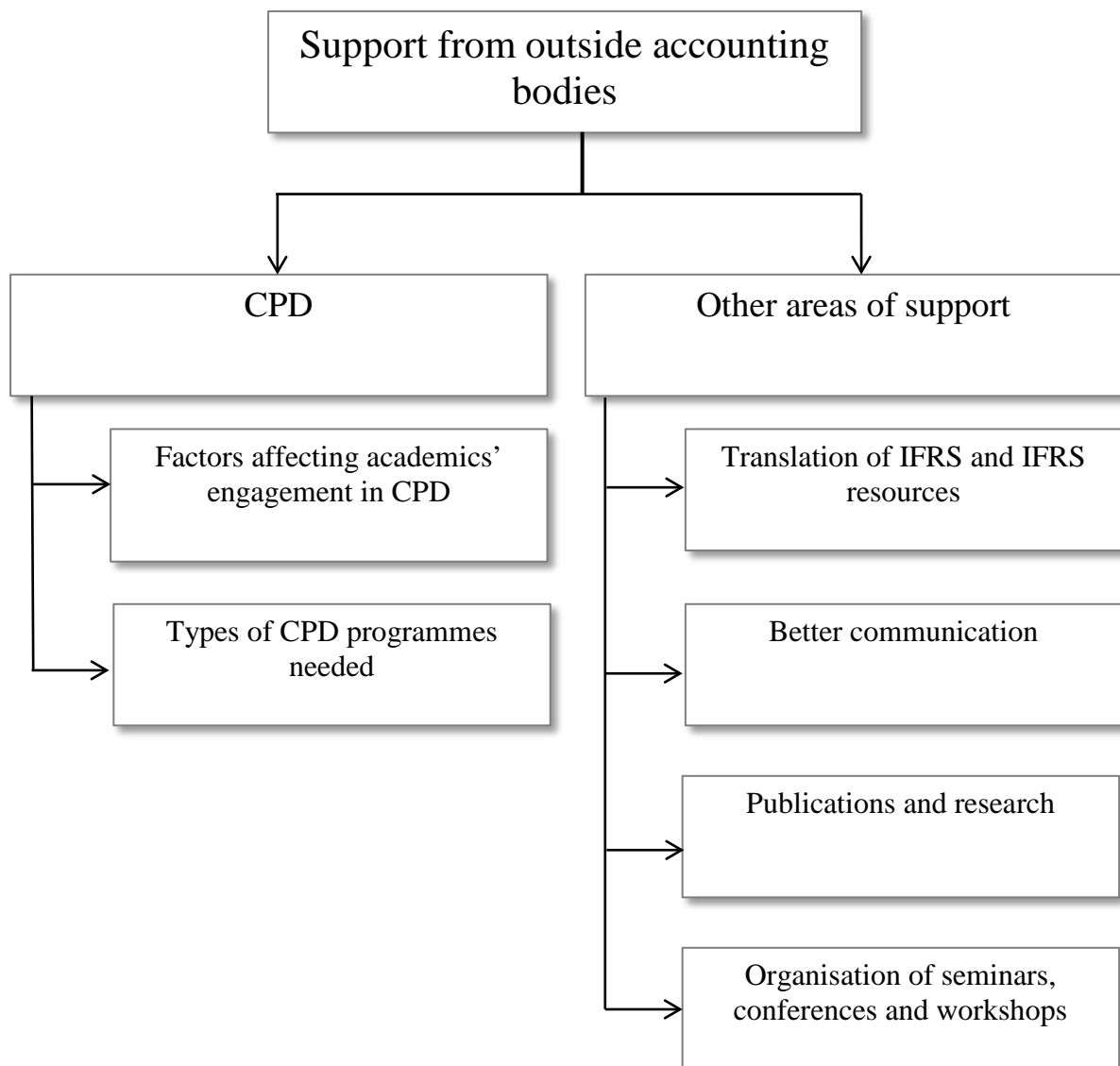


Figure 7.5: Major themes of support needed from outside accounting bodies

7.5.1 CPD activities

This section begins by exploring academics' opinions of CPD activities to help accounting bodies to identify the factors affecting academics' engagement with these programmes. Subsequently, the discussion presents details of other areas of support expected of the two major accounting bodies in Saudi Arabia, SOCPA and SAA.

The analysis of this section will assist in addressing the following research sub-question:

RQ3a: What are the factors affecting Saudi academics' engagement with CPD training programmes?

This question is designed to address how outside accounting bodies and training providers can assist in designing and providing training programmes. The availability of adequate training programmes (i.e., appropriate content, timing of training programmes and the presenters and speakers who deliver the programmes) are among the most important factors identified by the interviewed academics. Interviewees stressed the importance of having training programmes that consider accounting academics' needs. They stressed the importance of mode of delivery, the qualifications of the speakers and the timing of the programmes to increase the benefits expected and to encourage academics to undertake CPD programmes. Interviewees also highlighted the importance of the role of their employers providing rewards and incentives.

Interviewees demonstrated divergence in perception of what constitutes an adequate training programme. Some prefer short, focused training programmes that cover specific IFRS topics and areas, while others prefer long training programmes with a general focus. The preference for short programmes was mostly justified by the need to focus on topics of interest and the lack of time available to academics to engage in long training programmes. The following quotations demonstrate the differences in opinions:

Each course or workshop should not cover more than three standards as a max to allow for in-depth discussions and examination of the standards and any associated problems in application (Interviewee 11).

I prefer training programmes that have a holistic view with topics such as ‘the developments in IFRS’, something along these lines. I don’t prefer specific courses that cover a particular topic that constitute only a part of a course we offer in our curriculum (Interviewee 14).

The interviewees demonstrated a clear preference for CPD programmes to target a diverse audience. Such audiences would include academics, professionals and practitioners, which would enhance and enrich the discussion and provide an avenue for participants to exchange experiences. However, Interviewee 15 expressed an opposing opinion that highlighted the importance of differentiating between the needs of different participant groups:

Delivering the material to a CFO is different to delivering it to a recent graduate student. Is their level the same? Is the way the course is managed going to be the same?

The interviewees expressed a need for the content of training programmes to focus on course-delivery skills, pedagogical approaches and modern teaching skills and techniques. The lack of adequate knowledge and proficiency in modern teaching and course-delivery skills was often highlighted by interviewees, expressing the need for more focus on making available CPD courses delivered by experienced presenters and speakers. A quotation from Interviewee 9 summarises the concerns of most of the interviewed academics:

Some universities send their staff to advanced countries where participants gain qualitative knowledge and skills such as dealing with large numbers in class, using gestures, how to deal with undergraduate and graduate students. Those are the type of courses that we are looking for. Most of our academics lack these skills since most of their studies focused on their field [accounting discipline] and disregarded teaching skills, which mostly are developed on personal efforts.

The importance of SOCPA’s role in providing IFRS-related courses was highlighted by interviewees because of its professional position, status and access to experts who can deliver and add value via training programmes to accounting academics.

Moving to the mode and location of delivery, interviewees' responses demonstrated a tendency and a preference towards training programmes organised overseas compared to training programmes organised and delivered locally due to the expertise of presenters and training organisations. In addition, self-learning was encouraged and suggested as a solution to: 1) the lack of high-quality training programmes; 2) the time needed to enrol in traditional training modes; and 3) the wide range of topics in IFRS, which cannot be covered by a small number of courses.

The important role of the employer in supporting academics to attend training programmes was stressed by interviewees. The most desired areas of support from interviewees were lowering teaching loads and providing time releases to enable academics to benefit from training programmes. Interviewees expressed differences in their level of satisfaction with the efforts of higher education institutions through their deanships of development (i.e., training units) to provide onsite training, workshops and seminars. Some interviewees expressed admiration of the number of training programmes and others criticised their quality.

7.5.2 Areas of support expected from SOCPA and SAA

This section discusses the interviewees' expectations of the role and support from outside organisations (represented by the two major accounting bodies, SOCPA and SAA) (Figure 7.6). SOCPA is the professional body responsible for issuing, translating and updating standards, and has a supervisory role over accounting professionals in Saudi Arabia. SAA is the academic body responsible for supporting accounting research, authorship and translation of accounting textbooks, as well as organising training activities. Identifying academics' expectations of these two bodies will help to address the following research sub-question:

RQ3b: What areas of support can outside professional and academic accounting bodies undertake to assist in the transition to IFRS in Saudi higher education institutions?

Addressing this question will enable a clearer elaboration of the CIF construct of support from outside accounting bodies. It will also provide a better understanding of

the expected role of outside accounting bodies in the transition to IFRS for accounting education in Saudi Arabia and minimise any expectation gaps between higher education institutions and the two accounting bodies.

The Group I interviewees were asked about their level of satisfaction with the services currently provided by SOCPA and SAA, as well as their expectations of what should be provided by these organisations in the future to help them with any IFRS curriculum-change initiatives. The analysis of interviewees' responses is divided into three sections: the first section addresses similar services expected from both bodies, the second section addresses services expected specifically from SOCPA and the third section addresses services expected specifically from SAA.

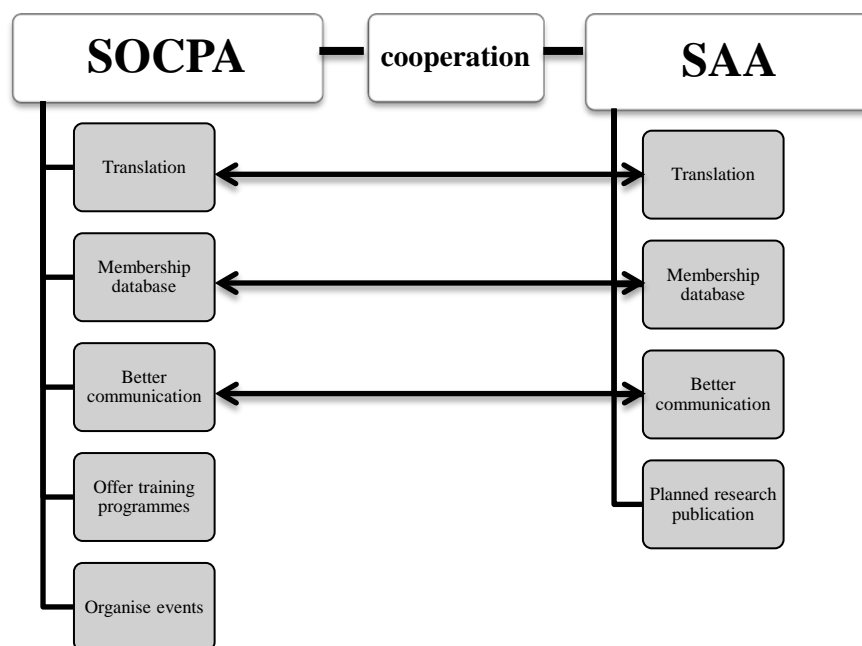


Figure 7.6: Expected role and support from outside organisations

7.5.2.1 Expectations of SOCPA and SAA

The analysis of the Group I interviews identified three aspects in which academics expected support that applied to SOCPA and SAA: 1) translation projects; 2) initiation of databases of members; 3) improvement of channels of communication between the two bodies and accounting academics and professionals in Saudi Arabia. The following paragraphs examine these three aspects in more detail.

Most of the discussion relating to the translation issue consisted of the need for a broader structure under which accounting academics can work and translate leading textbooks. Suggestions were provided for SOCPA and SAA to facilitate any logistical contact with textbook publishers to gain translation rights and provide accounting academics with adequate financial compensations and rewards to support and encourage translation projects. Other suggestions included collaborative translation projects in which three to four academics participate in a team to translate a textbook to foster the process and minimise the time and effort required to complete translation projects. Interviewees demonstrated concerns about the quality of selected textbooks for translation, as well as the experience of academics selected as translators. Interviewee 13 expressed a contrasting opinion, stating a lack of belief in the merits of textbooks-translation projects:

I believe that we can save time, effort and money that would be spent and spend it on improving English-language skills and levels among students. It would be much better. I believe that we can translate a book, two or even ten books but at the end, the question is where is the knowledge coming from? We need to be honest and clear with ourselves, that we are not creating knowledge; we are transferring it.

The lack of strong communication channels with accounting academics and academic institutions from both SOCPA and SAA was a recurring theme from the interviewees. Some expressed a lack of awareness about any services or activities organised by the two organisations. The following quotations illustrate interviewees' lack of satisfaction with level of communication with SOCPA and SAA:

I bet if you ask any accounting student who graduated from any university other than King Saud University about the SAA, he/she will tell you 'I never heard of it' (Interviewee 5).

The weakest point of SOCPA in my opinion is their communication; communication with universities, the public and all interested users (Interviewee 6).

The level of communication is claimed to be lower with academic institutions outside Riyadh city (where the headquarters of SOCPA and SAA are located). There is an obvious need for the development of communication mechanisms that increase and expand the level of interaction between accounting academics and academic institutions with SOCPA and SAA to increase the chance of a successful IFRS transition project.

Creating a database of accounting academics and professionals would help to solve this problem and provide a communication platform through which any member has access to other members, news and announcements. As the organising body for accounting professionals, SOCPA could be responsible for gathering the information related to accounting professionals registered, and SAA, as the association responsible for academics, could play the same role with accounting academics around Saudi Arabia. The two bodies could work together to create a shared database to join professionals and academics for better and wider access to a variety of expertise.

7.5.2.2 Expectations of SOCPA

Interviewees stressed the importance of SOCPA organising conferences, seminars and workshops, either separately or jointly, with higher education institutions. Such events would involve inviting accounting academics to participate and express their opinions about the transition to IFRS and the difficulties it might entail. The interviewees also demonstrated interest in having regular seminars and workshops that update them with the stage of the progress towards the transition project.

Another important service expected by interviewees is SOCPA offering of training programmes. Interviewees criticised the level of quality and variety of training programmes currently provided by SOCPA, describing them as outdated and not reflecting academics' needs. The interviewees expressed a desire for training programmes tailored to their needs.

7.5.2.3 Expectations of SAA

As an academic association, SAA is more focused on planning and conducting academic research projects and publications. However, interviewees criticised the lack of a clear plan to guide accounting research published in the SAA's journal. The interviewees felt that more guidance should be provided, focusing on emerging issues such as the transition to IFRS and its implications for accounting education. In addition, interviewees highlighted their dissatisfaction with the lack of sophisticated publications in the SAA's journal:

The level of the papers published in the journal is weak and most of these papers are written for the sake of publishing or financial reward more than lifting the level of academic research. Also, most topics covered do not reflect the needs of the local environment (Interviewee 6).

There should be an extension of the scope of the SAA and an invitation to pioneer academics from around the world to publish in the SAA Journal in order for us to go global (Interviewee 4).

Supporting accounting academics through providing adequate financial compensations and rewards was suggested as a means of encouraging higher quality research papers.

Table 7.4: Summary of major issues raised by interviewed academics with respect to the expected role of outside accounting bodies construct

Major issues raised by interviewed academics
There was a mixed response regarding the favoured type, focus and length of training programs for IFRS.
There is an expectation amongst academics that accounting bodies undertake and support translation projects of IFRS and other teaching resources.
Accounting academics are not satisfied with the current level of communication being provided by accounting bodies - especially academics outside the Riyadh region.
There is an expectation that accounting bodies will organise and sponsor conferences, seminars and workshops on IFRS.
There is some concern about the relatively low level of IFRS publications in the SAA academic journal.

Part II: Interviews with SAA board members

Given that the transition to IFRS in Saudi Arabia will introduce different needs for accounting academics, the expected role of outside accounting bodies in serving these needs warrants investigation. Qualitative data in this section were collected through semi-structured interviews with four current board members of the SAA. The data extracted from these interviews were discussed and analysed around the principal tasks and responsibilities of the SAA, which were determined by the information from its website and the expressions of the expectations of the Group I interviewees. The discussion and analysis of the themes is connected to RQ3. The SAA was selected because of its pioneering position as the sole academic accounting association in Saudi Arabia responsible for providing services to accounting education and research.

7.6 Demographics of participants

The SAA is the main academic accounting body in Saudi Arabia and plays a major role in supporting accounting academics and accounting education. As the SAA is an organisation for accounting academics, seven of the nine board members are accounting academics and only two represent the professional sector. Of the nine board members of the SAA, four agreed to be interviewed to provide their opinions about the role played by the SAA in SOCPA's IFRS transition project. Three of the interviewees work as accounting academics in higher education institutions in Saudi Arabia while the fourth member works as an accounting professional. The level of experience of board members varies (Table 7.5).

Table 7.5: Participant demographics (Group II)

Interviewee	Years of experience as a board member	Industry
1	1 year	Accounting academic
2	9 years	Accounting academic
3	9 years	Accounting academic
4	6–7 years	Professional

7.7 Role of SAA

Investigating the CIF construct of support from outside accounting bodies and answering RQ3 is better captured when the opinions of the SAA board members are considered. Group II interviewees were asked questions about the activities and actions undertaken by SAA, their level of satisfaction with these activities, and what they think should be done. This was intended to elaborate on the current, as well as the expected, support from outside accounting bodies. The two major branches of SAA's activities: publications and organising events will be explored in more detail in Sections 7.7.1 and 7.7.2. Figure 7.7 outlines this section, and is followed by a detailed discussion of the themes related to publications and organising events.

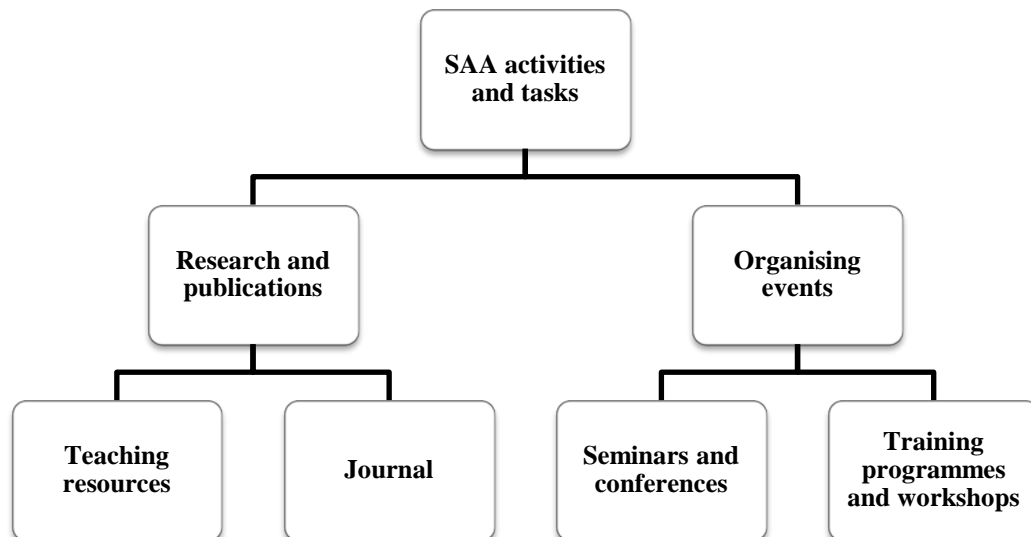


Figure 7.7: Overview of SAA role

The findings of the Group II interviews demonstrate that the SAA need to create broader exposure to expertise and opinions, rather than limiting meetings to board members. Interviewee 2 demonstrated awareness of the role that should be played by the SAA as the leading academic association responsible for accounting in Saudi Arabia:

There are instructional and educational aspects to the transition project, as well as a research aspect. When we talk about these aspects, we find that the association should have a great role in them.

However, this awareness is not reflected in the association's performance and activities. The following sections will address the main themes from interviewees' responses to explore and highlight some of the issues related to activities that have been taken and planned in relation to publications and organisation of events.

7.7.1 Publications

Publications of the SAA fall within two main categories: textbooks and the SAA journal. The first category relates to issuing and translating accounting and auditing textbooks, as well as to providing supporting teaching materials such as case studies, while the second category relates to the SAA's journal.

7.7.1.1 Teaching resources

The interviews discussed the worthiness of authorship compared to translation of textbook initiatives, as well as the projects in place to support the transition to IFRS. Translation of well-known accounting textbooks had the support of the interviewed board members compared to authorship and issuance of local textbooks. Even though some recognised the preference for authorship for addressing the local environment, and using terminology and expressions widely used in the Saudi Arabian business context, they generally emphasised the importance of translations for the following reasons:

- quality of (locally) authored textbooks is questioned and needs significant review and examination
- time associated with authoring a textbook is usually longer than that associated with creating translations
- negative experiences of SAA interviewees with authorship projects conducted by the SAA in association with outside translators (academics) resulting from delays of delivery from translators
- translation ensures the use of well-known and widely used textbooks that have already been tested for quality and appropriateness for educational purposes
- less effort by the SAA is associated with the translation of textbooks compared to authorship.

Although the interviewees preferred translation to authorship, issues surrounding the quality and accuracy of translations were raised as concerns.

The interviewees indicated that the SAA did not take initiative in providing teaching materials such as case studies and test banks. Some interviewees suggested that such initiatives could be conducted in cooperation with SOCPA, while others considered making available textbooks as a greater priority for the SAA and the academic community. Once again, the lack of resources was mentioned as a reason behind the lack of activation of the SAA's tasks and consequently, the lack of availability of these materials despite their perceived usefulness and importance. Interviewee 2 illustrates this point:

The SAA should prepare these teaching resources. But, is it activated? No, it is not [...]As I said, the dedication and the financial resources are weak.

Interviewee 1 commented on the value of more than one organisation performing such tasks so that the responsibility for providing such materials does not fall solely on the SAA:

When more than one party provides these materials, there will be a competition, which will reflect on the quality of products and help in serving students and the profession.

The findings from the Group II interviews illustrate that offering supporting teaching materials in the form of textbooks, case studies and practical examples, as well as technological support such as distance learning and access to databases for academics and students is required to ensure higher levels of facilitation and support for the IFRS educational process.

7.7.1.2 SAA journal

The SAA's journal is a biannual scientific journal specialising in the publication of the related research areas of accounting, auditing, finance and capital markets. The interviewees expressed their belief that the SAA is active through its research journal, as it addresses a number of accounting issues. However, they also indicated that the

journal has no clear policy, plans or prioritisation for research topics or projects where all papers falling within the research areas of the SAA are received and peer reviewed. An initiative has been conducted by the SAA in accordance with SOCPA to support research and improve the level of publications. Interviewee 3 stated:

There was an agreement with SOCPA to fund a prize for excellence in accounting research on a yearly basis [...] But, unfortunately, most of what was presented did not rise to the level of excellence to deserve the prize [...] We organised that prize in the first year (2011/2012) and then stopped.

The cooperation with SOCPA in providing this reward signals a positive move that could be utilised in larger contexts to cover areas such as issuance and translation of textbooks, organisation of IFRS-related events and training programmes and development activities where the resources (whether financial or human) of the two organisations are gathered and utilised.

7.7.2 Organising events

The discussion in this section is formulated around the organisation of seminars and conferences, and the organisation of workshops and training programmes.

7.7.2.1 Seminars and conferences

Reviewing interviewees' responses demonstrated that the SAA plays a relatively active role in organising seminars and conferences with a major seminar, symposium or conference organised every year. However, none of the conferences or seminars organised by the SAA have addressed the transition to IFRS from an educational perspective or tackled areas of concern to academics. The one exception to this was a conference in which accounting-department heads in Saudi higher education institutions gathered to reflect on general problems and concerns they encountered with respect to accounting education. The interviewees indicated the outcomes of that conference were positive and constructive.

The findings from the Group II interviews suggest that there should be more focus on IFRS-related seminars and conferences to help increase the awareness of the accounting academic community of the implications of IFRS transition on accounting education

and curriculum. However, a lack of resources was again raised by interviewees as the principal reason behind the fact that there were few conferences in this area. Interviewee 1 stated:

The lack of full-time employees and board members stands as an obstacle in front of organising such events continually.

7.7.2.2 Training programmes and workshops

Analysis of the interviews indicates that there has been limited provision of training programmes and workshops by the SAA, particularly of those devoted to courses such as the development of accounting academics' teaching and delivery skills; interaction with students; test-measurement techniques. The importance of these areas is related to the principles-based nature of IFRS, which requires revisiting the way accounting academics approach teaching. The consensus of the interviewees was in favour of the SAA providing such courses. However, Interviewee 3 indicated that providing such courses falls outside the scope of the role of the SAA and should be the responsibility of the universities:

We don't engage in providing training courses for academics since it is the responsibility of universities and they usually do it. Universities for instance have special administrations related to developing the skills of faculty members.

7.8 Professional association, interaction and networking

The discussion in this section addresses opportunities of possible collaborative initiatives related to the transition to IFRS, whether at local or international levels or between SAA and other professional accounting bodies. Such collaborative initiatives aim to achieve shared goals related to the development of the accounting profession and accounting education.

Analysis of interviewees' responses revealed a lack of awareness of the services provided by international professional and academic organisations outside Saudi Arabia, for example, the IAESB and the IFRS Education Initiative. This lack of awareness is partly due to the belief of interviewees that there is no formal level of communication or agreement between such organisations and SAA. However,

communications with professional bodies in the gulf region¹¹ are conducted informally at an unofficial level that is limited to exchanges of publications. Personal efforts and expertise of board members were identified as the main means of performing the SAA's tasks.

At a local level, cooperation with SOCPA as the main professional accounting body and the organisation responsible for monitoring and administering the transition to IFRS was investigated and analysed through the interviews. The analysis demonstrated a difference between two levels of collaboration: 1) formal and institutional collaboration; 2) informal and personal type networking between the two bodies (SAA and SOCPA) through their members. Despite the lack of formal collaborative projects, the Group II interviewees demonstrated high levels of awareness of the importance of cooperation between the two bodies due to the integrative role that could be created. For example, the SAA is a scientific body related to education and academia, while SOCPA is professional and linked to the profession and professionals. Interviewee 2 explained the relationship between the two bodies:

If you do not educate well, you will not have qualified professionals and if the profession was not evolving as a profession, academics will not have feedback to improve their curricula and have strong educational and research aspects. Those two aspects, education and profession, should be led by the SAA and SOCPA. If there is lack of cooperation, integration and synergy between the two parties, accounting education and accounting application will lack relationship as well.

The interviews revealed that the relationship between the members of the two bodies is present through an exchange of expertise and work that occur on some projects at an unofficial level, such collaboration is usually based on personal relationships. Interviewee 3 stated:

Most, if not all members, of the board of the SAA are members of technical committees at SOCPA.

Although an awareness of the importance of collaboration is present among board members, there remains a lack of initiatives, plans and agreements to ensure and foster collaboration for the sake of improving and developing the accounting profession and

¹¹ The Gulf Cooperation Council is a political and economic union of Arab states that border on the Arabian Gulf, that is, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates.

accounting education in Saudi Arabia. The shortage of human and financial resources is clearly an issue for the SAA in performing its tasks.

7.9 Islamic accounting debate

The transition to IFRS will bring to the surface the debate regarding the lack of coverage of Islamic financial transactions and products within IFRS and the need for standards to account for these. This issue was discussed in the Group I interviews and the results were presented in Section 7.3.2. This section extends that discussion to investigate the opinions of the Group II interviewees. Controversial opinions were detected from interviews because one interviewee supported the issuance of accounting standards to account for Islamic financial transactions while three (two academics and one professional) were against this. The discussion centred on issues related to the understanding of the nature of transactions, measurement and disclosure. Justifications for demanding the issuance of special standards were based on grounds such as the large amounts of money involved in Islamic financial transactions and products, the vagueness of their nature and the need to understand their principles to be able to account for Islamic transactions. Interviewee 1 cited the example of Sukok:¹²

We need to know and understand the nature of Sukok. When I know its nature, I will look for a standard that cover[s] it. If there is a standard, great, the problem is solved. If not, we need to come up with a standard that covers, measures and discloses that item because it becomes a major event in the market that deals in billions and accounting, as we know, is a reflection of economic events.

Another opinion raised by three interviewees denied the need to issue separate accounting standards to account for Islamic financial transactions. This opposing position is attributed to a differentiation between measurement and disclosure. Interviewees propose that measurement of business transactions is always similar despite the nature of the transaction and the only difference is in the level and type of required disclosures associated with certain classes of transactions. This has led to the refusal of demands by the three interviewees requesting the issuance of separate

¹² Sukok are financial certificates representing ownership in an asset or its usufruct.

accounting standards for Islamic financial transactions and limiting the need to provide additional disclosure requirements.

The needs of financial-statements users were not overlooked by interviewees. They suggested that such needs can be met through additional disclosures. The following quotations highlight some of these opinions:

I believe that Islamic financial transactions are merely transactions that need a simple accounting treatment (Interviewee 2).

The issue is not in the standards, it is in the doings of organisations and whether they adhere to the Shari'ah or not (Interviewee 3).

There is nothing called Islamic accounting standards. This needs to be understood because it is tricky. There are no Islamic accounting standards that if we follow will make our financial statements according to Shari'ah [...] However, I think that Shari'ah disclosures are required (Interviewee 4).

The discussion extends to propose that Islamic financial transactions can be accounted for using IFRS as expressed by Interviewee 4:

Most of the Islamic financial transactions can be compared to conventional transactions and as a result, IFRS can be used to account for them just with additional disclosures.

The SAA board members demonstrated disagreement on the implications of the Islamic economic environment. This disagreement is also evidenced in the questionnaires and interviews with the accounting academics. This clearly signals a lack of consensus on this issue among a sample of the accounting profession in Saudi Arabia. Consequently, the treatment of Islamic financial transactions with the transition to IFRS requires more attention from those responsible for the transition project.

Table 7.6: Summary of major issues raised by interviewed SAA board members

Major issues raised by interviewed SAA board members
The translation of resources appeared to be a more favourable option compared to the authorship option due to quality and timing issues.
A lack of resources (both human and financial) is seen as a hurdle in the implementation and activation of a number of IFRS-related SAA tasks.
Official communication and networking needs to be improved, especially with local and international accounting bodies.

7.10 Conclusion

This chapter provided a detailed qualitative analysis of interviews with 15 accounting academics in Saudi higher education institutions and four SAA board members. The first part of this chapter was designed to gain an understanding of the perceptions of accounting academics on a number of issues related to the transition to IFRS and its implications for the accounting curriculum. A high level of awareness of the importance of IFRS and its incorporation in the curriculum was reported. However, the results indicate that there is a wide scope to enact proactive measures to be undertaken by academics at the individual level and academic institutions at the collective level with respect to preparation for an IFRS curriculum.

There was disparity among the interviewees' opinions about the importance of specifically Islamic financial transactions in the transition to IFRS. A more clear vision of the implications of the Islamic environment on IFRS transition needs to be reached among accounting professionals and academics in Saudi Arabia if efficient and effective transition is to be achieved. The interview analysis demonstrates that the level of academics awareness of the principles-based nature of IFRS needs to be increased to enable greater utilisation of student-centred teaching approaches.

Interviewees identified three interrelated challenges facing the incorporation of IFRS into the accounting curriculum. These challenges relate to: 1) human resources; 2) teaching resources; and 3) language. In addition, the shortage of adequate CPD programmes (i.e., their availability or quality) was reported by the Group I interviewees. The development of academics' knowledge of the content of IFRS, and their ability to undertake modern pedagogical approaches needs to be considered within the context of

a shortage of teaching materials. In addition, issues related to translation and language (e.g., translating standards and textbooks and language of instruction) should not be overlooked. The Group I interviews also revealed that Saudi accounting academics expect a high level of support from outside organisations (i.e., SOCPA and SAA) in areas that go beyond the translation of standards.

The second part of this chapter discussed the information gained from the Group II interviews with the SAA board members. One issue examined was the role of the SAA in helping academics and higher education institutions during the IFRS transition phase. The Group II interviewees acknowledged that the SAA needs to devote more attention to the IFRS transition and its implications for accounting education by organising high-quality seminars, workshops, publications and training. However, the analysis revealed that the level of expectation of the academic community goes beyond the capacity of the SAA due to the shortage of human and financial resources available to the association. The expectation gap between academics and the SAA is primarily due to the low level of communication between the two bodies.

Chapter 8: Discussion of Results

8.1 Introduction

This research investigated the implications of the transition to the IFRS for accounting education in Saudi Arabia to identify the level of readiness of higher education institutions to incorporate IFRS into their accounting curricula. Identifying the level of readiness of these institutions will enable a better and smoother incorporation of IFRS into the higher education curriculum. This study is significant in that it provides guidance to accounting academics in general and in Saudi Arabia in particular in addressing the market needs to reflect in the accounting curriculum to aid the process of creating a unified global set of standards. This study specifically addresses the environment of accounting education in Saudi Arabia and evaluates its capacity to implement the required changes and the support that can be gained from outside sources to assist in making these changes.

The purpose of this chapter is to discuss the results within the context of the related literature to reach conclusions and provide recommendations. The discussion is organised around the three main constructs of the CIF presented in Figure 8.1.

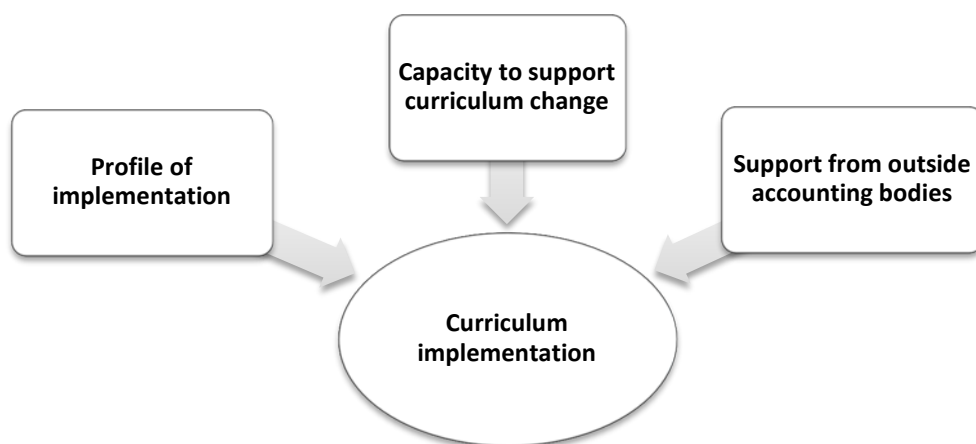


Figure 8.1: CIF (Source: Rogan & Grayson 2003)

8.2 Profile of implementation

This section addresses the following research question:

RQ1: How does the educational profile of the learning environment in Saudi Arabia affect the preparation for the teaching of IFRS?

The discussion in this section covers the state of accounting education in relation to IFRS, the influence of the Islamic economic environment on the transition to IFRS in the accounting curriculum in Saudi Arabia, and academics' perceptions of student-centred pedagogical approaches.

8.2.1 State of accounting education in relation to IFRS

This section addresses the following research sub-question:

RQ1a: What is the state of accounting education in higher education institutions in Saudi Arabia with respect to preparedness for the transition to IFRS?

The data from this study indicated that the level of preparedness for the transition to teaching IFRS in the accounting curricula of Saudi higher education institutions is limited. Participants did not seem to believe there is a need to take immediate steps to implement IFRS in the curricula despite academics' recognition of the importance of teaching IFRS. For example, steps taken to prepare for the introduction of IFRS were principally the result of personal initiatives by accounting academics, rather than that of institutional planning. In addition, the accounting academics indicated that the first group of graduates that would enter the workforce with an adequate knowledge of IFRS would not occur until the students who began their course in 2017 had graduated. The timeline given by academics coincides with SOCPA's transition period, which identifies 2017 as the official year of IFRS transition. Delays in incorporating IFRS in the curriculum could be attributed to academics' perceptions that SOCPA's examinations will not cover IFRS before 2017. The interviewed academics attributed the lack of

actions taken in incorporating IFRS into the accounting curriculum to a number of reasons related to scarcity of human and teaching resources that will be discussed in more detail in Section 8.3.

Despite the delays in taking proactive actions and measures to incorporate IFRS, time is still available for accounting academics and academic institutions in Saudi Arabia to consider serious steps and embark on change by addressing identified challenges. However, academic institutions need to consider the environment in which the proposed changes will be implemented. This requires that academic institutions address the effect of the Islamic economic environment on the way the new accounting curriculum is designed and implemented.

8.2.2 Islamic environment of Saudi Arabia

This section addresses the following research sub-question:

RQ1b: What is the influence of the Islamic economic environment on the transition to IFRS in the accounting curricula of higher education institutions in Saudi Arabia?

This discussion is divided into the following three subsections: 1) compatibility of IFRS with the Islamic economic environment; 2) need for separate accounting standards for Islamic financial transactions; and 3) Islamic financial transaction topics in the accounting curriculum, including IFRS.

8.2.2.1 Compatibility of IFRS with Islamic economic environment

A lack of agreement on the level to which IFRS are compatible with the Islamic economic environment was noted among both surveyed and interviewed accounting academics in Saudi Arabia. However, despite the lack of agreement, the respondents tended towards minimising the influence of the Islamic economic environment on the transition to IFRS. Alkhtani (2010) had similar findings in which accounting professionals in Saudi Arabia, before SOCPA's 2012 decision to transition to IFRS, minimised the influence of religious factors on the transition to and use of IFRS. The

interviews with academics and the SAA board members in this study revealed similar disagreements about the influence of the Islamic economic environment on the progress of the IFRS transition project. However, evidence from the literature signals a lack of coverage of Islamic financial transactions in the IFRS, reflecting a lack of response from the IASB to the needs of one group of financial-statements users who are interested in such disclosures (ACCA and KPMG 2010). This lack of coverage in the IFRS is expected to result in the IFRS being incompatible with accounting systems operating in Islamic business environments.

The literature demonstrates that religion and culture play important roles in shaping accounting practices and structure and determining the level to which the accounting profession and standards can be unified (David & Păiușan 2010; Hamid, Craig & Clarke 1993; Lewis 2001; Skotarczyk 2011). Cieslewicz (2014) argues that differences in economic cultures at the national level of different countries result in a number of difficulties in following a unified set of accounting standards such as IFRS, which has resulted in the adoption of an amended version of IFRS. These arguments support the presence of compatibility issues between IFRS and different local and cultural environments. The literature has identified discrepancies between Islamic business accounting practices and their Western counterparts in the use of discounting mechanisms, time value of money, focus on substance over form, the use of debt financing, fixed income securities, the neglect of the measurement and presentation of Zakat and some Islamic finance products (Hamid, Craig & Clarke 1993; Ibrahim 2000; Skotarczyk 2011; Vinnicombe & Park 2007). These practices affect three major aspects and elements of the accounting process: recognition, measurement and disclosure. These discrepancies highlight the difficulties for accounting academics in teaching IFRS in Saudi Arabia within an Islamic economic environment.

8.2.2.2 Need for separate accounting standards for Islamic financial transactions

The participants' opinions were divided about whether there is a need for separate standards to account for Islamic financial transactions. Some believe that there is a need for separate standards and others believe only in the need to provide additional disclosures. Most of the concerns of the academics who believe in the need for separate standards are related to the differences inherent in Islamic financial transactions'

definition, classification, measurement and disclosure. The importance of these factors is reflected in the literature with respect to the differences between Islamic financial transactions and conventional transactions and the need for separate accounting standards to account for Islamic financial transactions. A report issued by PwC (2010) suggests the similarity of the economic substance of both groups of transactions and limits the difference to the legal form. As such, PwC argues that IFRS are applicable to Islamic financial transactions, resulting in no need for issuing or using separate accounting standards to account for these transactions as long as the IFRS framework is reasonably used and additional disclosures are provided (PwC 2010). Further evidence supports that there is no need to have a separate set of accounting standards to account for Islamic financial transactions (AOSSG 2011). However, some researchers argue that IFRS cannot be used to account for Islamic financial transactions because of the incompatibility of IFRS and Islamic financial transactions (Maali & Napier 2010).

In this study, the majority of academics who responded to the questionnaire agreed on the need for separate financial reporting standards related to Islamic financial transactions. However, the academics who were interviewed demonstrated no consensus on the need to have separate accounting standards for Islamic financial transactions while some called for separate standards and others felt there was a need for additional disclosures only. This lack of agreement may signal a low level of understanding among participants of the applicability of IFRS to Islamic financial transactions. In addressing suggested solutions to ensure IFRS is applicable to Islamic financial transactions, there were differences in opinion among interviewees in this study. Some interviewees preferred the development of local standards while others preferred the use of standards already developed by other organisations such as those of AAOIFI to save money and time. According to the AOSSG survey, only five jurisdictions (i.e., Dubai, Indonesia, Pakistan, South Africa and Syria) are using separate sets of accounting standards to account for Islamic financial transactions. Three of them (i.e., Dubai, South Africa and Syria) use standards developed by the AAOIFI and the remaining two (i.e., Indonesia and Pakistan) use standards developed locally (AOSSG 2011).

Professionals working in big public accounting firms and academics influenced by Western accounting practices tend to minimise the differences between IFRS and

Islamic financial transactions (PwC 2010). Conversely, researchers with Islamic finance and accounting research backgrounds tend to be those arguing that there are clear differences and issues of incompatibility between Western (conventional) accounting standards and Islamic financial transactions (Hamid, Craig & Clarke 1993; Maali & Napier 2010).

Altarawneh and Lucas (2012) researched the reasons behind the dominance of Western accounting practices in some Islamic countries. They found that this trend could be attributed to the ignorance of the existence of the alternative practices, uncertainty of the applicability and acceptance of alternative practices, cost–benefit calculations of implementing alternative practices, issues with attracting foreign investment, and dependency on Western countries with developed economies by some developing countries. These reasons can explain the resistance of some academics in Saudi Arabia to the introduction of specific standards to account for Islamic financial transactions and their preference for adopting IFRS without creating a separate set of standards.

The debate among participants in this study can be compared to that found in the literature where some are against differentiating between Islamic accounting and conventional accounting, confirming the global, technical and neutral nature of the accounting discipline (Ahmed 2012; Baydoun & Willett 2000; Ibrahim 2000). However, some Islamic accounting scholars differentiate between Islamic accounting and conventional accounting, reasoning that accounting has asocial nature, which means it involves actions of humans and therefore, in an Islamic environment necessitates the consideration of Islamic perspectives and principles (Ibrahim 2000; Loqman & Bulbul 2012; Toor 2007).

8.2.2.3 Topics on Islamic financial transactions in accounting curriculum including IFRS

The literature suggests that most Islamic finance and accounting transaction topics relate to the financial-institutions industry. Among the topics highlighted in the literature are those of Ijarah, Takaful, Sukuk, Zakat, Mudharabah, Murabaha and Musharakah, as well as Shari’ah and non-Shari’ah-compliant disclosures (AOSSG 2011). Zakat calculations, presentations and related disclosures, and additional Shari’ah-

related disclosures were ranked by the academics who responded to the questionnaire in this study as the top topics that need to be covered by IFRS and in the accounting curriculum. Alkhtani (2010) notes that accounting professionals in Saudi Arabia identify Zakat as the main item of financial transactions specific to the Islamic environment that needs to be disclosed in a balance sheet. This, along with the fact that Zakat is one of the five pillars of Islam, demonstrates the importance of the issue of Zakat to Muslim users of financial statements. However, Zakat-related standards are not addressed by IFRS.

Interviewees' opinions were divided on the necessity of having specific Islamic accounting courses in the accounting curriculum to give students a competitive advantage when they join the workforce: some believe it is necessary and some oppose it due to the crowdedness of the curriculum. The limited knowledge of academics in the subject matter was another concern reported by interviewees. This could explain the opposition to the introduction of such courses in the curriculum and the lack of awareness of the importance and implications of the Islamic economic environment on IFRS transition. The inclusion and coverage of these topics within courses in the curriculum needs to be evaluated through consideration of the different environments of each academic institution in their availability of resources, extent of support that can be gained from different sources as well as the focus, nature and duration of programmes offered.

8.2.3 Pedagogical approaches to teaching IFRS

This section addresses the following research sub-question:

RQ1c: How do academics in Saudi Arabia perceive approaches to teaching principles-based IFRS standards?

It is argued in the literature that for a change in accounting education to occur, it is necessary to depart from traditional lecturing and move towards the introduction and effective utilisation of modern pedagogical approaches (Flood & Wilson 2008; Jackling & De Lange 2009). Calls for shifting the way accounting is taught have increased in

recent years due to the wide adoption of IFRS necessitating consideration of how to teach the principles-based nature of IFRS (Jackling 2013). This section discusses the most useful pedagogical approaches to teaching IFRS, as well as obstacles facing their utilisation.

8.2.3.1 Useful pedagogical approaches

There are continuous calls in the accounting education literature to rethink the way accounting is taught to allow for the development of students' skills and prepare them for the emerging needs of the business environment (Bui & Porter 2010; Lawson *et al.* 2014; Palm & Bisman 2010). Among approaches suggested in the literature are case studies, PBL, cooperative learning, role plays, simulations, projects and presentations by students (Coetzee & Schmulian 2012; Fortin & Legault 2010). The goal of these approaches is to shift the focus from instructors to students, as it is argued that doing so is more helpful in developing students' generic skills. It is also argued that such approaches will enable students to interact and think actively, critically analyse and consider the nature and different treatments of business transactions, as well as the theoretical base of content (Barth 2008; Wells 2011).

Moreover, a framework-based teaching approach that uses the IFRS conceptual framework as the starting point is called for to enable a deeper understanding of IFRS concepts along with developing students' professional judgement and critical-thinking abilities (Hodgdon, Hughes & Street 2011; Wells 2011). However, it should be considered that fostering an optimal educational environment where learning goals are realised cannot be attained with the use of a single teaching approach, as learning outcomes vary in complexity (Bonner 1999; Coetzee & Schmulian 2012). Therefore, the literature suggests the use of a mixture of both approaches based on the nature of the subject matter, where instructor-centred is preferable at early stages of the programme while student-centred is recommended at later stages (Carmona & Trombetta 2010).

Surveyed and interviewed academics in Saudi Arabia expressed the usefulness of a number of pedagogical approaches in delivering concepts and transferring principles to their students. Among these approaches are interactive learning, the use of case studies, PBL, simulations and guest speakers. The interviewed academics attributed the

usefulness of these approaches in reflecting real-world work environments and developing students' skills. They also indicate the value of these approaches in enabling academics to evaluate students' level of comprehension of taught concepts, principles and techniques.

However, the participants demonstrated a low level of understanding of the objective of these approaches. This could signal that while participants acknowledge the usefulness of these approaches in general terms, they do not relate them specifically to the context of IFRS and its principles-based nature. For example, the majority of the respondents (82.9 per cent) to the questionnaire indicated that case studies should emphasise technical aspects (rules) of standards as opposed to the conceptual foundations of standards (principles), which is in conflict with the nature of IFRS. It is argued that IFRS learning should stem from understanding IFRS principles and underlying concepts, which is better achieved through the exploration of the IFRS conceptual framework (Wells 2011). The framework-based teaching approach presented by Wells (2011) demonstrates that the framework's concepts should be related back to IFRS requirements during the teaching process at all levels. Researchers argue that following framework-based teaching allows for a deeper and more robust understanding of the underlying concepts of IFRS (Hodgdon, Hughes & Street 2011; Wells 2011). Researchers also argue that students' professional-judgement and analytical skills are developed through framework-based teaching (Barth 2008; Carmona & Trombetta 2010; Hodgdon, Hughes & Street 2011; Wells 2011).

8.2.3.2 Factors affecting utilisation of pedagogical approaches

The review of the literature highlights that smaller classes have positive effects on students' performance and the utilisation of innovative pedagogical approaches, while large class sizes constitute a major impediment to the adoption of innovative pedagogical approaches, resulting in lower quality of teaching and teaching that tends to develop students' soft and generic skills (Hill & Milner 2006; Murdoch & Guy 2002). The literature also provides evidence that suggests that a crowded curriculum hinders the development of professional skills (Hilton & Johnstone 2013; Munter & Reckers 2009; Paul & Burks 2010).

Despite the recognition of the benefits of using modern pedagogical approaches, the interviewed academics in this study cited a number of obstacles facing their utilisation. For example, class size and crowded curriculum were reported by the academic interviewees as major obstacles to the utilisation of modern pedagogical approaches due to the time needed to cover all topics and interact with students. Large class sizes seemed to be more of a concern to accounting academics working at universities compared to their counterparts working at other institutions. Similarly, Golding (1999) addressed the difference in class size between TAFE and universities in Australia, indicating the positive influence of small class sizes in TAFE compared to large class sizes in universities in attracting students and the educational process. The lack of availability of required teaching and physical resources needed to support changes to teaching approaches (e.g., case studies, high-tech equipment, design and layout of classrooms) was also highlighted as a barrier by the academic interviewees.

Students' low motivation and level of interaction was reported by the academic interviewees as another factor hindering the application of modern teaching approaches because such approaches require students to exercise more effort in preparation and interaction. The literature also expresses concerns about students' preference for traditional teaching and learning approaches because they allow greater avoidance of uncertainty and ambiguity. The desire for such avoidance may lead to students resisting the introduction of new teaching and pedagogical approaches (Milne & McConnell 2001). This resistance could be attributed to students' concerns about how to study and prepare for examinations, as well as the accuracy and fairness of the grading process (Bonnier *et al.* 2013). Therefore, an important role needs to be played by accounting academics in Saudi Arabia in preparing students for a gradual change, as well as in facilitating such change by addressing students' concerns.

The literature highlights the following reasons as increasing academics' hesitation to utilise modern pedagogical approaches: the time required by academics to support the change, dependence on ready materials by academics, and lack of contemporary knowledge (Nelson 1995). Challenges to prepare questions and cases for classes and examinations beside the evaluation and grading process are also highlighted in the literature (Bonnier *et al.* 2013). Allen and Fifield (1999) highlight that changing the way academics teach can increase their resistance due to factors related to culture, politics

and management structure. Academics' enthusiasm is argued to be a primary factor in increasing the effectiveness of teaching (Stice & Stocks 2000).

The academic interviewees highlighted the following factors that impede academics from utilising modern teaching approaches in the context of IFRS teaching in accounting courses in Saudi Arabia: academics' low level of IFRS knowledge, resistance to change, level of awareness, low ability level in using modern teaching approaches, shortage of teaching resources, and lack of time to develop IFRS-related teaching materials. These factors need to be considered by those responsible for developing accounting curricula in Saudi higher education institutions; the educational environment must be considered and prepared, and academics' concerns need to be addressed and minimised before any changes are made to avoid wasting time and effort.

8.3 Capacity to support curriculum change

This section addresses the following research question:

RQ2: What factors influence the capacity to support curriculum change to incorporate IFRS in the curricula of higher education institutions in Saudi Arabia?

This section focuses on areas related to policy and process factors, human resources, teaching resources and language factors, and also addresses the effect of the type of academic institution (i.e., university versus other academic institutions) as identified by participants in this study.

8.3.1 Factors influencing incorporation of IFRS into accounting curriculum

8.3.1.1 Policy and process

This section addresses the following research sub-question:

RQ2a: What is the level of awareness of administrators of Saudi academic institutions of the process and policy implications of the required change?

Rogan and Grayson (2003) argue that increasing the capacity to support and foster curriculum change and implementation requires having and communicating a shared vision between those responsible for planning and implementing change (i.e., administrators of academic institutions) and academic staff. This is enabled by administrators understanding academics' abilities, considering the available resources and providing the necessary training and development activities for academics when planning change. Such considerations embody the importance of considering the connection between process and policy to guide change with the agents involved. Rogan and Grayson (2003) argue that leadership style at academic institutions plays a vital role in the success of such initiatives during the implementation phase of curriculum change. For example, Bui and Porter (2010) note that academics' willingness to embark on change initiatives is influenced by institutional and policy factors such as universities' reward and promotion policies. The literature reports that the following process and policy factors are among the most important affecting planning and implementing curriculum change (Bui & Porter 2010; Fogleman & McNeill 2005; Fullan 2001; Hord & Hall 2005; Ogborn 2002; Pintó, Couso & Gutierrez 2005; Rondinelli, Middleton & Verspoor 1990):

- level of engagement of users in the decisions and design related to the change process
- vagueness of the required changes
- unrealistic reform objectives that ignore available resources
- inappropriate training for agents to cope with the requirements of the introduced changes.

When examining responses to the questionnaire in this study, the majority of participants (59.7 per cent) indicated that administrators of their academic institutions understand the changes required to incorporate IFRS into the curriculum. However, this assumed high level of understanding was not reflected in the steps taken by administrators to implement change, as the majority of respondents to the questionnaire (75.8 per cent) indicated that no decision on the necessary actions had been taken, nor were there any plans set by administrations. In addition, only 3.9 per cent of respondents indicated that time release was given to existing academics to develop materials, and only 2.8 per cent indicated that funding had been provided to academics

to attend training. Further, none of the participants indicated that their institutions' administrators had provided funding to academics to develop course materials. Similarly, AlMotairy and AlTorky (2012) cited that none of the participants in their study indicated the presence of support from their universities in the form of financial incentives or lower teaching loads to encourage and enable academics to develop the teaching materials and resources necessary for teaching IFRS. The gap between understanding the required change and taking serious action to reflect that understanding needs to be closed. In addition, the administrators of academic institutions need to acknowledge the importance and magnitude of policy and process factors in fostering an efficient and effective transition to IFRS in the accounting curriculum.

8.3.1.2 Human resources

This section addresses the following research sub-question:

RQ2b: What are the obstacles to teaching IFRS perceived by accounting academics in Saudi Arabia?

Lack of will or ability of accounting academics in Saudi Arabia to incorporate IFRS in the curriculum constitutes a major issue hindering IFRS transition. The academics interviewed in this study indicated that the majority of academics at their respective institutions lacked motivation, showed resistance to change and did not believe in the importance of the development. This lack of willingness was mainly attributed to the absence of financial incentives for academics to make changes. The academics interviewed also highlighted the availability of qualified and expert academics in the area of IFRS as another significant problem facing the incorporation of IFRS in the curriculum. This issue appeared to be more prevalent with the academics from other academic institutions compared to those from universities. This particular issue is not specific to Saudi Arabia. El Razik (2009) highlights the lack of qualified accounting and auditing academics and professionals with IFRS experience in most Middle Eastern countries. Vysotskaya and Prokofieva (2013) note similar concerns regarding the shortage of academics qualified in the area of IFRS in Russia. Issues related to

academics' English abilities and delivery and teaching skills were also raised by accounting academic who participated in this study. The prior literature and the findings from this study indicate that it would be appropriate for higher education institutions reconsider their hiring and recruiting criteria, training plans, and their incentives and bonus policies to maximise the opportunities for developing and increasing the IFRS knowledge and teaching skills of accounting academics.

8.3.1.3 Teaching resources

This section addresses the following research sub-question:

RQ2b: What are the obstacles to teaching IFRS perceived by accounting academics in Saudi Arabia?

Concerns about the shortage of teaching resources were raised in the literature by accounting academics in Australia, the UK, Russia, Brazil and France. For example, research in developed countries (e.g., Australia, France and the UK) and developing countries (e.g., Russia and Brazil) has highlighted a lack of teaching resources (Bonnier *et al.* 2013; Carvalho & Salotti 2013; Jackling, de Lange & Natoli 2013; Stoner & Sangster 2013; Vysotskaya & Prokofieva 2013). Similarly, in the present study, the academics (through the questionnaires and the interviews) highlighted a lack of teaching resources, especially textbooks and case studies, as a major factor delaying the incorporation of IFRS into the curriculum. However, despite this shortage of teaching resources, 80 per cent of respondents to the questionnaire were not aware of services provided by organisations beyond local boundaries such as the IFRS Education Initiative. AlMotairy and AlTorky (2012) also report the lack of awareness of almost 40 per cent of academics who participated in their study of the teaching resources and case studies prepared by the Big 4 public accounting firms.

Most of the concerns related to teaching resources in Saudi Arabia were raised by academics who work in public universities and other academic institutions, where Arabic is the principal language of instruction. The issue was less of a concern for academics working in private universities because all surveyed accounting academics from private universities in this study (15) indicated the use of English as the language

of instruction at their respective universities. The use of English as the language of instruction within private universities enables access to English textbooks and other teaching resources. To respond to the shortage of adequate teaching resources, Bonnier *et al.* (2013) illustrate how accounting academics at the ESCP Europe Business School took the initiative of developing teaching materials and new textbooks, or updating old ones, to enable greater IFRS focus and orientation. Such a step should be considered by academics in Saudi Arabia to compensate for the shortage of IFRS teaching resources in Arabic. In addition, academics need to be made aware of the teaching resources provided by international bodies and organisations such as the IFRS Education Initiative, public accounting firms and professional accounting bodies to enable the utilisation of these resources. An example of such support is the continuous support provided to accounting academics globally by the IFRS Education Initiative in the form of free framework-based teaching materials, translation of teaching resources into different languages, and the facilitation of workshops around the world to improve academics' abilities in utilising these materials (IFRS Foundation 2014d; Jackling 2013). However, it needs to be noted that even though most of these materials are free, or provided at minimum cost, some of the services (e.g., workshops) require financial support by the academic institution organising the workshop (e.g., travel cost and accommodations costs of trainer).

8.3.2 Language-related issues

This section addresses the following research sub-question:

RQ2c: What are Saudi academics' opinions of the implications of cultural issues for the transition to IFRS in the curriculum in terms of 1) language and 2) translation?

Language-related issues such as availability and accuracy of translations and the suitable language of instruction (e.g., Arabic versus English) were repeatedly highlighted by the surveyed and interviewed academics as factors hindering the transition to IFRS in the curriculum.

8.3.2.1 Translation

Concerns about the availability and quality of translations has been expressed in the literature by a number of academics in different countries where English is not the first language, for example, Brazil, South Africa and Russia (Carvalho & Salotti 2013; Coetzee & Schmulian 2013; Kettunen 2011; Larson & Street 2004; Vysotskaya & Prokofieva 2013). The absence of accurate and high-quality translations of IFRS and related teaching resources, as well as concerns related to the loss of meaning during translation were identified by surveyed and interviewed participants in this study as barriers to incorporating IFRS into the curriculum. The questionnaire respondents demonstrated a tendency to prefer the use of the English version of IFRS, despite the availability of Arabic translation by IASB. Similarly, Carvalho and Salotti (2013) indicate that accounting academics and students in Brazil tend to consult the English version of IFRS despite the availability of translations of IFRS into Portuguese by the IFRS Foundation and the IASB. These findings suggest a lack of satisfaction with the quality of IFRS translations provided by the IASB and demonstrate the difficulties of translation of highly technical material such as accounting standards.

In providing suggestions to mitigate the effects of translation issues, interviewed academics in this study proposed a local translation of IFRS and a local translation of leading English textbooks and teaching resources to ensure the consideration of the local environment in the translation. Researchers argue that those who undertake translation projects should have financial and accounting knowledge, understanding of the standards, expertise and understanding of both cultures as well as language and translation abilities in both the source and target languages (Baskerville & Evans 2011; Evans, Baskerville & Nara 2011; Kettunen 2011).

The academics interviewed in this study also suggested that local accounting academics should author new textbooks that cover IFRS that consider the environment of Saudi Arabia. Similar calls for the necessity of considering the political, economic, legal and business environments of the local country during the translation process were expressed by McGee and Preobragenskaya (2005), who criticise the quality of available translations of IFRS in Russian. However, the interviewed SAA board members

appeared to prefer the translation option over the authorship one justifying that via the reasons of quality, cost and time.

The issues found with the translation of accounting textbooks and findings from linguistics literature support the argument that there are challenges inherent in transferring intended meaning of accounting terminology and concepts across different cultures. It has been argued in the literature that language is highly dependent on culture because commonality of concepts across different cultures is difficult to achieve (Evans, Baskerville & Nara 2011, 2015; Glanert 2008). Researchers also argue that the accounting practices of different countries have a great influence over translation of accounting terminology and concepts (Evans 2003; Kettunen 2011). Baskerville and Evans (2011) stress the importance of recognising difficulties associated with IFRS translation by accounting academics, regulators and standard setters. Such awareness is important in reducing future problems and implications in the adoption of IFRS by non-Western countries.

8.3.2.2 English as language of instruction

The English abilities of academics and students, as well as the use of English as the main language of instruction in higher education institutions in Saudi Arabia, were highlighted among surveyed and interviewed participants in this study as important factors affecting the teaching of IFRS. Some surveyed and interviewed academics were in favour of using English as the principal language of instruction because of the availability of textbooks and teaching resources. Conversely, the majority of participants (surveyed and interviewed) appeared to prefer the use of Arabic as the language of instruction. Those who are against the use of English argue that principles and concepts are better delivered in the native language. Baskerville and Evans (2011) support this idea, arguing that the principles-based nature of IFRS represents a major challenge for accounting academics in understanding the translated standards.

8.3.3 Influence of type of academic institution

This section addresses the following research sub-question:

RQ2d: Does the type of academic institution affect institutions' capacity to transition to IFRS?

The literature argues that there are differences in the mission and focus of universities (which are more research oriented) compared to TAFE and VET (which are more practically oriented) (Fuller & Chalmers 1999; Harris, Sumner & Rainey 2005; Loukola, Isoaho & Lindström 2002). Such differences mean that universities focus more on principles and theories while TAFE and VET focus more on technical and rules, which would suggest that there are differences in the way academics approach teaching in the different types of institutions. This section discusses the effect that the type of academic institution has on the transition to IFRS. This will be covered in two subsections related to: 1) challenges facing the incorporation of IFRS into the curriculum and 2) language and translation issues.

8.3.3.1 Influence of type of institution on challenges facing incorporation and teaching of IFRS

Differences discussed in the literature between different types of academic institutions include the level of degree offered (e.g., bachelor, diploma), length of the programme (e.g., four years, three years, two years) and different class sizes. These differences may present different challenges for each type of institution when they undertake curriculum change. For example, according to Howieson (2003), longer programmes allow more room for innovation and change in the accounting curriculum.

Fonselius, Hakala and Holm (2001) argue that the type and focus of degree programmes offered affect the availability of financial and human resources. The inferential results in this study support this argument and indicate that faculty expertise in IFRS is more of a concern and challenge to academics working at other academic institutions compared to academics working at universities. This could be attributed to differences in the educational backgrounds of the academics in the two types of institutions. For example,

as discussed in Chapter 6, all academics participating in this study and working at other academic institutions hold either a bachelor or master's degree except for two academics who hold a doctorate degree, whereas the majority of academics working at universities (67.13 per cent) hold a PhD. These results have implications for the recruitment policies at each type of institution. These results will also affect the type of CPD activities required to prepare accounting academics to teach IFRS.

Golding (1999) argues that the small class sizes in TAFE have a positive effect on students compared to university programmes, which usually have larger class sizes. Similar to the findings from the literature, the inferential results in this study indicate that large class sizes are more of a concern and challenge for academics working at universities than for academics working at other academic institutions. Given that the principles-based nature of IFRS requires the utilisation of modern pedagogical approaches to allow for greater engagement of students in class discussions and activities, the issue of large class sizes needs to be considered by academic institutions in general and universities in particular.

8.3.3.2 Influence of type of institution on language and translation issues

Inferential analysis of results obtained from the questionnaire demonstrate that academics working in universities are less optimistic about the possibility of making available high-quality translations of IFRS teaching resources within the next five years compared to academics working in other academic institutions.

The results also demonstrate that academics working at universities are more open to using English as the language of instruction compared to academics working at other academic institutions. This could also be attributed to the human resources available to each type of institution. This reinforces the need to consider recruitment and training policies in higher education institutions in general and in other academic institutions in particular.

8.4 Support from outside accounting bodies

This section addresses the following research question:

RQ 3: How can outside professional and academic accounting bodies, such as SOCPA and SAA, assist in the transition to IFRS for accounting education in Saudi Arabia?

The discussion in this section covers academics' engagement in CPD and the role played by accounting bodies in Saudi Arabia in providing such programmes. It also covers academics' awareness and expectation of services provided by academic and professional accounting bodies in Saudi Arabia and by other international organisations (e.g., IFRS Education Initiative) via a comparison with findings from the literature.

8.4.1 CPD

This section addresses the following research sub-question:

RQ3a: What are the factors affecting Saudi academics' engagement with CPD training programmes?

This section discusses the training and professional development needed for accounting academics to engage positively with the incorporation of IFRS into the accounting curriculum. It has been argued in the literature that accounting academics in different countries suffer from a lack of training opportunities in the area of IFRS, which negatively affects the education process (Paul & Burks 2010; Stoner & Sangster 2013; Yallapragadarry, Toma & Roe 2011). A need for greater engagement in CPD programmes by accounting academics in Saudi Arabia was apparent among the surveyed participants.

The literature demonstrates that the shortage of qualified accounting academics in the area of IFRS is a major impediment facing IFRS incorporation in the curriculum. Vysotskaya and Prokofieva (2013), advocate for more IFRS-related training

opportunities for accounting academics. Interviewed participants in this study repeatedly expressed a desire in training programmes that consider their needs and expressed concerns about the shortage of such programmes. Specifically, most participants demonstrated an interest in training programmes that focus on areas related to modern pedagogical approaches, and delivery and teaching skills and techniques.

However, the analysis of interviews conducted with SAA board members indicated that the SAA has limited involvement in providing training programmes and workshops related to IFRS, particularly those devoted to the development of accounting academics' teaching and delivery skills. This confirms results obtained from the interviewed and surveyed academics. Three of the four interviewed SAA board members acknowledged that providing such courses is part of the role of SAA. They argue that SAA is an academic association that should serve accounting academics in Saudi Arabia and that the only reasons for not doing so is the shortage of human and financial resources available to the SAA. However, one interviewee maintained that the provision of training programmes falls outside the scope of the SAA and should be the responsibility of human-resources development units within academic institutions.

The most important factors affecting the interviewed and surveyed academics' choices of training programmes are the provider of the course, course format and mode of delivery, qualifications of the speaker/trainer, and the timing of the course. The interviewed participants also demonstrated a tendency to prefer and trust international course providers over local alternatives. Vysotskaya and Prokofieva (2013) found similar preferences for international courses in Russia. The literature also finds that the provider of the programme is a major factor in selecting training courses (Vysotskaya & Prokofieva 2013). Therefore, there needs to be a focus on the quality (not only on the quantity) of training programmes to maximise resources. It appears that well-recognised training programmes that add to academics' knowledge need to be identified and selected by professional accounting bodies, training institutions as well as training units/departments within higher education institutions in Saudi Arabia.

The majority of interviewed participants reported a need for greater support from their employers in the form of lowering teaching loads and offering time release as these

factors restrict their engagement with CPD activities. Jackling, de Lange and Natoli (2013) found similar concerns, reporting that accounting academics' low level of engagement in training activities in Australia could be attributed to time constraints. This study found that cost-related issues did not appear to have a great influence on participants' decisions when selecting training programmes. This differs from the literature, where the cost factor is usually ranked highest of the factors influencing academics' choice of training programmes (Ross & Anderson 2013; Vysotskaya & Prokofieva 2013). The results of this study related to the cost of training programmes could be attributed to the fact that most of the academic participants expect their institutions to cover the costs of their training programmes.

An awareness of the issues and identification of factors specific to each academic institution needs to be recognised by the administrators of academic institutions and by those responsible for providing CPD (e.g., professional and academic accounting bodies). For example, the accounting institute that will be launched by SOCPA to provide CPD activities is expected to consider the needs of a wide prospective audience (e.g., accounting academics and accounting professionals).

8.4.2 Awareness of services provided by outside organisations

The majority of surveyed academics in this study (80 per cent) demonstrated a lack of awareness of a wide range of support materials, including those provided by the IFRS Education Initiative. This lack of awareness however, appears to be associated more with junior academics such as assistant professors and lecturers (81% and 84% respectively) compared to more experienced academics such as professors and associate professors (67% and 65 % respectively). Interviewed academics also expressed a low level of awareness of the services provided by local professional and academic accounting bodies in Saudi Arabia such as SOCPA and SAA. They attributed their lack of awareness of such resources and services to the absence of communication between these bodies and the academic community. As discussed in Section 3.6.1, the IFRS Education Initiative enables accounting academics and students free access via the internet to a wide range of framework-based teaching materials and resources, IFRS learning resources and CPD training materials (IFRS Foundation 2014e; IFRS Foundation 2014c). The level of awareness of accounting academics in Saudi Arabia

about these services and resources should be increased through workshops, seminars and conferences organised and sponsored by professional and academic organisations in Saudi Arabia. As noted, Appendix B provides a detailed overview of resources provided by the IFRS Education Initiative.

8.4.3 Expected role of outside accounting bodies in the transition to IFRS

This section addresses the following research sub-question:

RQ3b: What areas of support can outside professional and academic accounting bodies undertake to assist in the transition to IFRS in Saudi higher education institutions?

This section explores academics' opinions about the most valued avenues of support from professional and academic accounting bodies in Saudi Arabia. The two most valued contributions from the SAA and SOCPA as expressed by the surveyed academics were related to: 1) the provision of Arabic accounting textbooks; and 2) the translation of IFRS and the translation of leading English accounting textbooks. This reinforces results relating to the identification of a lack of teaching resources, and translation and language issues as major factors affecting the incorporation of IFRS into the curriculum.

The SAA board members expressed a preference for using translations of well-known accounting textbooks over the authorship and issuance of Arabic textbooks. This was attributed to the following reasons: 1) the perceived low quality of locally authored textbooks; 2) the time required to complete authored books compared to translated books; and 3) negative experiences with joint-authorship projects conducted previously by the SAA with some accounting academics. The issue of quality and accuracy of translations was also raised as a concern by the SAA board members in the interviews.

The literature has highlighted the importance of professional bodies supplementing teaching materials in the process of implementing IFRS into the curriculum (Hilton & Johnstone 2013). Prior literature also highlights the implications of the accreditation

process by professional bodies for accelerating and shaping universities' curriculum-change initiatives (Jackling, de Lange & Natoli 2013; Stoner & Sangster 2013). Providing case studies and providing accreditation to IFRS accounting programmes in Saudi higher education institutions were ranked equal third in importance among surveyed academics. The SAA board members interviewed indicated that the SAA needs to make more effort to provide teaching materials besides textbooks (e.g., case studies) to the academic community.

The literature has demonstrated that local professional accounting bodies can trigger curriculum change in universities through the early inclusion of IFRS in the professional-certification programme. This is expected to pressure universities to modify their curricula to be IFRS compatible to prepare their students to attain professional accreditation (Carvalho & Salotti 2013; Coetzee & Schmulian 2013; Hilton & Johnstone 2013). SOCPA's proposal to update and modify its certification and licensing system is expected to have a positive effect on the steps taken by academic institutions in Saudi Arabia to implement IFRS in the accounting curricula.

Interviewed academics in this study highlighted three main areas where outside professional bodies can play a significant role. The first is similar to that introduced by surveyed academics in relation to translation projects. Interviewed academics' emphasis on the translation role that needs to be taken by SOCPA and SAA is attributed to the expected financial and human resources of these organisations. In addition, respondents argue that as legal entities, these organisations have the capacity to enter into contracts and agreements with textbook publishers and authors to facilitate and foster translation projects. However, the SAA board members interviewed indicated their opposition to academics' arguments regarding the SAA's access to resources, stressing that the shortage of resources both human and financial is the major reason behind the lack of activation of a number of SAA tasks.

The second area of support raised by the interviewed academics stressed the need to improve communication levels between the two bodies (SOCPA and SAA) and accounting academics and professionals in Saudi Arabia. They argue that the current level of communication is not satisfactory and has resulted in the isolation of different

interested parties, which has led to a loss of collaboration opportunities that could result in a more successful transition to IFRS in Saudi Arabia. This was confirmed by the responses of the SAA board members interviewed, who demonstrated a lack of awareness of services provided by other professional and academic organisations inside and outside Saudi Arabia. The interviewed board members stated that most communication is limited to informal and personal networking. While the SAA board members expressed awareness of the importance of collaboration, there is a lack of initiatives, plans and agreements to foster such collaboration in efforts to improve and develop the accounting profession and education in Saudi Arabia.

The third suggested area of support was the creation of a common database that includes accounting academics and professionals in Saudi Arabia, where access to a vast amount of expertise and resources could be made available. Interviewed academics argue that such a database would enable higher levels of communication and cooperation between academics, professionals, SAA and SOCPA.

8.5 Conclusion

This chapter discussed the quantitative and qualitative results of this study in the context of the related literature. The discussion was organised around the constructs of the CIF to address the research questions and objectives and allow for conclusions and recommendations to be drawn. The following chapter presents the conclusions and recommendations of the study, as well as limitations and directions for future research.

Chapter 9: Conclusions and Recommendations

9.1 Introduction

Differences in local environments as reflected in social, economic and political systems represent major challenges to educators and standards setters in adopting IFRS. Cieslewicz (2014) argues that following a unified set of accounting standards is fraught with difficulty because of the differences in national economic cultures and believes it needs to be recognised that the application of one global set of standards is not necessarily achievable. Despite the perceived benefits of adopting IFRS, the decision to transition to an international set of standards does not come without costs or challenges, particularly in developing economies such as Saudi Arabia. Some of these costs and challenges relate to adapting the local environment to the requirements of the IFRS.

From the perspective of education curriculum, the adoption of IFRS differs among countries due to differences in the commitment of professional accounting bodies and their members (Jackling, Howieson & Natoli 2012). In addition, institutional differences can affect the educational transition to teaching IFRS (Albu & Albu 2012; Alvarez McHatton *et al.* 2009; Groomer & Murthy 1996; Rezaee, Smith & Szendi 2010; Sunder 2010). Higher education institutions in Saudi Arabia need to recognise these differences to be able to teach IFRS.

Despite the challenges facing the adoption of IFRS, the decision to transition to IFRS in Saudi Arabia should be considered a valuable opportunity for academic institutions to review their accounting curricula and for accounting academics to rethink the way they approach teaching. The principles-based nature of IFRS necessitates the development of academics' knowledge of IFRS and their ability to employ the student-centred teaching approaches necessary for the application of framework-based teaching. Consequently, teaching materials and resources, together with support from employers and outside academic and professional accounting bodies, are necessary to encourage academics to embark on such change.

9.2 Conclusions

The conclusions and recommendations presented in this chapter aim to guide the transition to IFRS in the accounting curriculum in Saudi Arabia. The conclusions summarise the major findings and are organised around the constructs of the CIF and the research objectives outlined in Table 9.1.

9.2.1 Profile of implementation

The findings of this study indicate that for effective and efficient curriculum change to implement IFRS in Saudi Arabia, more preparation in the form of planning and evaluation needs to occur. The investigation of the style of teaching required to address the principles-based nature IFRS reveal that academics' awareness of the nature and objective of student-centred approaches and framework-based teaching of IFRS needs to be improved to ensure an effective transition to IFRS in the accounting curriculum.

Persistence in using traditional approaches to teaching accounting, where the focus is on technical rather conceptual aspects, means that future graduates of accounting programmes are likely to lack the necessary set of skills to exercise effective professional judgement in the real-life application of IFRS. In this study, the hesitation of academics teaching accounting in Saudi Arabia to embrace modern pedagogical approaches can be attributed to the following major factors:

- lack of required teaching resources
- academics' resistance to employing such approaches
- academics' low proficiency levels in employing such approaches
- students' low motivation and interaction in class discussions
- large class sizes
- unsuitable class layouts (designs)
- crowded curriculum.

A consideration of these factors by the administrators of academic institutions during the planning phase of curriculum reform is vital to the success of the incorporation of IFRS in the accounting curriculum.

The results of this study demonstrate that accounting cannot be studied in isolation from the economic, social, cultural or professional environments in which it operates. Therefore, the effect of Saudi Arabia's Islamic economic environment and the role played by the local professional accounting and academic bodies such as SOCPA and SAA are important determinants of the successful transition to IFRS in Saudi Arabia.

9.2.2 Capacity to support curriculum change

Evaluating the capacity of academic institutions to implement curriculum change is the cornerstone for successful reform. This study identified five principal areas that need to be considered by those responsible for planning and implementing IFRS reform initiatives. These include: 1) policy and process, 2) human resources, 3) teaching resources, 4) language and translation issues and 5) the type of academic institution.

A high level of perceived understanding by academic institutions' administrators of the required changes needed to incorporate IFRS into the curriculum was reported by participants in this study. However, steps taken by administrators of higher education institutions in Saudi Arabia to reflect that understanding to support the change were not identified. The capacity to support curriculum change is expected to increase when administrators of these institutions: 1) engage academics during the planning phase of change, 2) consider the available resources, and 3) provide academics with support during all phases (e.g., tailored training opportunities, decreased teaching loads, time release, and effective bonus and promotion policies).

Despite the recognition of the shortage of qualified and expert academics in the area of IFRS in Saudi Arabia, a low level of engagement in CPD activities related to IFRS was reported by the participants as a major factor influencing a lack of qualified human resources. Many reasons were highlighted for this low level of engagement in CPD, including academics' lack of motivation, resistance to change and lack of belief in the importance of continuous knowledge updating and development. The findings indicate that academics' engagement in CPD activities need to be increased to improve competence in employing student-centred teaching approaches and improve academics' content knowledge of IFRS.

A lack of teaching resources (e.g., IFRS-related textbooks and case studies) in Arabic was also repeatedly reported by participants as a major factor delaying the incorporation of IFRS into the curriculum. In addition, the study found that participants were not conversant with the range of resources in English and Arabic that are available through the IFRS Education Initiative. Academics' increased awareness of such resources would have a positive effect on their capacity to embark on change initiatives. There is also a need for funding from a range of sources to ensure that academics are sufficiently prepared to incorporate IFRS into the curriculum.

The findings indicate that participants have low levels of satisfaction with the IASB's Arabic translation of IFRS. Most of the participants' concerns were related to accuracy and loss of meaning through the translation process. The preference for using Arabic rather than English as the language of instruction among the majority of participants is attributed to language abilities of academics and students, as well as to the ease of delivery and comprehension of the material. Persistence in using Arabic as the language of instruction means that there is a need to invest in providing high-quality translations of IFRS and IFRS-related teaching materials in Arabic.

The type of academic institution appeared to influence the capacity of academic institutions to support curriculum change with respect to the following factors:

- faculty expertise in IFRS
- class sizes
- the availability of high-quality translations of IFRS
- the use of English as the language of instruction.

Faculty expertise and the use of English as the main language of instruction appeared to be more of a concern to academics working at other academic institutions. Conversely, large class sizes and the availability of high-quality translations of IFRS in the short term appeared to pose greater challenges for academics working at universities. These findings have implications for each type of academic institution in providing teaching and physical resources and in considering recruiting and training strategies.

9.2.3 Support from outside professional bodies

Outside professional and academic accounting bodies could play a vital role in triggering and supporting curriculum change through a variety of actions and policies. Examples include accreditation of academic programmes, update of professional-certification requirements and provision of necessary resources and training. The study findings indicate that the current level of services provided by outside professional and academic accounting bodies in Saudi Arabia does not meet the expectations of accounting academics. The following are the most desired forms of support from outside organisations:

- high-quality translation of IFRS
- high-quality translations of leading English accounting textbooks
- authorship of Arabic accounting textbooks
- provision of supporting teaching materials (e.g., case studies and test banks)
- provision of specialised training programmes.

The findings also indicate that the current level of communication between academic institutions and outside academic and professional accounting bodies in Saudi Arabia is not satisfactory and has resulted in a loss of collaboration opportunities that could result in a smoother transition to IFRS. Opening new channels of communication could help to close the expectation gap and increase levels of engagement of accounting academics and professionals, which will ultimately result in a better utilisation of resources. For instance, academics will be able to address practical IFRS implementation issues brought up by accounting professionals within the IFRS curriculum. This will reflect positively on preparing accounting graduates who are aware of practical challenges of implementing IFRS and help relating theory to practice. It will also result in minimising training costs for future accounting professionals. Overall, a collective effort by accounting academics, higher education institutions and academic and professional accounting bodies in Saudi Arabia is necessary to foster curriculum change and implement a reform agenda to transition to IFRS.

Table 9.1: Summary of research objectives and major conclusions

Research questions	Construct/objective	Major findings
RQ1	<p>Profile of implementation</p> <p>Elaboration of the profile of curriculum implementation through exploring the learning environments of academic institutions in Saudi Arabia.</p>	<ul style="list-style-type: none"> • low level of readiness among most academic institutions for IFRS transition at both institutional and individual academic levels • low utilisation of student-centred teaching approaches among majority of academics for a variety of reasons related to the agents (i.e., academics and students), the availability of required resources and the learning environment (e.g., class sizes, class layouts and curriculum) • disparity in opinions among participants with respect to the influence of the Islamic economic environment on transition to IFRS and IFRS incorporation in the curriculum.
RQ2	<p>Capacity to support curriculum change</p> <p>Evaluation of the capacity of academic institutions in Saudi Arabia to engage in curriculum change through identifying factors affecting curriculum implementation.</p>	<ul style="list-style-type: none"> • shortage of qualified and expert academics in the area of IFRS in general and in other academic institutions in particular • lack of motivation among the majority of academics to update their IFRS knowledge resulting in resistance to change and low levels of engagement in CPD activities • low level of awareness among majority of participants about services and materials provided by international organisations and professional bodies (e.g., IFRS Education Initiative) • shortage of teaching materials in Arabic • low level of satisfaction of IASB's Arabic translation of IFRS and calls for a more accurate translation of IFRS.
RQ3	<p>Support from outside accounting bodies</p> <p>Identification of possible areas of support from outside accounting bodies in Saudi Arabia through investigating academics' evaluation of current levels of support and their levels of expectation for future support.</p>	<ul style="list-style-type: none"> • translation and authorship of accounting textbooks, providing supporting teaching materials (e.g., case studies and test banks), providing training opportunities and improving levels of communication are among the most desired areas of support expected from outside professional and academic accounting bodies in Saudi Arabia.

9.3 Recommendations

This section provides recommendations based on the conclusions drawn from the study. The recommendations are presented and discussed around the major constructs and sub-constructs of the CIF.

9.3.1 Recommendations to Saudi higher education institutions

The results of this study indicate that it would be appropriate for administrators of Saudi academic institutions to motivate and engage academics at an early stage of the planning phase for the implementation of an IFRS-based curriculum. This would enhance academics' involvement in reform initiatives, as well as their commitment and willingness to implement proposed changes. Motivating and engaging academics can be achieved through employing communication schemes that raise their awareness of the requirements, difficulties and benefits associated with the transition to IFRS in Saudi Arabia. This will increase academics' understanding of what needs to be done and improve their acceptance of proposed plans.

The findings also suggest that academic institutions need to undertake an evaluation of their academic staff's knowledge in IFRS and Islamic financial transactions. Investigation of academic staff's ability in student-centred teaching approaches should also be undertaken to identify training needs and plans. Academic institutions should consider recruiting academic staff who have expertise in IFRS and Islamic finance and accounting.

Academic institutions need to consider granting accounting academics incentives in the form of time release from teaching or lower teaching loads to enable them to engage in professional development. This would enable academics to develop a range of teaching resources and materials and engage in CPD programmes related to IFRS content. It would also enable academics to engage in CPD programmes necessary to develop the skills most appropriate to employing a student-centred teaching approach. CPD should address the following areas:

- Sponsorship of academics to enrol in training programmes provided by accredited outside training providers
- recognition and rewarding of staff that attend CPD programmes (e.g., bonus and promotion policies could be linked to the number of CPD points acquired by academic staff)
- inviting international speakers and academics from outside countries that have already transitioned to IFRS to transfer their knowledge and experience to accounting academics in Saudi Arabia, including speakers from the IFRS Education Initiative.

The inferential analysis of results indicates that large class sizes are a concern for academics working in universities when employing student-centred pedagogical approaches. As such, administrators of universities need to consider limiting the number of students in each class (e.g., 15–20 students). This can be achieved through increasing the number of academic staff to have an adequate student–staff ratio.

Due to the short duration of their accounting programmes (i.e., diploma programmes of one-and-a-half to two years), other academic institutions have a greater need to identify and decide on the objectives and focus of their programmes (i.e., theoretical or technical focus). This approach would be enhanced by a detailed analysis and evaluation of the capacity of these institutions to support curriculum change in terms of the capabilities of human resources as the inferential analysis of results indicate a shortage of staff qualified to teach IFRS in other academic institutions. The inferential analysis also indicates that academics working at other academic institutions prefer using Arabic as the language of instruction. Based on these finding it is suggested that other academic institutions consider the following measures:

- increasing academics staff's IFRS knowledge through attending focused CPD programmes
- recruiting accounting academics with high levels of expertise in IFRS
- supplying teaching resources in Arabic in the short term
- increasing academic staff's awareness of the services and resources provided by international accounting bodies and organisations.

9.3.2 Recommendations to accounting academics

The findings of this study illustrate that academics need to increase their awareness of the importance of the utilisation of modern pedagogical approaches for the effective teaching of IFRS. They also need to increase their understanding of the nature and objective of these approaches and their abilities in using such approaches. This can be achieved through engaging academics in specialised and tailored training programmes and workshops. For example, the IFRS Foundation through its Education Initiative provides a range of sessions devoted to improving academics' abilities in implementing framework-based teaching.

A further recommendation for academics is the need to identify that students have different learning styles and accounting academics should be skilled in techniques to increase students' positive learning experiences and increase students' involvement and engagement in class discussions. Academics need to be facilitators of change by modifying students' learning behaviours from memorising and repeating information to understanding and analysing principles-based concepts. Through implementing such a teaching approach, academics will be better able to introduce IFRS into the curriculum.

9.3.3 Recommendations to academic and professional accounting bodies

From the task force initiated by standard setters in Asia and Oceania in 2009/2010, it would be useful to follow up to assist in determining topics and terminology of Islamic financial transactions not covered by IFRS. Any proposals in these areas should be submitted to the IASB's consultative group for Shari'ah-compliant financial instruments and transactions.

Conferences, discussion panels and workshops that address issues related to Islamic financial transactions need to be provided by SOCPA, SAA, Big 4 accounting firms and leading academic institutions in Saudi Arabia engaging representatives from the IASB, IFRS experts and researchers in Islamic finance. For example, effort needs to be made to learn from experiences of Islamic countries that have already transitioned to IFRS (e.g., Malaysia). Topics need to cover differences in substance and form between

Islamic financial transactions and conventional transactions, relevance of IFRS when accounting for Islamic financial transactions and the need for standards issued by IFRS to account for areas where IFRS do not provide adequate coverage (e.g., Zakat). There should also be agreement about the definitions and terminology used to refer to Islamic financial products and transactions.

It is recommended that translations of IFRS, leading English textbooks and resources that consider the local environment be made available as soon as possible with the support of all stakeholders, including higher education institutions, SAA and SOCPA. Such support could take many forms (e.g., financial, logistics, expertise and access to resources). It is important that the teaching materials chosen for translation address the principles-based nature of IFRS to support and encourage the utilisation of student-centred teaching and learning approaches.

It is recommended that professional and academic accounting bodies consider making available training programmes that address the needs of accounting academics through the topics covered, timing of programmes, and presenters and speakers engaged.

It is recommended that SOCPA's planned training address the following factors:

- consider academics' needs rather than being limited to the needs of accounting professionals
- cover a wide range of topics that go beyond IFRS content such as pedagogical approaches suitable to IFRS (e.g., framework-based teaching)
- arrange and collaborate with international organisations such as the IFRS Education Initiative to deliver specialised training courses and workshops.

Finally, it is recommended that there be an improvement in the level of communication between SOCPA, SAA, higher education institutions and accounting academics and professionals in Saudi Arabia. The creation of a common database that includes the contact details as well as academic and professional profiles of accounting academics and professionals in Saudi Arabia would enable improved access to this expertise. Such a database should facilitate higher levels of communication, cooperation and arrangement between academics and professionals as well as between academics and professional accounting bodies. This approach would improve the process of identifying

members' needs for training programmes, seminars, webinars, workshops in emerging topics to provide services that meet the needs of a targeted audience.

For the most part, the recommendations require investment in financial resources and the commitment of human resources to ensure the implementation of IFRS in Saudi Arabia by 2017 as planned by SOCPA. These recommendations require collaborative support from government, industry, academic institutions, accounting academics and professional and academic accounting bodies to ensure a timely and effective transition to IFRS in Saudi Arabia.

The recommendations arising from the present research also have some applications for other Islamic countries that are either in the process of transitioning to IFRS or have already adopted IFRS. For example, the first three recommendations in section 9.3.3 focus on aspects such as: (i) providing conferences, discussion panels and workshops that address issues related to Islamic financial transactions; (ii) continuing dialogue with the standard setters in Asia and Oceania via the designated taskforce; and (iii) making available translations of IFRS, leading English textbooks and resources that consider the local environment.

In light of the above, other Islamic countries that have already adopted IFRS such as Bahrain, Iraq, Jordan, Malaysia, Oman, Palestine, United Arab Emirates need to continue their efforts to ensure that a healthy dialogue between all parties continue in order to satisfy both international and local contextual requirements. Further, the recommendations also apply to other Islamic countries that are currently in the process of transitioning to IFRS or not yet made the decision to do so such as Egypt, Kuwait, Indonesia and Qatar. More specifically, countries that have not yet joined the task force should do so. This enables them an opportunity to participate positively with the IASB in any future transition to IFRS. This needs to be supplemented with a series of conferences and discussion panels, which can be organised jointly by Islamic countries, to address common concerns related to Islamic financial transactions. Additionally, since the official and first language of most of these countries is not English, making available translations of IFRS and IFRS related teaching materials and resources is an important recommendation that could be considered by these countries.

The fourth recommendation in section 9.3.3 (i.e. making available training programmes that address the needs of accounting academics) also applies to other Arab nations. Specifically, greater collaborative efforts should occur among major academic and professional accounting bodies in these countries as a means to facilitate the exchange of IFRS expertise. Finally, to meet the needs of the majority of accounting academics in other Islamic countries, potential training program resources need to offer high quality translations of IFRS and related teaching materials and resources.

9.4 Limitations of this research

It needs to be acknowledged that the data collection process of this study occurred at a relatively early stage (i.e., in the three months starting November 2013 to the end of January 2014) after the decision in 2012 to transition to IFRS was announced by SOCPA. The short timeframe from announcement to data collection may have limited the degree to which academic institutions and academics were able to engage with IFRS and its incorporation in accounting curricula at their respective institutions. Additionally, the relatively short time available to collect interview data from academics outside of lecture and examination timeframes, as well as the need for travel by the researcher to interview academics outside Riyadh city, may impact the generalisability of results particularly the geographical representation of the sample.

Participation in the study was voluntary, which limited the responses to accounting academics who accepted the invitation to participate in the study. Another issue was the limited access to female accounting academics for interviews due to religious considerations, which meant there was no representation of their perceptions in the interviews. This has impacted the generalisability of results given that there could be differences in perceptions attributed to gender. However, female accounting academics were able to participate in the online questionnaires hence their views were taken into account in the quantitative component of this study. A further limitation of the study is that the perceptions of other stakeholders in the educational process such as accounting students and future employers were not included, which limits the scope of the research project.

9.5 Suggestions for future research

According to Albu and Albu (2012), the process of adopting IFRS differs between emerging economies and developed economies. Typically, the adoption of IFRS in developed economies is triggered by pressures from users of financial statements to improve the quality of financial reporting, whereas in developing economies the adoption of IFRS is mostly triggered by factors relating to encouraging economic development such as attracting foreign investments.

To ensure that the transition to IFRS in Saudi Arabia results in real economic development, the transition need to focus on the regulator, professional and academic aspects of the IFRS transition project. This study has provided direction for the educational aspect of the transition to IFRS by addressing perceptions of accounting academics and the sole academic accounting body in Saudi Arabia, the SAA. Further studies that address the regulator and professional aspects in Saudi Arabia are necessary to complement the results reported in this study.

As part of Saudi Arabia's progress towards the full adoption of IFRS, it is proposed that there be further research that measures academic institutions' engagement with IFRS within the curriculum. Testing students' perceptions of the benefits and difficulties associated with student-centred pedagogical and learning approaches would be useful extensions of this research. Additionally, as graduates with IFRS education enter the workforce, it would be beneficial to seek feedback from employers about the IFRS knowledge of graduates, specifically relating to the extent to which the skills of accounting graduates meet the needs and expectations of employers. Such research would assist in an evaluation of curriculum change. Additionally, there is scope to investigate SOCPA's role during and after IFRS transition to assess the quality of their ongoing engagement with higher education institutions.

A qualitative study which focuses on how female accounting academics in Saudi Arabia perceive the transition to IFRS would be beneficial due to two main reasons. Firstly, the existence of female only campuses, and secondly, that female accounting academics account for approximately 39 per cent of accounting academics. This potential area of

research would provide an in-depth investigation of issues encountered by female accounting academics in Saudi Arabia. Finally, there is potential to undertake a number of comparative studies with other Islamic countries, or other developing economies, that are also in the early stages of IFRS adoption.

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Appendices

Appendix A: Glossary of Arabic Terms of Islamic Financial Transactions and Products

Ijarah: A contract whereby the lessor transfers to the lessee in return for a payment or series of payments the usufruct of an Ijarah item for an agreed Ijarah period, with terms mutually agreed by the contracting parties.

Mudharabah: A form of profit sharing between a party which contributes capital (rabb al-mal, i.e., capital provider) and another which contributes effort, managerial and/or entrepreneurial skills (mudarib, i.e., manager/entrepreneur). Profit from the outcome of the venture is shared between the capital provider and manager/entrepreneur according to a mutually agreed profit-sharing ratio, while losses are borne solely by the capital provider, provided such loss is not due to the manager's/entrepreneur's negligence or violation of specified conditions.

Murabaha: A sale based on trust, in which the seller must disclose to the purchaser the mark-up on the item sold. The consideration may be paid either in cash or deferred.

Musharakah: A form of partnership where partners contribute capital in cash or in kind, and share profits according to an agreed profit-sharing ratio, while losses are shared according to the capital contribution ratio.

Qard: A loan. In Shari'ah, a borrower is obligated to repay only the principal amount of a loan and the lender is not entitled to demand any return over and above the principal. However, an additional payment may be made at the borrower's discretion, provided that no such stipulation is made in the contract.

Sukuk: A financial certificate representing ownership in an asset or its usufruct.

Takaful: An arrangement under which participants agree to contribute to a fund, where sums from the fund would be disbursed to participants or their beneficiaries on the occurrence of pre-agreed events.

Zakat: Is one of the five pillars of Islam. It represents obligatory 'alms' and is based on an individual's wealth. Some Islamic institutions also pay Zakat.

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Appendix B: Services Provided by the IFRS Education Initiative

The IFRS Education Initiative provides internet access to accounting academics as well as students to a number of useful resources and materials related to IFRS most of which are free of charge (IFRS Foundation 2014d; IFRS Foundation 2014f). A brief description and highlight over these services is provided in this appendix.

- **IFRS learning resources**

A vast number of online resources are offered through a number of channels such as big global accounting firms as well as professional accounting bodies in the US, Canada and Europe. Most of these resources are free of charge where some still require purchase to access. These resources include but not limited to: IFRS bulletins, illustrative financial statements, summaries of standards and interpretations, summaries of IASB and International Financial Reporting Interpretations Committee (IFRIC) Agenda Projects, information about IASB history and structure, IFRS model financial statements and presentation and disclosure checklists, comparisons of IFRS and national Generally Accepted Accounting Principles (GAAP), webcasts, course materials, case studies, resource library, IFRS educational videos, example consolidated IFRS financial statements, example interim financial statements, example financial statements of a first-time IFRS adopter, IFRS Industry Publications, slides, speaker notes, questions, IFRS Blog, free download IFRS for SMEs in 23 languages, free access to the current year's consolidated unaccompanied English language IFRSs and official interpretations and updates about recent IFRS textbooks publications (IFRS Foundation 2014d; IFRS Foundation 2014f).

- **Framework-based teaching material**

The development of critical thinking, professional judgement, estimation and lifelong learning skills are of great importance to the proper application of a principles-based set of standards such as IFRS. Therefore, special materials designed to allow the development of these skills are made available by the IFRS Education Initiative. Alongside these materials, framework-based teaching workshops are carried out by IFRS education staff in coordination with regional and global partners to help

accounting academics and teachers best use and utilise these materials (IFRS Foundation 2014d; IFRS Foundation 2014f).

- **CPD training material**

In order to help accounting academics and professionals who want to update their knowledge and keep up to date with the most recent IFRS standards and publications, free peer reviewed training materials are provided. These materials are not approved by the IASB and only require free registration on the IFRS website to have online access to the CPD training materials.

- **IFRS teachers**

Aside from the above mentioned resources, IFRS Education Initiative provides accounting academics with a number of activities to help them undertake their responsibilities and teaching tasks. For example, the IFRS Foundation carry out half-day IFRS teaching sessions provided in cooperation with regional academic associations. The goal of these sessions is to encourage and assist accounting academics to use and carry out framework-based teaching. The second activity is the organisation of ‘train the trainer’ workshops in the area of IFRS for SMEs by the IFRS foundation in cooperation with regional and global professional associations, organisations and agencies. These two particular activities provide a favourable opportunity for Saudi academic institutions, the SAA and SOCPA to create similar cooperation with the IFRS Education Initiative to run similar sessions in a regular basis in Saudi Arabia. Other activities and resources include the publication of articles and educational notes on specific IFRS topics as well as the Academic Fellow programme (IFRS Foundation 2014d; IFRS Foundation 2014f).

- **IFRS students**

In addition to the resources and support provided to accounting academics, the IFRS foundation provides students with support and learning opportunities. For instance, international students’ groups have the opportunity to visit staff from the IFRS foundation education where requests need to be submitted three months earlier than the intended visit date (IFRS Foundation 2014d; IFRS Foundation 2014f). A similar activity and opportunity could be provided to high achievers students to create an environment of motivation and encouragement in academic institutions in Saudi Arabia.

Appendix C: Questionnaire - English Version

Section 1: General Information

1. Gender:
 - ☐ Male
 - ☐ Female
2. Nationality:
 - ☐ Saudi
 - ☐ Non-Saudi
3. What is your current academic position:
 - ☐ Professor
 - ☐ Associate Professor
 - ☐ Assistant Professor
 - ☐ Lecturer
 - ☐ Other (please specify)
4. How many years of experience do you have in teaching accounting at the higher education level?
 - ☐ More than 20 years
 - ☐ 16-20 years
 - ☐ 11-15 years
 - ☐ 6-10 years
 - ☐ 5 years or less

5. Please identify the name of the university/academic institution where you are currently employed:

6. Type of university/academic institution:

- ☐ Public university
- ☐ Private university
- ☐ Other academic institution (Vocational or Technical training Institution)

7. In which language does your university/academic institution predominantly teach accounting?

- ☐ Arabic
- ☐ English
- ☐ Both

8. I consider myself:

- ☐ Monolingual (Talk, read, write and conceptualise fluently in only one language).
- ☐ Multilingual (Talk, read, write and conceptualise fluently in more than one language), please specify:

Section 2: IFRS perceptions and state of accounting education

9. In your opinion, how important is it for the accounting academics to teach students IFRS in Saudi universities/ academic institutions?
- ☐ Not at all important
 - ☐ Somewhat important
 - ☐ Moderately important
 - ☐ Important
 - ☐ Very important
10. When do you believe your university/ academic institution is likely to significantly incorporate teaching IFRS into the curriculum?
- ☐ IFRS is already incorporated into the curriculum
 - ☐ Beginning in 2013-2014 academic year or later
 - ☐ Beginning in 2014-2015 academic year or later
 - ☐ Beginning in 2015-2016 academic year or later
 - ☐ Beginning in 2016-2017 academic year or later
 - ☐ I do not believe IFRS will be incorporated significantly into the curriculum
11. In your opinion, at what level do you think IFRS should be covered in accounting courses?
- ☐ Postgraduate
 - ☐ Undergraduate
 - ☐ Both
 - ☐ None

12. In your opinion, which of the following steps, if any, has the accounting department in your college/academic institution taken to incorporate IFRS into the curriculum?

- ☐ Integrated significant components of IFRS into an existing course(s) (if you choose this option, go to question 13).
- ☐ Created a separate graduate course (if you choose this option, go to question 14).
- ☐ Created a separate undergraduate course (if you choose this option, go to question 14).
- ☐ Actively assessing future course of action (if you choose this option, go to question 14).
- ☐ No significant steps yet taken (if you choose this option, go to question 14).

13. If you selected the first choice in question 12, please identify in which course(s) is/are IFRS integrated? (Please choose all that apply), otherwise go to question 14.

- ☐ Introductory accounting
- ☐ Intermediate accounting
- ☐ Advanced accounting
- ☐ International accounting
- ☐ Other (please specify):

14. In your opinion, which graduating class of students at your university/academic institution do you expect will enter the workforce with an adequate knowledge of IFRS?

- ☐ Class of 2013 ☐ Class of 2015 ☐ Class of 2017
- ☐ Class of 2014 ☐ Class of 2016 ☐ Post-2017 class

15. When do you believe the SOCPA fellowship examination will include significant IFRS coverage?

- ☐ 2014 ☐ 2016 ☐ 2018 or later
- ☐ 2015 ☐ 2017 ☐ Not at all

Section 3: Facilitation required to incorporate IFRS into the curriculum

16. In your opinion, to what extent does your college/academic institution administration understand the need for curriculum change required to respond to IFRS transition in Saudi Arabia?

- ☐ Does not understand at all
- ☐ Does not understand
- ☐ Understand
- ☐ Understands very well
- ☐ Don't know

17. In your opinion, what plans has your college administration made to prepare faculty to teach IFRS? (Please choose all that apply)

- ☐ Individual faculty have been identified who will be responsible to teach IFRS.
- ☐ Funding is to be provided to existing faculty to attend training.
- ☐ Time release to existing faculty to develop course materials has been provided.
- ☐ Funding to be provided to existing faculty to develop course materials.
- ☐ Will hire new IFRS-ready faculty (e.g. from countries that have adopted IFRS).
- ☐ A combination of hiring new IFRS-ready faculty and developing existing faculty.
- ☐ Undecided.
- ☐ No plans.
- ☐ Other (please specify):

18. What materials would support your classroom teaching approach of IFRS? (Please select all that apply and rank them in order of importance where 1 is the most important)

- ☐ Textbooks
- ☐ Case studies
- ☐ Smart Boards
- ☐ Videos
- ☐ PowerPoint presentations
- ☐ Webcasts

19. If you believe there are other materials that would support your classroom teaching of IFRS not mentioned in the previous question, please add them in the box below:

20. In your opinion, what should be the major emphasis of case studies in teaching IFRS (if any)?

- ☐ Case studies should emphasise technical aspects (rules) of international accounting standards.
- ☐ Case studies should emphasise conceptual foundations (principles-based approach).
- ☐ Both

21. A series of pedagogical approaches to teaching are listed below. For each item please tick the box which best represents your opinion as to the level of usefulness of the teaching approach (where 1= Not at all useful to 5 = Extremely useful)

Approach	Not at all useful	Not useful	Neutral	Useful	Extremely useful
Guest speakers (IFRS Experts) who provide a real-life learning experience for students	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Research projects related to emerging IFRS topics and issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Simulations (Real-life business problems)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Role-plays used to enhance students' communication and interpersonal skills and in stimulating their creativity	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
PBL approach	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Cooperative-based learning approach (short term industry work placement prior to course completion)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Use of case studies to develop students' analytical, evaluation and judgements skills	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Side by-side comparison of Saudi GAAP and IFRS in a lecture format	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Start by teaching theory and rationale of IFRS before teaching the new standards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Oral presentations related to emerging IFRS topics and issues	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

22. In your opinion, how challenging are the following aspects of IFRS in terms of being integrated in the curriculum? use a scale of 1-5 where:

1= Not at all challenging, 2= Somewhat challenging, 3= Moderately challenging,

4= Challenging, 5= Very challenging

Aspect	Not at all challenging	Somewhat challenging	Moderately challenging	Challenging	Very challenging
Making room in the curriculum for IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Developing curriculum materials for IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of financial resources (Budgetary constraints)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Training Faculty to teach IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Getting faculty cooperation to teach IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Timing of when to start teaching students IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Faculty expertise in IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Language barriers	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Large class sizes	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

23. To what extent do you agree with the following statements? Use a scale of 1-5 where:

1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree

Statements	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
An equivalent translation of IFRS to Arabic is not possible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Availability of consistent high quality translations of IFRS teaching materials into Arabic is unachievable in the next 5 years	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
IFRS should only be taught and delivered in the English language	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I believe in consulting the English original version of IFRS despite the availability of an Arabic translation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Section 4: Perceived role of outside organisations in the transition to IFRS

24. Are you aware of the services and support provided by the IFRS Education

Initiative?

☐ Yes

☐ No

25. In your opinion, how valuable could be the contributions of external parties (e.g., Saudi Organisation for Certified Public Accountants (SOCPA), Saudi Accounting Association (SAA) and CPA firms) be in facilitating faculty efforts to teach IFRS? Use a scale of 1-5 where:

1= Not at all valuable, 2= Somewhat valuable, 3= Moderately valuable, 4= Valuable, 5= Extremely valuable

Aspect	Not at all valuable	Somewhat valuable	Moderately valuable	Valuable	Extremely valuable
Provide case studies comparing and contrasting IFRS and Saudi standards	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide IFRS test banks with solutions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide standalone webcasts or podcasts for classroom use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Arrange with IASB and IFRS Education Initiative to provide Framework-based IFRS understanding and teaching workshops	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Issue Arabic IFRS accounting textbooks	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide accreditation to IFRS accounting programme in Saudi universities	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Provide supplementary standards and materials related to Islamic financial and accounting transactions	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Translate English accounting books and standards into Arabic	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Section 5: Continuing Professional Development (CPD)

26. Have you undertaken CPD activities related to teaching IFRS in any of the following ways? (Please choose all that apply)

Form of CPD	Yes	No
Attended an IFRS session (s) at a conference	<input type="radio"/>	<input type="radio"/>
Participated in IFRS webcasts	<input type="radio"/>	<input type="radio"/>
Undertaken IFRS certification programmes	<input type="radio"/>	<input type="radio"/>
I have not undertaken any CPD activities related to teaching IFRS	<input type="radio"/>	<input type="radio"/>
Other	<input type="radio"/>	<input type="radio"/>

27. If you answered 'Yes' to any of the activities in question 26 above, which organisation(s) conducted the CPD programme(s)? (Please choose all that apply)

- | | |
|---|---|
| <input type="radio"/> SOCPA | <input type="radio"/> Private universities |
| <input type="radio"/> SAA | <input type="radio"/> Big 4 public accounting firms |
| <input type="radio"/> Public universities | <input type="radio"/> IFRS Education Initiative |

28. In your opinion, what are the important factors when choosing CPD courses?(Please choose all that apply and rank them in order of importance where 1= most important)

- ☐ Provider of the CPD courses
- ☐ Length of courses
- ☐ Location of courses

- ☐ Course format
- ☐ CPD credit offered
- ☐ Cost to attend

29. If you believe there are other factors that affect your choice of CPD courses related to IFRS not mentioned in the previous question, please add them in the box below.

Section 6: Islamic perspective

30. To what extent do you agree with the following statements? Use a scale of 1-5 where:

1= Strongly disagree, 2= Disagree, 3= Neutral, 4= Agree, 5= Strongly agree

Statement	Strongly disagree	Disagree	Neutral	Agree	Strongly agree
A full adoption of IFRS is not possible due to differences between IFRS and Shari'ah interpretation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Islamic accounting related topics will constitute a major part of the accounting courses provided in the new curriculum	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Islamic environment in Saudi Arabia will hinder the level of transition to IFRS by SOCPA	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Separate financial reporting standards related to Islamic financial transactions should be maintained	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Islamic financial transactions can generally be accounted for using IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

31. In applying IFRS to Islamic financial transactions in the accounting curriculum, please rate each of the items below. Use a scale of 1-6 where:

1= Not at all important, 2= Somewhat important, 3= Moderately important, 4= Important, 5= Very important

Approach	Not at all important	Somewhat important	Moderately important	Important	Very important
Accounting treatment of Ijarah (Lease financing)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Sukuk (bonds) valuation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Applying IFRS 4 (Insurance contracts) to Takaful	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Classification and measurement of Qard (Loan)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Additional Shari'ah related disclosures (compliance with Shari'ah teachings)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Profit Equalisation Reserves (PER) treatment and presentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Mudharabah (Profit-sharing finance) treatment and presentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Murabaha (Cost –plus sale or trade with mark-up) treatment and presentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Musharakah (Equity and profit/loss sharing) treatment and presentation	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Zakat calculations, presentation and related disclosures	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Section 7: Concluding questions

32. Do you have any IFRS related practical experience (e.g. Industry experience, standards Setting, other)

- ☐ Yes
☐ No

33. Which of the following best describes your current knowledge of IFRS?

- ☐ No knowledge at all
☐ Some knowledge
☐ Proficient
☐ Very knowledgeable
☐ Expert

34. Are you willing to be interviewed about this research project to share your views more fully? (Note: Interviewees will not be identified in the findings from the study)

- ☐ Yes
☐ No

35. Contact Information (If willing to be interviewed):

Name

Email

Phone number

Appendix D: Questionnaire - Arabic Version

التحول لمعايير التقارير المالية الدولية (IFRS) وأثارها على التعليم المحاسبي في المملكة العربية السعودية

1 . الجنس:

حدد دائرة واحدة فقط.

ذكر ☐

أنثى ☐

2 . الجنسية :

حدد دائرة واحدة فقط.

سعودي ☐

غير سعودي ☐

3 . ما هي درجتك الأكاديمية الحالية:

حدد دائرة واحدة فقط.

أستاذ ☐

أستاذ مشارك ☐

أستاذ مساعد ☐

محاضر ☐

أخرى: ☐

4 . عدد سنوات الخبرة في مجال التدريس الأكاديمي:

حدد دائرة واحدة فقط.

أكثر من 20 سنة ☐

20 - 16 سنة ☐

15 - 11 سنة ☐

10 - 6 سنوات ☐

5 سنوات أو أقل ☐

5 . في المكان المخصص أدناه, الرجاء تسجيل اسم الجامعة/ المؤسسة التعليمية التي تعمل بها:

6 . نوع الجامعة/ المؤسسة التعليمية التي تعمل بها:

حدد دائرة واحدة فقط.

جامعة حكومية ☐

جامعة خاصة ☐

معاهد أكاديمية أخرى (معاهد أو كليات تقنية أو مهنية) ☐

7 . ماهي اللغة المعتمدة لتدريس منهج المحاسبة ومقرراتها في الجامعة/ المؤسسة التعليمية التي تعمل بها:

حدد دائرة واحدة فقط.

- ☐ العربية
☐ الإنجليزية

8 . أصنف نفسي:

حدد دائرة واحدة فقط.

- ☐ أحادي اللغة (أجيد التحدث, القراءة, الكتابة والتنظير بطلاقة بلغة واحدة فقط)
☐ متعدد اللغات (أجيد التحدث, القراءة, الكتابة والتنظير بطلاقة بأكثر من لغة)

9 . من وجهة نظرك, ماهي أهمية تدريس معايير التقارير المالية الدولية (IFRS) في الجامعات السعودية؟

حدد دائرة واحدة فقط.

- ☐ غير مهمة على الإطلاق
☐ مهمة إلى حد ما
☐ مهمة نسبياً
☐ مهمة
☐ مهمة جداً

10 . متى تعتقد أن تقوم الجامعة/المؤسسة التعليمية التي تعمل بها بتضمين وإدراج معايير التقارير المالية الدولية (IFRS) في مقرراتها المحاسبية:

حدد دائرة واحدة فقط.

- ☐ معايير التقارير المالية الدولية (IFRS) مضمنة ومدرجة مسبقاً في مقرر ومنهج المحاسبة
☐ في بداية العام الدراسي 2013-2014
☐ في بداية العام الدراسي 2014-2015
☐ في بداية العام الدراسي 2015-2016
☐ في بداية العام الدراسي 2016-2017
☐ لا أعتقد أن يتم تضمين أو إدراج معايير التقارير المالية الدولية (IFRS) بشكل كبير و ملحوظ في مقرر ومنهج المحاسبة

11 . من وجهة نظرك, في أي مستوى تعليمي يجب تضمين معايير التقارير المالية الدولية (IFRS) في مقررات المحاسبة؟

حدد دائرة واحدة فقط.

- ☐ الدراسات العليا
☐ المرحلة الجامعية
☐ كلاهما
☐ لا هذا ولا ذاك

12 . من وجهة نظرك، أي من الخطوات التالية قام بها قسم المحاسبة في الكلية / المؤسسة التعليمية التي تعمل بها لتضمين و إدراج معايير التقارير المالية الدولية (IFRS) في منهج المحاسبة؟
حدد دائرة واحدة فقط.

- ☐ ضمن و أدرج أجزاء مهمة من معايير التقارير المالية الدولية (IFRS) في مقرر (مقررات) حالية (في حال إختيار هذا الخيار، إنتقل إلى سؤال رقم 13)
- ☐ إنشاء مقرر جديد على مستوى الدراسات العليا (في حال إختيار هذا الخيار، إنتقل إلى سؤال رقم 14)
- ☐ إنشاء مقرر جديد على مستوى المرحلة الجامعية (في حال إختيار هذا الخيار، إنتقل إلى سؤال رقم 14)
- ☐ يتم حالياً تقييم الإجراء الأنسب لاتخاذها في المستقبل (في حال إختيار هذا الخيار، إنتقل إلى سؤال رقم 14)
- ☐ لم يتم اتخاذ أي خطوات هامة من قبل قسم المحاسبة (في حال إختيار هذا الخيار، إنتقل إلى سؤال رقم 14)

13 . إذا قمت بإختيار الخيار الأول في السؤال السابق، الرجاء تحديد اسم المقرر أو المقررات التي تم تضمين وإدراج معايير التقارير المالية الدولية (IFRS) فيها من ضمن الخيارات أدناه (الرجاء إختيار كل ما ينطبق)، أما في حالة عدم إختيار الخيار الأول، الرجاء الانتقال إلى السؤال التالي .
حدد كل الإجابات الملائمة.

- ☐ مبادئ المحاسبة
- ☐ المحاسبة المتوسطة
- ☐ المحاسبة المتقدمة
- ☐ المحاسبة الدولية
- ☐ أخرى:

14 . من وجهة نظرك، أي دفعة من خريجي الجامعة / المؤسسة التعليمية التي تعمل بها سيدخلون سوق العمل بحصيلة علمية ملائمة عن معايير التقارير المالية الدولية (IFRS)؟
حدد دائرة واحدة فقط.

- ☐ دفعة 2013
- ☐ دفعة 2014
- ☐ دفعة 2015
- ☐ دفعة 2016
- ☐ دفعة 2017
- ☐ ما بعد دفعة 2017

15 . متى تعتقد أن تقوم الهيئة السعودية للمحاسبين القانونيين (SOCPA) بتضمين معايير التقارير المالية الدولية (IFRS) في اختبار الزمالة؟
حدد دائرة واحدة فقط.

- ☐ 2014
- ☐ 2015
- ☐ 2016
- ☐ 2017
- ☐ 2018 أو ما بعدها
- ☐ لن يتم إدراجها إطلاقاً

16 . من وجهة نظرك, لأي درجة تتفهم إدارة الكلية التي تعملون بها مدى أهمية إجراء تغيير لمنهج وبرنامج المحاسبة ليعكس ويتجاوب مع قرار التحول لمعايير التقارير المالية الدولية (IFRS) في المملكة؟
حدد دائرة واحدة فقط.

- ☐ لا تتفهم إطلاقاً
- ☐ لا تتفهم
- ☐ تتفهم
- ☐ تتفهم جيداً
- ☐ لا أدري

17 . من وجهة نظرك, ماهي الخطط والإجراءات التي قامت بها إدارة الكلية التي تعملون بها لإعداد أعضاء هيئة التدريس لتدريس معايير التقارير المالية الدولية (IFRS)؟ (الرجاء إختيار كل ماينطبق)
حدد كل الإجابات الملانة.

- ☐ تم تحديد أعضاء هيئة التدريس الذين سيقومون بتدريس معايير التقارير المالية الدولية (IFRS)
- ☐ سيتم تقديم تعويضات مالية لأعضاء هيئة التدريس للخضوع لبرامج تدريبية
- ☐ سيتم تغريغ بعض أعضاء هيئة التدريس لإعداد وتطوير الوسائل التعليمية والمقررات الخاصة بمعايير التقارير المالية الدولية (IFRS)
- ☐ سيتم تقديم تعويضات مالية لأعضاء هيئة التدريس لإعداد وتطوير الوسائل التعليمية والمقررات الخاصة بمعايير التقارير المالية الدولية (IFRS)
- ☐ سيتم تعيين أعضاء هيئة تدريس جدد ذوو خبرة في معايير التقارير المالية الدولية (IFRS)
- ☐ مزيج من تعيين أعضاء هيئة تدريس جدد وتطوير أعضاء هيئة التدريس الحاليين
- ☐ لم تقرر الكلية بعد الإجراءات المناسبة
- ☐ لا يوجد خطط
- ☐ أخرى:

18 . ماهي الوسائل التعليمية اللازمة والضرورية التي ستساعدك في تدريس معايير التقارير المالية الدولية (IFRS) (فضلاً إختيار كل ما ينطبق ورقمها من 1- 6 حسب درجة الأهمية حيث 1= الأهم وذلك بكتابة الرقم بجانب الخيارات)
حدد كل الإجابات الملانة.

- ☐ الكتب الدراسية
- ☐ حالات دراسية
- ☐ السبورات الذكية
- ☐ حالات فيديو عملية
- ☐ العروض التقديمية (PowerPoint Presentations)
- ☐ البث الشبكي عبر الإنترنت

19 . إذا كنت تعتقد أن هناك وسائل تعليمية أخرى ستدعم تدريسك لمعايير التقارير المالية الدولية (IFRS) ولم يتم ذكرها ضمن خيارات السؤال السابق, الرجاء ذكرها في المكان المخصص أدناه

20 . من وجهة نظرك، ماذا يجب أن يكون تركيز الحالات الدراسية الخاصة بتدريس معايير التقارير المالية الدولية (IFRS)؟
حدد دائرة واحدة فقط.

- ☐ الحالات الدراسية يجب أن تركز على الجوانب التقنية (قواعد التطبيق) لمعايير التقارير المالية الدولية (IFRS).
- ☐ الحالات الدراسية يجب أن تركز على الإطار النظري (المنهج القائم على المبادئ).

21 . فيما يلي سلسلة من طرق ومناهج التدريس، لكل طريقة أو منهجية الرجاء اختيار الخيار الذي يمثل :
/ استخدامك للطريقة من عدمها (نعم / لا) -ب/ رأيك في مدى فائدة وفاعلية هذه الطريقة (حيث 1= غير مفيدة إطلاقاً، 5= مفيدة جداً)
حدد دائرة واحدة فقط في كل صف.

1 (غير مفيدة إطلاقاً)	2 (غير مفيدة)	3 (محايد)	4 (مفيدة)	5 (مفيدة جداً)
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
استضافة متحدثين مختصين (خبراء في IFRS) ليقدموا للطلاب تجربة التعلم من الواقع العملي	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
مشاريع بحثية متعلقة بمعايير التقارير المالية الدولية IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
المحاكاة (تطبيقات من الواقع العملي) Simulations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
لعب الأدوار لتطوير المهارات الشخصية و مهارات التواصل لدى الطلاب وتحفيز قدراتهم الإبداعية	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
منهج التعلم عن طريق حل المشكلات (Problem-based learning approach)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
منهج التعليم التعاوني (توظيف الطلاب لفترة قصيرة خلال البرنامج و قبل إكمالهم لدرجتهم العلمية)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
استخدام الحالات الدراسية لتطوير مهارات التحليل، التقييم واتخاذ القرارات لدى الطلاب	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
مقارنة المعايير السعودية جنباً إلى جنب مع معايير التقارير المالية الدولية IFRS على شكل محاضرة	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
البدء بتدريس النظرية ومفاهيم معايير التقارير المالية الدولية IFRS قبل البدء بتدريس نص المعايير	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
جعل الطلاب يقومون بعرض تقديمي لمواضيع معاصرة خاصة بمعايير التقارير المالية الدولية IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

22 . من وجهة نظرك، ما هو مدى التحديات التي تمثلها النواحي التالية في تضمين ودمج معايير التقارير المالية الدولية (IFRS) في منهج ومقررات المحاسبة؟ الرجاء استخدام مقياس من 1-5 حيث:
 1= لا يمثل تحدياً على الإطلاق 2= يمثل تحدياً إلى حد ما 3= يمثل تحدياً نسبياً 4= يمثل تحدياً 5= يمثل تحدياً جدياً
 حدد دائرة واحدة فقط في كل صف.

1 (لا يمثل تحدياً على الإطلاق)	2 (يمثل تحدياً إلى حد ما)	3 (يمثل تحدي نسبياً)	4 (يمثل تحدياً)	5 (يمثل تحدياً جدياً)
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
إمكانية إيجاد مساحة في منهج وبرنامج المحاسبة لمعايير التقارير المالية الدولية IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
تطوير المقررات والوسائل التعليمية الخاصة بمعايير التقارير المالية الدولية IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
توفر الموارد المالية اللازمة (عوائق المخصصات والميزانية)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
تدريب أعضاء هيئة التدريس لتدريس معايير التقارير المالية الدولية IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
الحصول على تعاون أعضاء هيئة التدريس لتدريس معايير التقارير المالية الدولية IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
توقيت بدء تدريس معايير التقارير المالية الدولية IFRS وتضمينها في منهج ومقررات المحاسبة	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
خبرة أعضاء هيئة التدريس في تدريس معايير التقارير المالية الدولية IFRS	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
الحواجز والعوائق اللغوية (عدم توفر الوسائل التعليمية الخاصة بمعايير التقارير المالية الدولية IFRS باللغة العربية)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
العدد الكبير للطلاب في الشعبة الواحدة (الصف الدراسي الواحد)	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

23 . لأي درجة تتفق مع العبارات التالية : الرجاء استخدام مقياس من 1-5 حيث:
 1= لا أوافق على الإطلاق 2= لا أوافق 3= محايد 4= أوافق 5= أوافق بشدة
 حدد دائرة واحدة فقط في كل صف.

1 (لا أوافق على الإطلاق)	2 (لا أوافق)	3 (محايد)	4 (أوافق)	5 (أوافق بشدة)
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
لا يمكن توفير ترجمة ملائمة ومقبولة لمعايير التقارير المالية الدولية IFRS باللغة العربية	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
لا يمكن توفير ترجمة ملائمة للوسائل التعليمية اللازمة لتدريس معايير التقارير المالية الدولية IFRS في مدي الخمس سنوات القادمة	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
معايير التقارير المالية الدولية IFRS يجب أن تدرس فقط باللغة الإنجليزية	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
أعتقد أنه من الأنسب الرجوع للنسخة الإنجليزية من معايير التقارير المالية الدولية IFRS بالترجمة من وجود ترجمة عربية	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

24 . هل لديك خلفية عن الخدمات والدعم الذي تقدمه مبادرة IFRS التعليمية (IFRS Education Initiative) ؟

حدد دائرة واحدة فقط.

نعم ☐

لا ☐

25 . من وجهة نظرك، كيف من الممكن أن تقوم الجهات الخارجية مثل (الهيئة السعودية للمحاسبين القانونيين، الجمعية السعودية للمحاسبة و مكاتب المحاسبين القانونيين) بتسهيل ودعم جهود أعضاء هيئة التدريس في تدريس لمعايير التقارير المالية الدولية IFRS؟ الرجاء استخدام مقياس من 1-5 لتقييم فائدة الطرق التالية حيث:
 1= ليست مفيدة على الإطلاق 2= ليست مفيدة 3= مفيدة نوعاً ما 4= مفيدة 5= مفيدة جداً
 حدد دائرة واحدة فقط في كل صف.

5 (مفيدة جداً)	4 (مفيدة)	3 (مفيدة نوعاً ما)	2 (ليست مفيدة)	1 (ليست مفيدة على الإطلاق)	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	توفير حالات دراسية تقارن معايير التقارير المالية الدولية IFRS والمعايير السعودية
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	توفير بنك أسئلة واختبارات خاصة بمعايير التقارير المالية الدولية IFRS مع حلولها
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	توفير فيديو هات وحالات دراسية على الشبكة الداخلية وعبر شبكة الإنترنت
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	التنسيق مع مجلس معايير المحاسبة الدولية IASB و IFRS للتقديم Education Initiative
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ورش عمل ودورات تدريبية خاصة بفهم و تدريس معايير التقارير المالية الدولية IFRS وفقاً لاساس الإطار النظري Framework-based
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	إصدار كتب محاسبية عربية خاصة بمعايير التقارير المالية الدولية IFRS
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	توفير الاعتماد الأكاديمي لبرامج المحاسبة التي تغطي معايير التقارير المالية الدولية IFRS في الجامعات والمعاهد والكليات السعودية
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	توفير المعايير والوسائل التعليمية المساندة والتكميلية المتعلقة بالعمليات المحاسبية والمالية الإسلامية
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	ترجمة كتب المحاسبة والمعايير الإنجليزية التي تتعلق بمعايير التقارير المالية الدولية IFRS إلى اللغة العربية

26 . هل قمت بأخذ دورات وأنشطة تدريبية CPD خاصة بتدريس معايير التقارير المالية الدولية IFRS بأي من الطرق التالية؟ (الرجاء اختيار كل ما ينطبق)

حدد دائرة واحدة فقط في كل صف.

نعم ☐

لا ☐

<input type="radio"/>	<input type="radio"/>	حضرت مؤتمرات وندوات خاصة بمعايير التقارير المالية الدولية IFRS
<input type="radio"/>	<input type="radio"/>	شاركت في ندوات البيت الشبكي الخاصة بمعايير التقارير المالية الدولية IFRS
<input type="radio"/>	<input type="radio"/>	شاركت في برامج تدريبية مؤهلة لشهادات في معايير التقارير المالية الدولية IFRS
<input type="radio"/>	<input type="radio"/>	لم أشارك بأي دورات أو أنشطة تدريبية خاصة بمعايير التقارير المالية الدولية IFRS

27 . في حالة أجبت بنعم على أي من الأنشطة في السؤال أعلاه, الرجاء إختيار الجهة/ الجهات التي قامت بتنفيذ هذه الأنشطة؟ (الرجاء اختيار كل ما ينطبق)
حدد كل الإجابات الملائمة.

- ☐ الهيئة السعودية للمحاسبين القانونيين(SOCPA)
- ☐ الجمعية السعودية للمحاسبة (SAA)
- ☐ الجامعات الحكومية
- ☐ الجامعات الخاصة
- ☐ مكاتب المحاسبة القانونية الكبرى (Big 4 firms)
- ☐ مبادرة IFRS التعليمية
- ☐ أخرى:

28 . من وجهة نظرك, ماهي العوامل الهامة عندما تقوم باختيار برامج التدريب والتطوير المستمر؟ (الرجاء اختيار كل ما ينطبق مرتبه وفقا لدرجة الأهمية بحيث يكون 1= العامل الأهم وذلك بكتابة الترتيب بجانب الخيارات)
حدد كل الإجابات الملائمة.

- ☐ الجهة التي تقدم البرنامج التدريبي
- ☐ مدة البرنامج التدريبي
- ☐ موقع عقد التدريب البرنامج
- ☐ تكلفة البرنامج التدريبي
- ☐ شكل وصيغة البرنامج التدريبي
- ☐ ساعات ونقاط التعليم المهني المستمر الممنوحة

29 . إذا كنت تعتقد أن هناك عوامل أخرى تؤثر على إختيارك للبرامج التدريبية وبرامج التعليم المهني المستمر المتعلقة بمعايير التقارير المالية الدولية لم يتم ذكرها من ضمن الخيارات في السؤال السابق, الرجاء ذكرها في المكان المخصص أدناه.

حدد دائرة واحدة فقط في كل صف.

حدد دائرة واحدة فقط في كل صف.

✓

33 . أي من المصطلحات التالية أدق في وصف درجة معرفتك و اطلاعك على معايير التقارير المالية الدولية IFRS؟
حدد دائرة واحدة فقط.

- ☐ لا توجد معرفة إطلاقاً
- ☐ مبتدئ
- ☐ ماهر
- ☐ على درجة عالية من المعرفة و الاطلاع
- ☐ خبير

34 . هل أنت على استعداد لأن يتم إجراء مقابلة معك بخصوص موضوع البحث للمشاركة برأيك بشكل أكثر إسهاباً (ملحوظة: لن يتم تحديد هوية المشاركين في المقابلات الشخصية حين عرض نتائج الدراسة وسيتم إحاطتها بالسرية التامة)
حدد دائرة واحدة فقط.

- ☐ نعم
- ☐ لا

35 . بيانات التواصل (في حالة الموافقة على إجراء مقابلة شخصية)
الاسم , الايميل, رقم الهاتف (الجوال)

Appendix E: Information to Participants Involved in Research (Questionnaire)

You are invited to participate

You are invited to participate in a research project entitled 'Transition to IFRS and its implications for accounting education in Saudi Arabia'.

This project is being conducted by a student researcher (Mohammed Albader) as part of his DBA study at Victoria University under the supervision of Professor Beverley Jackling (Principal Supervisor) and Dr Riccardo Natoli (Associate Supervisor) from Victoria University.

Project explanation

This research is conducted to add to the limited knowledge in the area of IFRS transition in developing countries by focusing on the current transition to IFRS in Saudi Arabia from an accounting education perspective. In particular, this research project will examine the way Saudi higher education institutions will incorporate IFRS into their curriculum by exploring the current state of accounting education in Saudi Arabia with respect to IFRS. Specifically, the research focuses on facilitation and resources planned or required to incorporate IFRS into the curriculum, the perceived role of outside agencies in the transition to IFRS for accounting education, the influence of the Islamic environment of Saudi Arabia as well as the continuing professional development (CPD) required.

What will I be asked to do?

If you agree to participate in the research, you will be required to complete an online survey. Please note that completion of the survey implies that you have consented to participate in the research. The survey consists primarily of closed-ended or quantitative questions and should take approximately 15-20 minutes to complete.

What will I gain from participating?

By participating, your feedback will help shed light on the factors that could impact (both positively and negatively) on the Saudi Arabian transition to IFRS. For example, the identification of curriculum-related issues pertaining to teaching IFRS. Your participation will also assist in identifying any administrative issues which could be a potential hindrance on the effective implementation of a Saudi-based IFRS curriculum.

How will the information I give be used?

The data that is collected will be collated and summary totals only will be presented in the final DBA thesis, therefore protecting the anonymity of participants. Results will also be disseminated in scholarly journals and conferences. Only the researcher and his supervisors will have access to the information for the purpose of inputting and analysis. Any information that you provide can be disclosed only if (1) it is to protect you or others from harm, (2) a court order is produced, or (3) you provide the researchers with written permission. Because of the

nature of data collection, we are not obtaining written informed consent from you. Instead, we assume that you have given consent by your completion of the online survey.

What are the potential risks of participating in this project?

Given that the project requires you to list your workplace, some academics may feel that not completing the questionnaire will negatively affect their employment progress. However, this is definitely not the case. The responses will ensure the questionnaire participants are not identified in any way. This step will avoid any conflict of interest and ensure that whether an academic participates or not, this will not impact on them. Hence, no identifying details of any participants will be published and no individual participant will be able to be identified from any reports or publications that will be produced on the basis of this research. Finally, the data will be stored in a secure, lockable location, preferably on campus for a minimum five (5) years, where the computer files will be password protected. All information will be confidential to the researchers except as required by law, and you are advised to exercise care in disclosing information about employment practices that might be prejudicial or illegal

How will this project be conducted?

The study adopts a questionnaire survey to collect the data. The questionnaire data will be analysed using SPSS software in order to establish relationships and inferences in the data.

Who is conducting the study?

This project is conducted by Victoria University.

The Chief Investigator is Professor Beverley Jackling

Ph: 9919 - 1541

Email: Beverley.Jackling@vu.edu.au

The Student Researcher is Mohammed Albader

Mobile: +61422256889

Email: mohammed.albader@live.vu.edu.au

Any queries about your participation in this project may be directed to the Chief Investigator listed above.

If you have any queries or complaints about the way you have been treated, you may contact the Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, email researchethics@vu.edu.au or phone (03) 9919 4781 or 4461.

Appendix F: Information to Participants Involved in Research (Interview)

You are invited to participate

You are invited to participate in a research project entitled 'Transition to IFRS and its implications for accounting education in Saudi Arabia'.

This project is being conducted by a student researcher (Mohammed Albader) as part of his DBA study at Victoria University under the supervision of Professor Beverley Jackling (Principal Supervisor) and Dr Riccardo Natoli (Associate Supervisor) from Victoria University.

Project explanation

This research is conducted to add to the limited knowledge in the area of IFRS transition in developing countries by focusing on the current transition to IFRS in Saudi Arabia from an accounting education perspective. As part of this research project, interviews will be conducted with board members of the Saudi Accounting Association (SAA). The issues raised in the interviews will seek information regarding the SAA's plans related to providing resources and materials needed to teach IFRS. Specifically SAA's willingness to provide continuing professional development (CPD) activities and programs to accounting academics, as well as organise IFRS teaching related events (seminars, workshops, conferences) to assist with the transition to IFRS in Saudi Arabia.

What will I be asked to do?

An interview will be conducted with those participants who indicate their willingness to be interviewed. The interview will allow the DBA researcher to gain a greater insight into the role of the Saudi Accounting Association (SAA) in helping Saudi Higher Education Institutions in the transition to IFRS in Saudi Arabia. If you agree to an interview, a time and place will be scheduled at your convenience.

The interview is expected to take between approximately 30-60 minutes to complete.

What will I gain from participating?

By participating, your feedback will help shed light on the role of the Saudi Accounting Association (SAA) in helping Saudi Higher Education Institutions in the transition to IFRS in Saudi Arabia. It will also assist in identifying possible arrangements between the SAA and Higher Education Institutions in Saudi Arabia in terms of identifying the needs of accounting academics in terms of their training and support for the IFRS transition stage.

How will the information I give be used?

The feedback gained from the interview will be used to determine whether the proposed and planned efforts by the Saudi Accounting Association (SAA) are aligned with the needs and expectations of accounting academics in Higher Education Institutions in Saudi Arabia.

What are the potential risks of participating in this project?

There are no identified risks associated with participating in this project. The data will be stored in a secure, lockable location, on campus for a minimum five (5) years, where the computer files will be password protected. All information will be confidential to the researcher except as required by law, and you are advised to exercise care in disclosing information about employment practices that might be prejudicial or illegal.

How will this project be conducted?

This study will utilise interviews (approximately 30-60 minutes duration). Audio recorded interviews will be analysed using qualitative analysis software (NVivo). The interviews will enable the DBA researcher to interpret this data to examine the role of the Saudi Accounting Association (SAA) in helping Saudi higher education institutions in the transition to IFRS in Saudi Arabia.

Who is conducting the study?

This project is conducted by Victoria University.

The Chief Investigator is Professor Beverley Jackling

Ph: 9919 - 1541

Email: Beverley.Jackling@vu.edu.au

The Student Researcher is Mohammed Albader

Mobile: +61422256889

Email: mohammed.albader@live.vu.edu.au

Any queries about your participation in this project may be directed to the Chief Investigator listed above.

If you have any queries or complaints about the way you have been treated, you may contact the Ethics Secretary, Victoria University Human Research Ethics Committee, Office for Research, Victoria University, PO Box 14428, Melbourne, VIC, 8001, email researchethics@vu.edu.au or phone (03) 9919 4781 or 4461.

Appendix G: Interview Questions for Accounting Academics

Introductory questions

1. How long have you been working as an accounting academic in general?
2. How long have you been working as an accounting academic at this university/academic institution?
3. What areas of accounting do you prefer and feel comfortable to teach?

IFRS perceptions and state of accounting education

4. You have mentioned in the questionnaire that you think it is (*very important, important ... not at all important*) for accounting academics to teach IFRS in Saudi Arabia. Would you be able to expand on your answer? I am interested in the bases for your opinion.
 - Can you explain more why do you think that?
5. Would you be able to expand on your response in the questionnaire about the best way to teach IFRS? Why do you think that (mention the option(s) ranked by the participant as *useful* or *extremely useful* when answering Q 21 in the questionnaire) is/are the best way(s) to teach IFRS?

Facilitation required to incorporate IFRS into the curriculum

6. Why do you think that (mention the option(s) ranked by the participant as *challenging* or *very challenging* when answering Q 22 in the questionnaire) is/are challenging aspect(s) for integrating IFRS into the curriculum?
 - How can this/these issue(s) be solved in your opinion?

Language and translation

7. In your opinion how big of a hurdle is the translation of IFRS standards and materials in the integration of IFRS into the curriculum?
 - Why do you think that?
8. Why do you think that IFRS should/should not be taught and delivered in English?

Islamic Perspective

9. To what extent you believe IFRS are consistent with Shari'ah interpretations and can be used as the reporting framework in an Islamic environment such as Saudi Arabia?
10. To what extent you believe that a separate set of accounting standards related to Islamic financial transactions need to be maintained?
 - Why IFRS cannot be used to account for Islamic financial transactions?
11. How is the accounting for Islamic financial transactions taught in the accounting curriculum currently?

Continuing Professional Development (CPD)

12. Would you be able to provide me with some background to your CPD activities over the past 5 years?
 - What are the main factors that you take into account in deciding whether or not to undertake CPD?
 - What were the reasons for not taking any CPD activities related to teaching IFRS? (*If the participant indicated that he/she did not take any CPD activities*).

Concluding question

13. Do you have any other comments you would like to make about the transition to IFRS in Saudi Arabia and its implications for accounting education?

Appendix H: Interview Questions for Board Members of the SAA

Introductory questions

1. How long have you been a member of SAA?
2. Can you tell me more about your role at the SAA?

Resources and materials needed to teach IFRS

3. In your opinion, what resources and materials are important to enable the effective teaching of IFRS?
4. Did the SAA provide IFRS learning and teaching resources and materials to its members?
 - If yes, what are they?
 - If no, why not and does the SAA intend to provide any?
5. Are the SAA aware of any support services related to IFRS learning resources provided by other organisations?
 - If yes, which organisations were involved and what were the services provided? Who provide these services? Has the SAA contacted, or plans to contact, these organisations?
 - If no, why not?

Continuing Professional Development (CPD)

6. In your opinion, is the IFRS related training provided to accounting academic staff development adequate?
 - If yes, how is it adequate?
 - If no, why not?
7. Are there any CPD activities in place or planned in the future by the SAA to prepare academics to teach IFRS?
 - If yes: what are they?
 - If No: why not?

Organising IFRS teaching related events (seminars, workshops, conferences)

8. Has the SAA organised, or intends to organise, events such as conferences and seminars to discuss the transition to IFRS and its effects, particularly on accounting education?
 - If yes, what were (or will be) these events? Who will (or who has) participate? Who will be (or who were) the main speakers?
 - If No: why not?

Cooperation with other organisations to support the transition to IFRS

9. Are there any plans in place or planned in the future by the SAA to prepare for SOCPA's transition to IFRS decision related to cooperation with other organisations?

Islamic perspective

10. In your opinion, what is the effect of Islamic values and Shari'ah law on the level of acceptance and transition to IFRS in Saudi Arabia and on the accounting curriculum?

Concluding question

11. Do you have any other comments you would like to make about the transition to IFRS in Saudi Arabia and its implications for accounting education?