

## **Attitudes of Educators and Practitioners in the UAE Towards Elements of General Education in Learning Accounting**

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### *Abstract*

Most universities and higher education institutions in developing countries seem to concentrate on areas of specializations in teaching accounting. Many do not seem to give attention to general education despite the fact that local and international accreditation bodies (i.e. AACSB) require general education to be part of the accounting degree. This paper aims at finding out how educators and practitioners differ in terms of their preference ratings of general education knowledge in accounting curriculum. A survey was conducted and discriminant analysis was applied to the collected data. The results suggest that, the two groups differ in their preference in general education. Practitioners seem to give more emphasis on general knowledge in the areas of art and science and business mathematics and statistics, while educators seem to pay more attention to general knowledge in marketing and economics.

### *Introduction*

The United Arab Emirates (UAE) has an ambition for speedy Western style economic development. This has created a huge demand for accounting services. Developing and implementing a suitable accounting program has become the first priority in producing qualified accountants. It has been suggested by a large number of scholars that broadly educated university graduates can perform accounting services more effectively and efficiently than those not so broadly educated (Mohamed and Lashine, 2003, Stone, et al. 1996, Scott, 1998, Hollis and Johnstone, 2000, AICPA, 1999, French and Coppage, 2000 IFAC, 2003, Walker and Ainsworth 2001). The accreditation body of the UAE like its counterparts in other developing countries and international

accreditation bodies, require universities and higher education institutions to include a number of general education subjects in their accounting programs. It is assumed that accounting graduates need to be equipped with information in various disciplines such as economics, marketing, psychology, arts, science and quantitative analysis. Accounting graduates should be able to communicate, make value judgements and cope with an ever changing economic and cultural environment of the country.

The purpose of this study is to find out how educators and practitioners in the UAE differ in terms of their preference ratings of general education knowledge in accounting curriculum to meet the accreditation requirements. In order to do this a survey was conducted that covers both educators and businessmen. A questionnaire was developed on the bases of the "strategic framework" prepared by the International Education Guidelines (IEGs) and released by the International Federation of Accountants (IFAC, 1994). The survey results were analysed using discriminant analysis.

The rest of this research is organised as follows: section two presents a literature review, while section three discusses the characteristics of the sample. The research methodology is represented in section four. The empirical results are represented in section five. The main conclusions are summarized in section six.

### ***Literature Review***

Not many contributions were made regarding suitability of accounting education in the emerging economy of the UAE, despite the fact that there is more pressure on universities and higher educational institutes to produce competent graduates. The accounting profession and education in the UAE, like other developing countries, is mainly influenced by the Anglo-American model (Kantor, Roberts and Salter 1995 and Muller 1988). On the other hand, ambition to achieve speedy Western style economic development has resulted in a dramatic increase the number and size of companies, especially in recent years. As a result, the demand for accounting services has increased rapidly. This has motivated universities and higher educational institutions to increase the number of accounting programs and has encouraged the UAE government to open its doors to international universities.

Determining the general knowledge elements of the accounting curriculum is the first step in the long process of developing accounting education and meeting the expectation of accounting services in the UAE.

In the second half of the 20<sup>th</sup> century as a result of globalisation of businesses and economies, most developing countries duplicated the accounting programs of the developed countries (Seidler, 1967, Hove, 1986, Muller, 1988 Briston and Hadori, 1993 and Kantor, Roberts and Salter 1995). This duplication was acceptable to some extent, but due to environmental differences there is need

for adaptation. Developing countries have to develop a system of accounting education and practice suitable to serve their own economic, culture and political environments (Chaderton and Kaypaya, 1995).

In an attempt to develop an appropriate professional accounting system internationally, the Education Committee of the IFAC introduced in April 2003 a series of competencies for accountants from an international perspective. In November of the same year, the Committee presented "Strategic Framework for Prequalification Education" for accountants. These competencies serve as a basis for the purpose of this study considering the socio-economic environment of the UAE.

The UAE is a typical Islamic country in the region. Islam provides incorporated prescribed codes of ethics for social, economic, cultural, civil and political behaviour within society (Abdel-Majid, 1981 and Kantor, Roberts and Salter 1995). This requires Islamic countries to include a set of competencies for accountants in harmony with the socio-economic environment. In the absence of a powerful accounting professional body, the UAE has to use the international accounting education guidelines of the IFAC and at the same time consider the cultural and religious requirements in its development accounting education. Bachelor degrees in Accounting are offered by five universities from a total seventeen universities operating the UAE. Three other universities include accounting as a minor on the business major and four other universities included few accounting subjects in their business administration, management or marketing programs (the UAE higher education Website). At the collage level, only one "college" includes accounting as a major in its curriculum and three others consider accounting as a concentration in their business majors. Two higher education institutions offer practical accounting courses, and two other institutions include a few accounting subjects in their courses (the UAE higher education Website, 2004).

So far research into the accounting curriculum has been general, and more specific research about the general knowledge elements of an accounting curriculum in the UAE is lacking. There is no research showing which elements should be considered relevant for the accounting curriculum to be implemented by the UAE universities and higher institutions.

### *Characteristics of sample*

Thirty educators and thirty-three practitioners completed the questionnaires. This gives a responding rate of 60% for the educators 48.5% for the practitioners. 60% of the respondent practitioners work in the service companies, 20% in manufacturing companies and 20% represent retailer firms.

Service companies of the sample cover hospitals, banks, insurance companies, auditing, mass media and government services companies. Also, almost half of companies covered by the sample were multinational and the other half was local UAE companies. Table 1 shows location of companies within the UAE. According to this table most of companies were located in Dubai (68.75%).

Table 2 suggests that 70 percent of the respondent educators and of 84.9 percent of practitioners have more than 10 years of work experience.

**Table 1**  
**Percentage of location and size of companies**

<b>Location of Company</b>	<b>%</b>
Dubai	67.5
Abu Dhabi	7.5
Sharjah	20
Ajman	20
Total	100

**Table 2**  
**Number and percentage of years of experience of educators and Practitioners**

Years	Educators		Practitioners	
	Number	%s	Number	%
1-3	2	6.7	1	3.0
4-6	1	3.3	1	3.0
7-9	6	20	3	9.1
10-15	14	46.7	9	27.3
Above 15	7	23.3	19	57.6
<b>Total</b>	<b>30</b>	<b>100</b>	<b>33</b>	<b>100</b>

### *Research Method*

This paper uses the technique of discriminant analysis to assess the attitudes of educators and practitioners in the UAE towards general education in accounting based on accreditation requirements. To achieve its objectives, the perceptions of accounting educators who have been involved in the implementation of accounting programs in the UAE universities and higher education institutes were compared with the perceptions of the practitioners who employ accounting graduates.

A pilot study was conducted to drive basic information and test the appropriateness of the questionnaires. Six accounting educators from three universities and an equal number of practitioners from different companies responded to the pilot study.

On the basis of the literature review and the pilot study, two sets of questionnaires, each composed of two sections, were developed. The first section aimed at finding out the respondent's opinion regarding the importance of general education elements needed, while the second section was devoted to collect some demographic data about the respondents.

All accounting educators, totalling 50 who are lecturing in 8 universities and in a few number of colleges, were consulted and received the questionnaires. A random sample of 68 practitioners was selected. The sample size was based on a 90% confidence level, 10% precision rate and 50% proportion. These practitioners are working in service, manufacturing and retail companies. To indicate the degree of importance with respect of each of the general education elements, the respondents were provided with a five-point Likert measurement scale.

***Results of Discriminant Analysis***

Data were obtained from 30 accounting educators and 33 financial managers (accounting practitioners) relating to their attitudes toward 9 questions about general education aspects of an accounting curriculum offered by the UAE higher education institutes. A discriminant analysis for general education elements was conducted to obtain relative importance of elements that should be included in the university accounting curriculum of the UAE, from the educators and practitioners' standpoint. The following results can be extracted for each of predictors. The predictors for this study are:

1. Ability to work with different cultures and knowledge about other cultures.
2. Understanding economic issues and economic environment of the country.
3. Knowledge in business mathematics and statistics..
4. Having a sense of international market and environmental factors in the world.
5. Basic knowledge and appreciation of marketing issues.
6. Basic knowledge and appreciation of art and science.
7. Basic knowledge and appreciation of psychology (personal and social values).
8. Ability to use accounting standards (international standards) when preparing accounts.
9. Ability to make value judgments.

All predictors are scale variable measured on a 5-point scale. We notice the following:

1. The group means suggest that educators give relatively higher scores than practitioners to all elements of general education
2. The standard deviation of the scores of the educators is almost double that of the scores of practitioners for most elements of general education. This suggests that there is a much greater variation within the educators group than within the practitioners group
3. The significance of the univariate F ratio indicates that when the predictors are considered individually all variables, with the exception of knowledge about culture: art and science and psychology significantly differentiate between the two groups of respondents.
4. The level of significance of Box's M suggests that we should reject the null hypothesis that the covariance matrices are equal.

5. Because there are two groups, only one discriminant function is estimated. The eigenvalue associated with this function is 0.978 and it accounts for 100% of the explained variance.
6. The canonical correlation associated with this function is .703. The square of this coefficient  $(.703)^2 = .49$ , indicates that only 49% of the variance of the dependent variable is explained or accounted for by this model<sup>1</sup>.
7. The Wilk's lambda associated with the estimated function is 0.506, which transforms to a Chi-square of 38.536 with 9 degrees of freedom. This is significant beyond the .01 level. Hence we must, therefore, reject the null hypothesis that, in the population, the means of all discriminant functions in all groups are equal.
8. The group centroids, giving the value of the discriminant function evaluated at the group means, suggest that educators have positive value while practitioners have almost an equal negative value. Since the standardized canonical discriminant function coefficients have negative signs for variables associated with the four variables representing knowledge of art and science, business mathematics (knowledge of quantitative techniques) and statistics, psychology and culture in standardized and non-standardized, this suggests that practitioners attach heavy weight to these variables.
9. The canonical discriminant coefficients is given by:

$$Z = -4.185 - 0.142 (\text{Knowledge about culture}) + 1.080 (\text{Understanding economic issues}) - 0.853 (\text{knowledge of quantitative techniques}) + 0.648 (\text{Knowledge of international marketing}) + 0.814 (\text{Knowledge of basic marketing techniques}) - 1.251 (\text{Knowledge of art and science}) - 0.242 (\text{Knowledge of psychology}) + 0.453 (\text{Knowledge of international accounting standards}) + 0.398 (\text{ability to make value judgments})$$

10. The classification results based on the sample analysis gives a hit-ratio of 82.50% This hit ratio suggests that the predictions are significantly better than chance. To confirm this, we calculated *Press's Q* statistic. It is given by:

$$\text{Press's } Q = \frac{[63 - (62)(2)]^2}{\dots} = 59.1$$

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<sup>1</sup> The estimated t value of the correlation coefficient is:  $t = r\sqrt{[(n-1)/(1-r^2)]} = 4.426$  which is highly significant.

63 (2 -1)

Since the critical value of  $\chi^2$  at a significance level of 1 percent (with 1 degree of freedom) is 6.63, we conclude that the classification is highly significant

**RESULTS OF DISCRIMINANT ANALYSIS****Group Statistics**

Group		Mean	Std. Deviation	Valid N (listwise)	
				Unweighted	Weighted
1.00	Knowledge about culture	4.0000	.69481	30	30.000
	Understanding economic issues	3.9333	.69149	30	30.000
	Knowledge of Quantitative techniques	3.8000	1.03057	30	30.000
	Knowledge of international marketing	3.6333	1.12903	30	30.000
	Knowledge of basic marketing techniques	3.7000	1.14921	30	30.000
	knowledge o art and science	2.8667	1.65536	30	30.000
	Knowledge of psychology	3.1333	1.67607	30	30.000
	Knowledge of international accounting standards	4.5333	1.61316	30	30.000
	Ability to make value judgments	4.2667	1.87420	30	30.000
	2.00	Knowledge about culture	3.6667	.69222	33
Understanding economic issues		3.1818	.72692	33	33.000
Knowledge of Quantitative techniques		3.1818	.72692	33	33.000
Knowledge of international marketing		3.0000	.75000	33	33.000
Knowledge of basic marketing techniques		2.9091	.72300	33	33.000
knowledge o art and science		2.7576	.70844	33	33.000
Knowledge of psychology		2.8485	.71244	33	33.000
Knowledge of international accounting standards		3.6061	.82687	33	33.000
Ability to make value judgments		3.1515	.87039	33	33.000
Total		Knowledge about culture	3.8254	.70801	63
	Understanding economic issues	3.5397	.79971	63	63.000



Knowledge of Quantitative techniques	3.4762	.93078	63	63.000
Knowledge of international marketing	3.3016	.99409	63	63.000
Knowledge of basic marketing techniques	3.2857	1.02278	63	63.000
knowledge of art and science	2.8095	1.24249	63	63.000
Knowledge of psychology	2.9841	1.26353	63	63.000
Knowledge of international accounting standards	4.0476	1.33717	63	63.000
Ability to make value judgments	3.6825	1.53271	63	63.000

**Tests of Equality of Group Means**

	Wilks' Lambda	F	df1	df2	Sig.
Knowledge about culture	.944	3.631	1	61	.061
Understanding economic issues	.776	17.591	1	61	.000
Knowledge of Quantitative techniques	.888	7.678	1	61	.007
Knowledge of international marketing	.897	6.995	1	61	.010
Knowledge of basic marketing techniques	.848	10.897	1	61	.002
Knowledge of art and science	.998	.119	1	61	.731
Knowledge of psychology	.987	.796	1	61	.376
Knowledge of international accounting standards	.878	8.467	1	61	.005
Ability to make value judgments	.866	9.452	1	61	.003

**Box's Test of Equality of Covariance Matrices**

**Test Results**

Box's M	138.434
F Approx.	2.589

df1	45
df2	11987.365
Sig.	.000

Tests null hypothesis of equal population covariance matrices.

### Summary of Canonical Discriminant Functions Eigenvalues

Function	Eigenvalue	% of Variance	Cumulative %	Canonical Correlation
1	.978(a)	100.0	100.0	.703

a First 1 canonical discriminant functions were used in the analysis.

### Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.506	38.536	9	.000

### Standardized Canonical Discriminant Function Coefficients

	Function
	1
Knowledge about culture	-.098
Understanding economic issues	.767
Knowledge of Quantitative techniques	-.755
Knowledge of international marketing	.615
Knowledge of basic marketing techniques	.773
knowledge of art and science	-1.566
Knowledge of psychology	-.306

Knowledge of international accounting standards	.572
Ability to make value judgments	.572

**Canonical Discriminant Function Coefficients**

	Function
	1
Knowledge about culture	-.142
Understanding economic issues	1.080
Knowledge of Quantitative techniques	-.853
Knowledge of international marketing	.648
Knowledge of basic marketing techniques	.814
knowledge of art and science	-1.251
Knowledge of psychology	-.242
Knowledge of international accounting standards	.453
Ability to make value judgments	.398
(Constant)	-4.185

Unstandardized coefficients

**Functions at Group Centroids**

Group	Function
	1
1.00	1.021
2.00	-.928

Unstandardized canonical discriminant functions evaluated at group means

**Classification Results(a)**

		Group	Predicted Group Membership		Total
			1.00	2.00	
Original	Count	1.00	25	5	30
		2.00	6	27	33
	%	1.00	83.3	16.7	100.0
		2.00	18.2	81.8	100.0

a 82.5% of original grouped cases correctly classified.

### ***Conclusions and Recommendations***

The results of this study shows that accounting educators put more emphasis on marketing technique and economic issues to be taught at undergraduate university accounting programs, while practitioners are in favour of knowledge of art and science and knowledge of business mathematics and statistics to be consider important as general education for accounting curriculum. However, other elements which presented to respondents gain some level of importance.

The results of this study provide some basis for planning and implementing an accounting education program. While it is essential that a graduate of accounting should have knowledge in economics, marketing and ability to make value judgements, accounting programs should aim at building up a good foundation of quantitative techniques that can be applied to real life situations, knowledge of art and science that help in appreciating innovation, knowledge of psychology that help in communication and knowledge about culture that enables the accountants to deal with persons of different cultural back ground.

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