



Professional competence and continuing professional development in accounting: professional practice vs. non-practice

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ABSTRACT

In 2004, the International Federation of Accountants introduced International Education Standard 7 (IES 7), requiring all member professional accounting bodies to adopt mandatory continuing professional development (CPD) schemes. IES 7 places responsibility on individual accounting practitioners to maintain, develop and certify appropriate professional competence. A number of studies have examined practitioner engagement with formal CPD mechanisms and highlighted differing levels of engagement vis-à-vis professional roles. However, the nature of this difference had not been explained. This paper addresses this gap and examines perceptions of professional competence and associated CPD practices. Participants were selected from one professional accounting body, Chartered Accountants Ireland, and a phenomenographic approach was used to obtain and analyse experiential accounts. The findings highlight significant differences between perceptions and practices among participants in professional practice and non-practice roles.

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Introduction

Prior research reports varying continuing professional development (CPD) engagement and experiences in different areas of practice (Birkett, 1993; Lindsay, 2012). However, prior studies do not address over-arching professional competence. Given that CPD should support professional competence (International Federation of Accountants [IFAC], 2004), CPD may more appropriately be examined from a competence angle. This paper examines professional competence and the manner in which practitioners engage with CPD to maintain and develop this competence. It focuses on commonalities and differences in key areas of practice.

Where professional competence and requisite CPD differ across areas of practice, it is incumbent on educators to tailor relevant offerings to appropriately cater for practitioner needs. This may necessitate a renewed approach to professional education, including review of syllabi, learning outcomes, practice contexts and modes of delivery. Programmes should also be based around a fundamental understanding of practitioner learning, which incorporates both formal and informal elements.

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Responsibility to maintain professional competence and appropriate CPD rests with individual accounting practitioners (IFAC, 2004). An examination of individual perspectives is therefore critical. The professional status of practitioners is also central and career pathways in accounting lie predominantly within two umbrella domains: professional practice and non-practice (Chartered Accountants Ireland [CAI], 2015). This paper adopts a qualitative approach to understand practitioner perceptions of professional competence and CPD experiences within these two areas of practice.

The accounting profession has traditionally been perceived as a solid conservative profession where service, ethical behaviour and professionalism are prominent (Carnegie & Napier, 2010). Substantial changes emerged from the mid-1960s, with a movement towards a more commercial profession (Hanlon, 1994). Professional practice firms evolved from accounting-based specialisms to commercial-based specialisms. Increasing numbers of accountants have also gained employment outside professional practice in financial accounting, management accounting and financial service roles (Irish Accounting and Auditing Supervisory Authority, 2015). Substantial variation in skills sets is required (Hanlon, 1994; Lindsay, 2013) and the ability to perform effectively is strongly linked to professional competence (Cheetham & Chivers, 2005). Structured training is a key component, and requires demonstration of professional competence through successful completion of a series of examinations and a minimum level of training experience (Flood & Wilson, 2009).

While the pre-qualification period is fundamentally important (Anderson-Gough, Grey, & Robson, 1998), the post-qualification period is equally vital to professional development. To this end, the IFAC introduced International Education Standard 7 (IES 7) in 2004 (revised 2012; IFAC, 2012), *Continuing professional development: A program of lifelong learning and continuing development of professional competence IFAC* (IFAC, 2004). This required member professional bodies to 'foster a commitment to lifelong learning' (IFAC, 2004, p. 1) through mandatory CPD schemes. Such schemes are largely promoted by professional bodies to achieve member competence and address stakeholder confidence in the profession (Friedman, Durkin, Davis, & Phillips, 2000). CPD also enables practitioners to achieve more efficient and effective performance in current and future roles (Friedman & Phillips, 2004). To date, there has been a lack of research on CPD within the accounting domain, with extant literature focusing on formal CPD participation (IFAC, 2008; Lindsay, 2013). Prior findings highlight that participation is generally good but different roles and activities require different competences (De Lange et al., 2012; Paisey, Paisey, & Tarbert, 2007; Wessels, 2007).

Contribution

While prior studies highlighted that CPD engagement and experiences are influenced by areas of practice (Birkett, 1993; Lindsay, 2012), there was a lack of empirical literature regarding the related components of professional competence and CPD. This study contributes to an enhanced understanding of these components within key practice areas. It uses a phenomenographic approach which is relatively novel within accounting education research and is particularly useful for this study given participants' varied career pathways. It extends the work carried out by Lucas (1998a, 1998b) with accounting students in third level education to those who have successfully progressed to pursue a professional

accounting qualification and become full members of a professional accounting body. The paper highlights that while individual practitioners must effectively manage their own career pathways and associated learning and development, there are a number of considerations for both accounting educators and the profession to facilitate relevant learning and development for practitioners in professional practice and practitioners in non-practice.

The paper is structured as follows. Firstly, prior literature on professional competence and professional development is explored. The subsequent section describes the data collection and analysis process. The findings are then presented and discussed. Finally, the contribution and limitations of the study are outlined and scope for further research identified.

Literature review

Normative literature pertaining to professional competence and CPD, central themes of this paper and key foci within IES 7 is examined. The components of professional competence, professional association and competence are detailed. Literature relating to professional education and development, both of which are critical to the attainment and progression of professional competence, is then outlined.

Professions and professionalisation

Society ascribes the privileges and responsibilities of a profession to different groupings (Barker, 2004). Characteristics consistently reported include proprietary body of knowledge and skills, unique culture, emphasis on service and autonomy (Abbott, 1988; Beam, 1988; Johnson, 1972; Larson, 1977; Millerson, 1964; Pierce, 2007). This first characteristic posits that a profession is organised around a systematic body of theoretical or abstract knowledge or technique, being 'an exclusive occupational group possessing a specialised skill based on esoteric knowledge' (Pierce, 2007, p. 2). Such expertise is typically the lowest common denominator of professionalism, and professions and professionals foster a deep commitment to and continued demonstration of an ability to learn the latest developments in a body of technical knowledge (Barker, 2004; Fenwick, Nerland, & Jensen, 2012; Middlehurst & Kennie, 1997; Webster-Wright, 2009). The second characteristic outlines that professions and professionals cultivate a concrete and unique culture (Atkinson, 1983; Brock, Huseyin, & Muzio, 2014; Grey, 1998). Specific attitudes towards work, clients and peers are developed which incorporate a rhetoric involving a series of values, attitudes and behaviours (Anderson-Gough et al., 1998; Middlehurst & Kennie, 1997).

The third characteristic asserts that professions and professionals possess a 'service ideal', often viewed as 'serving the public' or 'protecting the public interest' (Pierce, 2007, p. 7). Modern professions are organised and controlled such that professional workers cannot avoid certain obligations regardless of their personal feelings, leading to an inherent subordination of self-interest to public interest (Beam, 1988). The fourth characteristic refers to the broad latitude conceded to professions and professionals in carrying out occupational duties and responsibilities. Concepts of 'professional authority' at individual level and 'community sanction' at profession level are pertinent (Beam, 1988; Fenwick, 2014). The significance of control which a profession exercises over its tasks

or jurisdiction, and the liberty that society grants a profession authority over occupational content are also key elements (Abbott, 1988; Robinson, 2009; Suddaby, Gendron, & Lam, 2009). However, the ability of professions and professionals to act appropriately is also linked to professional competence.

Professional competence

Professional competence literature focuses on ability, best practice and specific standards of performance within a role (Cheetham & Chivers, 2005; Eraut, 1994). It may refer to demonstrated performance (Berman Brown & McCartney, 1995; Norris, 1991) or capability to perform (Beckett, 2004; Eynon & Wall, 2002). Varying levels of competence may be present and it is accepted that competence-based approaches are most useful to confirm competence at a certain stage, for example, at point of qualification, and more difficult at later career stages (Dall’Alba & Sandberg, 2006; Eraut, 1994; Jessup, 1991).

To date, three generations of models characterise approaches to professional competence and professional development: update, competence and performance. First generation update models effectively ‘straight-jacket’ development to the curriculum that applies to non-experienced practitioners and may be ‘divorced from actual practice’ (Boud & Hager, 2012, pp. 20–21). Given that professionals continuously encounter new aspects and circumstances within roles, such models are no longer regarded as hugely relevant (Nowlen, 1988). Second generation competence models incorporate individual traits but fail to acknowledge that professionals may be influenced by other factors. Third generation performance models recognise that professionals deal with unique, uncertain, complex and ever-changing circumstances (Schon, 1983) where being a professional is ‘an unceasing movement’ towards new levels of performance (Mott, 2000, p. 25). Schon’s reflective practitioner (1983, 1987) and Cheetham and Chivers’ (1998) model of professional competence advocate such practice but do not fully describe progression of professional competence. A closer look at professional education, learning and development is, therefore, warranted.

Professional education and development

The production and reproduction of knowledge has effectively become the ‘leitmotiv’ of professional education, whereby individuals do not learn ‘the profession’ in an absolute sense but assimilate the package of knowledge and skills that are needed for application into the practical world (Atkinson, 1983; Robinson, 2009). The curriculum is effectively consensus knowledge within the practice community and comprises constituent elements largely focused around knowing that, knowing how and personal knowledge (Alvesson, 2004; Bernstein, 1971; Eraut, 1994, 2000; Gherardi, 2014). Notably, IES 7 refers to similar aspects, including ‘professional knowledge; professional skills; and professional values, ethics and attitudes’ (IFAC, 2004, p. 15).

Professional education and development exist at two levels; initial professional education and development, which culminate in qualification and admittance into a profession, and CPD, which is lifelong (Houle, 1980). CPD has become mainstream since the 1980s (Cervero, 2001). However, while there is broad general support, there is also concern about how to engage with it (Cervero & Azzaretto, 1990; Sadler-Smith &

Badger, 1998) and the actual experience of learning by professionals is ‘still poorly understood’ (Webster-Wright, 2009, p. 704). Professionals appear to construct their learning as an ongoing process by moving back and forward between CPD events and significant periods of practical experience, thus undergoing both formal and informal learning (Daley, 2001; Eraut, 2001). Formal learning is regarded as that which has ‘a beginning and an end’ and is intentional from the learner’s perspective (Wenger, 1998, p. 3). The emphasis of professional bodies, their members and their stakeholders is largely ‘on formal provision, qualifications and accountability’ (Coffield, 2000, p. 1) and focus is on delivering content rather than enhancing learning (Webster-Wright, 2009). In contrast, the workplace and ‘everyday circumstances of work itself ... create challenges and opportunities’ that drive informal learning (Boud & Hager, 2012, p. 24). Informal learning is organic, contextual and arises in situations where learning is not the main aim (Beckett & Hager, 2002). Experiential learning and reflective learning are widely regarded as informal learning (Eraut, 2000, 2004, 2007; Fenwick et al., 2012; Schon, 1987; Senge, 1990; Webster-Wright, 2009). The notion of learning within communities of practice has also been popularised, which encapsulates learning in collaboration with others in relation to matters encountered in the workplace (Fenwick, 2012; Lave & Wenger, 1991; Wenger, 1998).

This above presents a literature review examining pertinent key components. It highlights that professions and professionals demonstrate unique characteristics, that professional competence is complex and that individual professionals must engage with learning and development in order to develop and maintain professional competence.

Research method

This paper examines accounting practitioners’ perceptions of professional competence and associated CPD practices. Given that the meaning of professional competence and CPD experiences may differ among practitioners (Lindsay, 2013), it is important to understand individual perspectives and experiences. This, and the lack of research to date, supports the use of a qualitative approach. A phenomenographic approach is adopted which enables investigation and description of how ‘people ... view or understand’ the world (Larsson & Holmström, 2007, p. 62). This approach emphasises the individual as agent who interprets and creates an order regarding his own experiences (Marton, 1986). The emphasis on experience is that which can be reflected upon, ‘discussed and described by the individual’ (Ashworth & Lucas, 1998, p. 415) and data is examined from a first-person perspective where perception ‘is regarded as the primary source of knowledge’ (Moustakas, 1994, p. 52). It is directed at the variation in the peoples’ ways of understanding rather than the phenomenon itself (Dahlberg, 1992; Larsson & Holmström, 2007). The phenomenon under investigation in this paper is professional competence and the paper examines how accounting professionals perceive and experience this phenomenon. Perceptions comprise being a professional and professional competence, and experiences incorporate both formal and informal CPD practices.

Within phenomenographic research, the concept of the ‘lifeworld’ refers to the ‘whole’ of ‘the world as lived by the person’ (Valle & Halling, 1989, p. 9). Bracketing is also a feature, which is ‘the setting aside of prior assumptions about the nature of the thing

being studied' so that emergent themes arise solely from research participants' experiences (Lucas, 1998b, p. 14). This approach has previously been used within accounting education by Lucas (1998a) and facilitates examination of a range of perceptions and experiences such that commonalities and differences can be explored (Ashworth & Lucas, 1998, 2000). However, findings and contributions are exploratory and must be read in the context of participants' own lifeworlds (Grbich, 2007).

Given that professional accounting bodies may interpret IES 7 in different ways, this study focuses on one professional body, namely CAI. The activities of CAI are grounded in professional practice, mainly in audit, taxation and other services, though increasingly its members are employed outside professional practice in diverse industry sectors¹ (CAI, 2015). CAI was selected for two key reasons: it is the longest established professional accounting body in Ireland and the largest body in terms of members and enrolled students, with approximately 24,500 qualified members and 6500 student members (CAI, 2015; Irish Auditing and Accounting Supervisory Authority, 2015). Qualified members are required to maintain professional competence and to annually declare compliance with mandatory requirements (CAI, 2013). Members are thereby prompted to consider professional competence and CPD on a regular basis. Members may select an 'input', 'output' or 'combination' approach to fulfil requirements.²

A small number of a wide mosaic of experiences is optimum with regard to investigation of a phenomenon (Smith, Flowers, & Larkin, 2009) and participants were selected on the basis of 'theoretical sampling', where the objective is to develop a rich understanding of the dimensions of a concept across a range of settings and conditions, rather producing findings representative of a larger population (Grbich, 2007). In identifying participants for the study, the CAI membership directory was reviewed and efforts were made to capture some of the diversity of chartered accountants' careers pathways, in terms of employer type, size and sector. In total, 23 CAI members were selected. Given that the objective of this paper is to examine perspectives of accounting professionals who work in professional practice and non-practice roles, 11 participants were selected from professional practice and 12 from non-practice. Participants represent varying profiles, with diverse post-qualification experience. Participant profiles are summarised in Appendix 1.

Ethical approval for the conduct of the research study was granted by Research Ethics Committee prior to data collection, and appropriate ethical procedures were followed. An interview method was adopted and three open-ended questions were drafted to encourage participants to explore their lifeworlds and reflect on their experiences. These questions were as follows:

- What does it mean to be a professional?
- What does professional competence mean?
- How is professional competence maintained and developed?

In-depth interviews were conducted with participants in 2010. The interviews were recorded and transcribed. Interview duration ranged from 35 minutes to 2 hours. During analysis, bracketing necessitated the setting aside of the researcher's personal perspectives and experiences, prior research findings and policies of professional bodies. To maintain the bracketing process, transcripts were closely examined to ensure findings were

grounded in participants' perceptions and experiences. Transcripts were analysed several times to obtain a sense of the 'whole' meaning for each participant. The findings are now presented and discussed.

Analysis of the data

The paper addresses three key questions in the context of the CAI professional accounting body; what it means to be a professional, what professional competence means and how professional competence is maintained and developed. Participant responses to each of these questions are now presented. These highlight similarities and differences among participants in professional practice and non-practice roles. These findings are discussed in light of the underlying literature. The findings illustrate that professional identity has a significant influence on the attitudes of qualified accountants towards professional competence and CPD. The quotes cited are attributed to participants in either professional practice, denoted by 'P', or participants in non-practice, denoted by 'I' (industry organisations). For the purposes of this paper, representative quotes are presented from six participants in professional practice and five participants in non-practice.

What does it mean to be a professional?

The first research question explored participants' perceptions of what it means to be a professional. Participants generally value and have a sense of pride in the attainment of and continued association with the CAI qualification, describing it as a 'badge of honour' (Jane - P) and being 'proud of ... a great qualification' (Maura - I). For participants in professional practice, membership involves a sense of responsibility to the professional body which is partly generated via increased monitoring of practitioners in professional practice, 'the Institute can come in to review at any point' (Adrian - P). These participants also report a sense of responsibility towards clients to meet expectations and provide a quality service, and they are particularly mindful of relevant technical accounting aspects and application thereof. Indeed, there is an almost pastoral 'client relationship responsibility ... that weighs on you if you've got a client that isn't doing well' (Jane - P). There is also an acknowledgement of the importance of reputation and that appropriate standards of behaviour and conduct and accountability must be upheld; 'there is a reputational risk ... you have to be professional in everything you do to make sure that nothing impairs that professionalism' (Mary - P). This strong sense of professionalism is exemplified by one participant who considers she has become 'more professional than accountant' (Mary - P).

However, the professional designation is not as intrinsically meaningful for participants in non-practice. Rather, it is valued for the opportunities it presents: it 'garners a respect' (Maura - I), provides 'kudos' and is 'useful' (Alex - I). The over-riding consensus is that of being the accountant, rather than a professional, within employing organisations. Indeed, one participant questions her continuing professional association but rationalises the value attaching to it: 'I'm not even sure I'd call myself a professional any more [but] I took so long to get here, why the heck wouldn't I stay?' (Dawn - I).

Emergent commonalities and differences are summarised in [Figure 1](#).

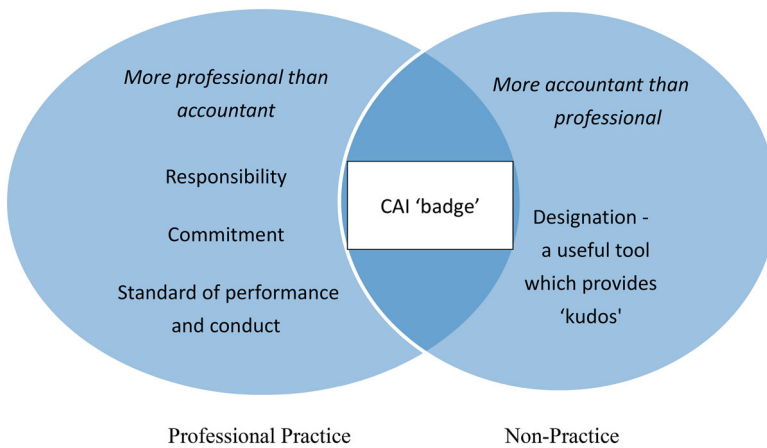


Figure 1. Perceptions of being a professional.

Prior literature describes four key characteristics of professions and professionals: proprietary body of knowledge and skills; unique culture; emphasis on service; and autonomy (Abbott, 1988; Beam, 1988; Johnson, 1972; Larson, 1977; Millerson, 1964; Pierce, 2007). In this study, all participants acknowledge the 'kudos' the CAI credential and continuing affiliation provides. However, participants describe varying perspectives beyond that. CAI membership means something more than just a professional qualification to participants in professional practice. Their continuing designation incorporates a professional identity and responsibility, and a consciousness with regard to applying appropriate standards to work. This encompasses appropriate application of knowledge and skills to client affairs and standards of performance and conduct commensurate with status as a professional (Grey, 1998; Middlehurst & Kennie, 1997; Perks, 1993). There is also acknowledgement that professional authority is monitored by CAI (Fenwick, 2014; Robinson, 2009). Meanwhile, participants in non-practice describe themselves as accountants rather than professionals. They continue to remain affiliated to CAI predominantly to capitalise on opportunities it presents for their careers. There is a lesser sense of connection and identity with and commitment to the professional body and the wider 'service ideal' (Pierce, 2007).

Findings highlight that key professional characteristics detailed in literature resonate with participants in professional practice but do not appear significant for participants in non-practice. The further research questions examine whether these differences impact on perceptions of, and practices to maintain, professional competence.

What does 'professional competence' mean?

All participants acknowledge professional competence is clearly demonstrated by actual performance, 'if you get up and say you can do X, have you done X?' (Joan - P). However, they suggest that competence is also more than that which is objectively and externally verifiable: it encompasses a 'feeling of capability' that practitioners can 'make the bar' (Robert - I). Participants assert that key personal competences must be present in order for individuals to be truly competent; they accept that constituents of professional

competence may be acquired, but fundamental personal qualities and value competences may not. Salient aspects discussed are 'ethics and values' (Joan - P), integrity, positive attitude, motivation and 'being independent ... having an awareness of when your judgement is being influenced' (Maura - I).

However, participants' accounts also comprise significant differences. Participants in professional practice consider competence as 'the balance of the team' and perceive themselves as one accountant among many:

competence is an overall mix because one person cannot do everything ... there are forwards and there are defenders ... you have to have people playing in all positions. The team has to comprise a flavour of everybody. You are only playing in one position really to get the maximum benefit. (Mary - P)

They observe that some aspects of work in professional practice are so complex that no one person could perform effectively in all respects, 'I would have a serious question mark over somebody being a chartered accountant and a tax guy, both' (Paul - P). Participants in non-practice regard professional competence as an individual component and refer to themselves as 'the accountant' within the organisation charged with managing a wide variety of accounting-related matters (Alex - I).

Skills sets pertaining to professional competence are also highlighted. Knowledge competence and social competence are endorsed as important constituents. However, a number of differences emerge. The predominant focus vis-à-vis knowledge competence within professional practice is on relevant technical accounting knowledge. Participants are mindful that they need to be 'technically up-to-date' (Mary - P) and 'know what you are talking about in detail and then apply it in practice to be competent in delivering the service you are providing' (Jane - P). The knowledge required within professional practice is defined in light of parameters pertinent to accounting regulations and clientele, and the competence to formulate judgements is critical to achieve appropriate technical solutions concerning client issues. However, the focus of participants in non-practice is on more general knowledge. While accounting knowledge is of some importance, it is relevant only in the context of the organisation's business, sector and market. Pertinent knowledge is more contextual and incorporates wider business considerations, including 'internal performance measures, external performance measurement, tax, compliance' (Robert - I).

With regard to social competence, participants emphasise the need for strong people and communication skills. Those in professional practice stress the importance of managing internal teams, 'getting the team to go the extra mile and say have we covered off what we really need to cover off here' (Joan - P). The need to develop and manage external client relationships is also highlighted, along with the ability to communicate technical matters in such a manner that enables clients to understand. For those in non-practice, the complexities of dealing with internal multi-disciplinary stakeholders are more salient. The importance of 'taking the finance out of finance' to enable relevant dialogue is highlighted: 'the marketing teams, the logistics teams, the materials buying teams all need to be made aware of what their activities mean to the bottom line, and that's a huge challenge' (Robert - I).

Emergent commonalities and differences are summarised in [Figure 2](#).



Figure 2. Perceptions of professional competence.

The findings support literature which describes competence both as workplace performance and capability (Berman Brown & McCartney, 1995; Eynon and Wall, 2002). However, findings also report a key differential not reflected in literature: professional competence is described by participants in professional practice as a collective phenomenon but as an individual component by those in non-practice. Interestingly, the first research question reported that those in professional practice portray a heightened sense of professional identity, commitment and responsibility vis-à-vis the professional designation. Conversely, those in non-practice feel that they occupy an accountant role, whose remit is to serve the business needs of their organisations, that is, they do not consider a wider service role and little identity with and commitment to the profession. This suggests that perceptions of being a professional and professional identity influence perceptions of professional competence.

Literature and professional guidance refer to knowing that, knowing how and personal knowledge (Eraut, 1994; IFAC, 2004). Participants' accounts similarly refer to knowledge (knowing that) competence, comprising technical accounting and non-accounting knowledge; social (knowing how) competence, comprising people and communication skills; and personal competence, comprising personal qualities such as integrity, ethics and values. There is general consensus with regard to personal competence. However, participants' accounts highlight differences beyond that. Participants in professional practice discuss relevant knowledge competence in the context of technical accounting knowledge. They work collectively to serve the needs of clients, with emphasis on technical matters and ensuring that appropriate judgements are made and communicated to clients. Those in non-practice place more significance on non-accounting knowledge applicable to the work context. Different social competences are also stressed: those in professional practice cite aspects which support relationships with external clients while those in non-practice emphasise clients internal to their organisations. These differences impact on the manner in which participants maintain and develop professional competence, as outlined below.

How is professional competence maintained and developed?

Two key stages emerge from participants' accounts regarding this research question. The first relates to assessment of professional competence whereby participants consider their

competence levels and associated learning needs. The second is the response to this assessment and comprises activities pertinent to maintaining and further developing professional competence.

First, on the assessment of professional competence, all participants refer to the use of reflection as a key mode of assessment. A quote from one participant illustrates this:

I need to really think about what am I doing and what are my strengths and, more importantly, what are my weaknesses and what do I really need to work on those and I need to face up to them. (Maura - I)

At a holistic level, reflection is described in terms taking time out of regular day-to-day tasks by attending courses off-site, meeting with mentors and careers breaks.

However, differing modes of assessment are also highlighted. Participants in professional practice are mindful of their 'licence to practice' (Adrian - P) and give due consideration to professional competence and maintenance of formal CPD when prompted at point of annual renewal of association. Participants outside of professional practice give this little attention. In addition, participants in professional practice stress the significance of formal assessment appraisal. This is largely explained by relatively uniform career pathways within professional practice where routine formal appraisals are the norm, while careers pathways are more varied elsewhere.

Participants in non-practice describe emphasis on informal assessment and feedback and on achievements in the workplace which reinforce feelings of competence or otherwise: 'your boss, the people who report into you and your peers all evaluate you ... they're very quick to give feedback' (Maura - I). They suggest that the employment market, as opposed to internal promotions, is 'the ultimate test' of relevant competence and can determine whether competence is valued and relevant (Robert - I). Informal dialogue within the relatively small market for accounting practitioners in Ireland is also highlighted, 'it's so small, you can make a few phone calls and you know what that person is like' (Dawn - I).

Figure 3 depicts commonalities and differences with regard to assessment of professional competence.

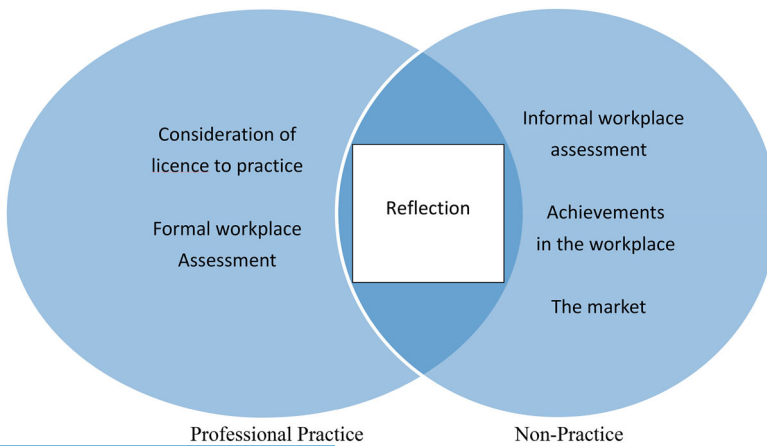


Figure 3. Assessment of professional competence.

Literature highlights that professional competence is assessable to a defined standard at qualification point but is more complex thereafter (Dall'Alba & Sandberg, 2006). The study findings support the literature and highlight difficulties participant practitioners face when attempting to assess their professional competence. In general, those in professional practice emphasise the importance of formal renewal of association and formal assessment, while informal assessment is more valued by those in non-practice. This suggests that participants with a wider sense of being a professional and who feel that the professional designation places a responsibility on them are more mindful of formal modes of assessment, which have greater transparency and accountability. Those less concerned with the wider aspects of being a professional are less engaged with formal assessment and place more value on informal factors.

Second, regarding activities to maintain and further develop professional competence, all participants describe reflection as an activity which goes beyond assessment of competence. They stress that reflection with reference to experiences and situations where they may not have performed at optimum levels is vital in terms of striving to improve and further develop competence. They 'play that back' and determine how they might avoid making 'the same mistakes again' (Robert - I). Participants also describe learning from others in the workplace, 'you just learn a lot by working with different people and talking to different people and seeing the other peoples' work' (Adrian - P).

However, a number of differences also emerged. Participants in professional practice describe how they compile and consult their own reference repositories, 'I keep the literature and the books, and build up a reference library' (Jane - P). Those in non-practice are less inclined to maintain such repositories and more likely to consult advisers within professional practice firms, 'that's what we're paying them their fees for' (Dawn - I). These sentiments reinforce the earlier findings with regard to the first research question, concerning being a professional.

Participants in professional practice routinely participate in formal structured CPD offerings organised by CAI or their firm network and place strong emphasis on technical matters. However, those in non-practice do not regard formal CAI offerings as worthwhile: 'on a scale, I would find them in the bottom half' (Maura - I). They observe a marked focus of CAI CPD offerings on technical accounting matters which are typically more relevant to those in professional practice, and a shortage of relevant offerings vis-à-vis more general business matters, such as 'workshops where they brought together people in business to see the issues that are facing people in business ... likeminded people to discuss these things in confidence' (Gavin - I). Participants also note that while some competence elements may be developed within formal and structured settings, many others cannot. They describe less structured and more informal development. This is particularly significant in non-practice where development largely happens within general role experiences, even when express opportunities for learning may not readily present themselves. In fact, participants suggest that they 'muddle' through a lot of their learning and development, 'you just learn by trial and error ... you learn what you can and can't do quite quickly' (Alex - I).

Participants also describe how they engage with other accounting practitioners and differences are notable. Those in professional practice acknowledge that they personally cannot know everything. They place significant reliance on expertise within their professional practice networks where they can access and share 'better ways of doing

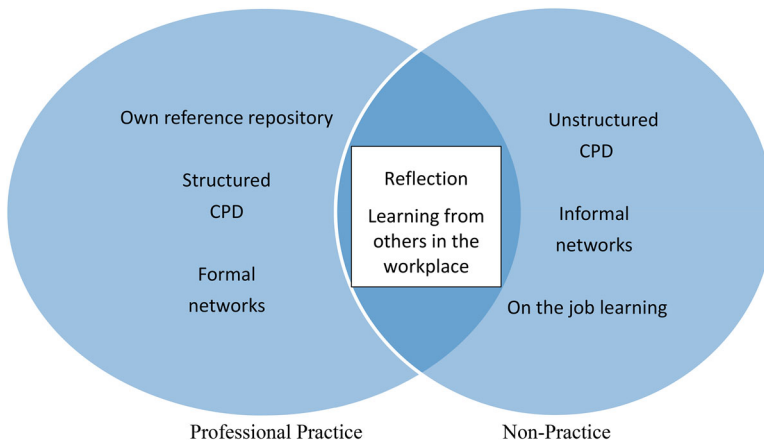


Figure 4. Maintaining and further developing professional competence.

things' (Adrian - P), 'if you're short on a certain area, it's important that you call your network... somebody you can really trust, people who specialise in a certain area' (Adam - P). Meanwhile, those in non-practice have a less structured approach to networking, 'a lot of it is down to your contacts' (Robert - I). They suggest that the most relevant guidance is from those who have already encountered and dealt with similar matters in an appropriate manner but that there is not always a ready link to such expertise.

Figure 4 summaries commonalities and differences with regard to maintaining and further developing professional competence.

Literature highlights that both formal and informal learning contribute to CPD (Daley, 2001) and study findings support this. Participants in professional practice place a higher value on structured and formal learning mechanisms while participants in non-practice place greater emphasis on unstructured and informal mechanisms. Participants also engage with professional and wider networks. This is akin to engagement with communities of practice whereby participants build on the opportunities presented by work situations and increase their learning and competence through their networks (Lave & Wenger, 1991). For participants in professional practice, this tends to be via formal professional communities while in non-practice, this is more ad hoc.

Summary

This study highlights differences between perceptions and practices among participants in professional practice and non-practice roles. The commonalities vis-à-vis professional practice and non-practice lifeworlds centre on the professional qualification itself; however, each lifeworld has a varying perspective beyond that. The over-riding difference in perceptions is typified by a quote from a participant in professional practice who views herself as 'more professional than accountant'. Participants in professional practice place significance on their professional status and the importance of upholding that status as a collective within their firms. This encompasses a sense of professional identity, commitment and responsibility whereby appropriate standards are applied to all aspects of performance. Study findings suggest that this has implications for the

manner in which participants perceive professional competence and engage with CPD. These participants, along with their teams within professional practice firms, perceive competence as an ability to serve the needs of clients and to ensure that appropriate judgements are made and communicated surrounding predominantly technical matters. They are particularly mindful of their 'licence to practice' and formally assess and maintain relevant competence on a regular basis. To this end, they complete structured and formal CPD, maintain their own learning technical repositories and engage with their professional firm's network of expertise.

Participants operating in non-practice roles are less concerned with the wider aspects of being a professional. These participants consider themselves 'more accountant than professional' and continue to remain affiliated to CAI predominantly to capitalise on career opportunities. They perceive themselves working as individuals in the role of 'accountant' within their organisations. They work with a variety of internal stakeholders and are mindful that they need to 'take the finance out of finance'. Accounting knowledge is maintained only to the extent that it is required in the context of wider business matters encountered in roles. These participants rely on less formal indicators of professional competence and suggest that workplace achievement and the market are strong means of assessment. They assert that structured, formal CPD mechanisms are not appropriately tailored to their needs and assert a sense of disengagement with CAI. Much of their CPD takes place 'on the job' through general engagement in the workplace and via ad hoc networks.

Concluding comments

The study highlights a number of important considerations for accounting educators. Findings report a marked differential vis-à-vis professional engagement among participants in professional practice and non-practice roles. Participants working outside of professional practice perceive that the professional body does not sufficiently cater to them and accordingly are less engaged with the profession and less motivated to participate in formal CPD offerings. Unless the design, subject matter and delivery of formal offerings is appropriately reconsidered, these participants will continue to remain disconnected from the profession. The onus, therefore, falls on CAI and other accounting educators to engage in consultation with practitioners to devise a set of compatible aims and a programme to meet those aims. This dialogue should be ongoing to ensure offerings remain relevant.

Findings also report that formal CPD offerings cannot satisfy all participants' needs and preferences. The perceived current 'input' approach focuses largely on specific course content and measurement of hours of formal offerings, akin to an 'update' competence model. Strict application of this approach fails to consider consequent improvement in professional competence. Participants' accounts suggest that role experiences are hugely relevant and that greater opportunities in the workplace facilitate enhanced competence development. Therefore, participants would benefit if focus were not predominantly on specific course content or number of hours. Consideration of a shift towards an 'output' approach and a 'performance' model would also be worthwhile. In addition, this study highlights potential benefits from replacing varied means currently adopted to assess competence with a more integrated mechanism. Two different strands are

required to cater for the needs of participant members in professional practice and non-practice.

However, findings can only be interpreted in light of the over-riding limitations of the study's approach. The extent to which it is possible to infer wider generalisations is limited and while some rich insights among participant CAI members are provided, it is not possible to determine the extent to which the findings might be relevant within the wider CAI context or within other professional accounting bodies. It would, therefore, be useful to conduct some quantitative follow-up studies within the larger population in CAI and within other professional accounting bodies. More generally, post-qualification education and development within the accounting profession is under-researched (Paisey & Paisey, 2004). Given that CPD has now been mainstream for over 30 years, it provides a wealth of resource for further research.

Notes

1. Approximately, 65% of CAI members are employed outside of professional practice (CAI, 2015).
2. An 'input' approach is where a specified amount of learning activity is established; an 'output' approach is where professionals demonstrate by way of outcomes and evidence professional competence which can be objectively verified and measured; a 'combination' approach is a combination of the input and output approaches (CAI, 2013).

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Appendix 1

Profile of participants.

Professional practice				
Participant ⁽¹⁾	PQE ⁽²⁾	Org. size ⁽³⁾	Department	Current role
Laura	5	Medium	Audit/Training	Manager
Delia	10	Big 4 ^a	Technical	Manager
Sofia	11	Big 4	Tax	Senior manager
Jane	11	Micro ^b	Audit	Partner
Jack	17	Micro ^b	Tax	Partner
Joan	19	Big 4 ^a	Tax	Partner
Adrian	20	Medium	Audit	Partner
Mary	28	Medium	Audit	Partner
Adam	28	Micro	Advisory services	Sole partner
Paul	31	Micro	Advisory services	Sole partner
Colin	45	Big 4	Audit	Partner

Non-professional practice				
Participant ⁽¹⁾	PQE ⁽²⁾	Org. size ⁽³⁾	Sector	Current role
Daniel	6	Large	Public sector	Corporate finance director
Conor	11	Small	IT	Finance director
Alex	11	Small	Not-for-profit	General manager
Gavin	11	Large – MNC	Manufacturing	Systems manager
Evan	12	Large	Financial services	Finance director
Denis	12	Large	Financial services	Project manager
Robert	12	Large	Communications	Senior risk officer
Susan	14	Large	Financial services	Project manager
Siobhan	15	Large – MNC	Pharmaceuticals	Project manager (part-time)
Dawn	16	Small	Hospitality	Financial controller
Maura	25	Large	Construction	Finance director
Ethan	31	Small	Professional body	Financial investigator

(1) To maintain anonymity, the real names of the participants are not used. The names assigned are only for the purposes of clarity of discussion. They are reflective of participant gender.

(2) PQE = Post-qualification experience.

(3) Organisation size:

Micro: < 10 employees.

Small: 11–50 employees.

Medium: 51–250 employees.

Large: > 250 employees.

MNC = Multinational.

^a Two representatives of this Big 4 firm were interviewed.

^b Two representatives of this micro firm were interviewed.

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