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Challenges Faced by Professional Accountants in Maintaining their Professional Competency Requirements.

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In partial fulfilment of the requirements for the degree of

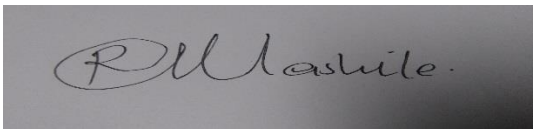
Master of Commerce in the Field of Accounting

University of the Witwatersrand

Declaration

I, Relebogile Mashile, student number 820552; hereby declare that this research report is my own unaided work. It is submitted in partial fulfilment of the requirements for the Degree of Master of Commerce in the Field of Accounting for the School of Accountancy at the University of the Witwatersrand, Johannesburg. It has not been submitted elsewhere for the purpose of being awarded a degree or for examination purposes at any other university.

Relebogile Mashile

Signature: 

Date : 15 April 2020

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To my son; Mpho Khumo Mashile, you are my source of inspiration and motivation to be the best version of myself.

I dedicate this thesis to you.

Abstract

The purpose of this study was to investigate the challenges encountered by professional accountants in maintaining their professional competency requirements as provided by IES 7. The investigation was motivated by identified gaps in academic research on Continuing Professional Development of professional accountants and the implementation of IES 7 in a South African context. A survey study of 121 respondents was conducted which highlights the attitudes and perceptions of professional accountants on the effectiveness of CPD practices in South Africa and the extent to which CPD contributes towards maintaining the competence of professional accountants. The survey study further draws attention to major challenges encountered by professional accountants in their pursuit of fulfilling CPD requirements.

This research finds that professional accountants in South Africa perceive CPD practices and the implementation of IES 7 provisions positively. The quality of CPD practices was perceived to influence the competency and development of professional accountants. Predominantly, existing CPD regulations were appropriate for meeting competency requirements of professional accountants in South Africa except for negative responses received towards CPD participation being a mandatory condition for membership in their respective professional bodies. Major challenges encountered in meeting CPD requirements were the cost, time and location constraints. The value of this research contributes to the body of knowledge on CPD for professional accountants, lifelong learning, the implementation of IES 7 and in the establishment of challenges in the implementation of CPD in South Africa.

Key Words: *Challenges, Continuing Professional Development, IES 7, Professional Accountants, South Africa.*

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Chapter 1: Introduction

1.1. Background to the Research

Professionalism is grounded in competence as professionals aim to constantly demonstrate knowledge and skills to establish an elevated social status and gaining public trust (Abbott, 1988; Svensson, 2006; Eraut, 2003). The conception is true, drawing to the Accounting profession where The International Federation of Accountants (IFAC) affirmed that a fundamental characteristic and the continuing duty of a professional accountant represent the maintenance and development of professional competence throughout the career of an individual (IFAC, 2012). Professional competence is, therefore, an inherent trait of every profession.

To ensure commitment to Continuing Professional Development and a culture of lifelong learning, IFAC implemented the International Education Standard 7 (IES 7) – "*Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence (CPD)"* (IFAC, 2010). IES 7 prescribes that the IFAC member bodies implement CPD as a mandatory requirement for its member bodies as an integral component of a professional accountant's continued membership (IFAC, 2010). The requirement was laid out based on the principle that "*it is the responsibility of the individual professional accountant to develop and maintain professional competence relevant and appropriate to their work"* (IFAC 2010, Para A1). This would further ensure professional accountants maintain a level of competence that is necessary to provide high-quality services to clients and the society at large (Rothwell and Herbert, 2007; De Lange et al. 2015).

The notion of CPD dates from 1970 where it was previously known as Continuing Professional Education (CPE) (Cervero, 1998; Houle, 1980). CPE was a formalised entry-level training which was made a pre-requisite for registration into a certain profession (Lindsay, 2016). CPE schemes were grounded in the belief that pre-service training was enough lifetime training for a member of a professional body (Young, 1998).

The role of stewardship assumed by professionals who act in the interest of the public created a need for CPE schemes which were made mandatory to gain public trust (Young, 1998). Furthermore, the need for professionals to be equipped with relevant knowledge and skills to react to changing working environments (Craft, 2002; Kennedy, 2005; Friedman, 2012; Collin et al. 2012; Lindsey, 2013; Megginson and Whitaker, 2017) advocate for the need for effective implementation of CPD.

Over and above maintaining professional competence, CPD has also been viewed as part of lifelong learning in which; is embedded the principles of the ongoing, deliberate, and self-motivated pursuit of knowledge (Friedman & Phillips, 2004; Rouse, 2004; Billett, 2010; Lindsey 2013). Studies have also shown CPD has contributed towards improved personal confidence in career success and prospects of better employment of professional accountants (Rothwell & Herbert 2007; Lindsey, 2016) which further emphasises the importance of the integration of CPD in normal work practices of professionals (Guthrie 2004).

The inability of professional accountants to maintain their professional competence could result in the public losing its trust in the accounting profession and confidence in the ability of accountants to provide services of high quality (Rezaee, Z., 2004; Eraut, 2003). This means that every person must be willing to maintain their competence to be considered a professional and maintain an ongoing relationship with society (Cohen & Pant, 1991; Berg, 2007).

Ineffective CPD programs constitute a possible risk that professional accountants may have difficulties in the application and implementation of evolving accounting standards, which may affect the quality of accounting services provided (De Lange et al. 2013; Draz & Ahmed, 2017). The significance of CPD and training is emphasised by the work-readiness skills necessary to appropriately respond to the recent introduction of updated standards and regulations like King IV (IDSA, 2016), the current conceptual framework for financial reporting (IASB, 2018) and IFRS 16-leases standard (IASB, 2016), which require professional accountants in practice to have new or updated technical skills and knowledge within the implementation of these standards.

Studies also identified several challenges to the implementation of CPD within prior literature to be; firstly, limitation in participation in training activities due to excessive costs borne in participation by both individual professionals and employers (Rainbird et al., 2004). Moreover, professionals endured difficulties with making time to attend training sessions which limit the effective participation of accountants in CPD activities (Zajkowski et al., 2007). Finally, there have been concerns regarding the uniform structure of CPD activities which fail to accommodate the needs of accountants in emerging economies (De Lange et al., 2015).

The World Economic Forum's Competitiveness Report 2017-2018 shows a decline of 47 to 61 ranking out of 137 countries for South Africa which had previously maintained a high-ranking term of the application of regulations and standards (SAICA, 2017). Furthermore, there has been recent corporate scandals in South Africa that have had professional accountants at their centre (Rossouw, 2017).

1.2. Purpose of the study

The purpose of this research is to investigate the challenges faced by professional accountants in maintaining their professional competency requirements. This objective will be achieved by establishing the perceptions of professional accountants on the quality of CPD practices in South Africa in meeting competency requirements and whether these CPD practices influence perceptions on the competency of professional accountants in South Africa.

The research will also establish if CPD practices in South Africa are appropriate for meeting competency requirements of professional accountants and if they accommodate training needs for professional accountants to handle changes in the working environment. The research will further establish the perceptions of professional accountants on the appropriateness of current regulations on CPD in meeting their competency requirements. Lastly, the study will establish whether professional accountants in South Africa face similar challenges in meeting their professional competency requirements. These having been identified in prior literature while highlighting other challenges that may have not been identified in this

research, but have become prevalent amongst professional accountants in South Africa. This study considers whether the corporate scandals involving professional accountants are indicators of challenges that professional accountants face in meeting their competency requirements.

IFAC (2008) highlighted the lack of interest in CPD research among accounting academics, which is purportedly true in South Africa, observed from the lack of research in CPD for accounting professionals. Furthermore, most studies were done on CPD from the body of knowledge focused mainly on the implementation and effectiveness of measures of CPD- being the Input-based approach (De Lange et al, 2010; IFAC, 2008; Paisey et al., 2007; Rothwell & Herbert, 2007; Wessels, 2007) and the output-based approach (Lindsay, 2012) which was usually undertaken for the development of CPD policies by professional accounting bodies in other countries.

This study aimed to investigate the implementation of CPD and to identify some challenges faced by professional accountants in meeting their competency requirements in South Africa.

1.3. Statement of the Research Problem

This study identified that there are gaps in research on CPD in a South African context that highlight challenges encountered by professional accountants since the implementation of IES 7. The objective of this study is to investigate the challenges faced by professional accountants regarding maintaining their professional competency requirements in a South African context. Accordingly, the research objectives will be achieved by the following research questions:

RQ 1: Does the quality of CPD practices in South Africa affect the competency and development of professional accountants?

H_0: (Null hypothesis). The quality of CPD practices in South Africa does not affect competency and development of professional accountants.

H_1: The quality of CPD practices in South Africa affects the competency and development of professional accountants

RQ 2: Do CPD practices in South Africa influence perceptions towards the competence of professional accountants?

H_0: (Null hypothesis). CPD practices do not influence perceptions towards the competence of professional accountants.

H_1: CPD practices influence perceptions towards the competence of professional accountants CPD.

RQ 3: Are the current regulations for CPD appropriate for maintaining competency requirements of professional accountants in South Africa?

H_0: (Null hypothesis). The current regulations for CPD are not appropriate for maintaining competency requirements of professional accountants.

H_1: The current standards and regulations for CPD are appropriate for maintaining competency requirements of professional accountants.

RQ 4: What other challenges are encountered by professional accountants in South Africa in meeting their CPD requirements?

1.4. Significance of the study

Due to limited studies performed on CPD in South Africa, the study contributes towards academic research by producing results on an adapted study in a South African context. The study highlights the attitudes and perceptions of professional accountants regarding the effectiveness of the various types of training in meeting their competency requirements, by looking at the types of training interventions that are dominant in South Africa and those least preferred and possible reasons or challenges associated with participating in certain

CPD activities. This would give an indication of how IFAC member bodies in South Africa have been successful in the implementation of IES 7 and the promotion of CPD.

Secondly, the study looks at the extent to which CPD contributes towards maintaining the competence of professional accountants. This includes keeping up to date with new technical and professional skills required in evolving economic conditions. Possible weaknesses in CPD activities which may be a contributing factor to recent corporate scandals involving professional accountants will also be investigated. The study highlights the importance of lifelong learning and the impact of CPD in maintaining professional competence of professional accountants, which ultimately, has an impact on the reputation of the accounting profession.

The results of the study assist Professional Accounting Organisations (POAs) like SAICA and SAIPA to obtain more information on whether their CPD activities are effective in meeting competency requirements. South African employers also stand to benefit from the study as they will be able to identify effective training methods relevant to accountants in their organisations. Training categories that are dominant in South Africa and those that are most effective will be identified, which contribute towards identifying major challenges that result in ineffective CPD activities.

1.5. Assumptions

The study is descriptive. The researcher assumes that the survey answers the research questions embodied in this study. The respondents to the survey satisfy the definition of a professional accountant (as defined in this research and are assumed to answer all questions truthfully and honestly (Czaja & Blair, 1996; Leady & Ormond, 2016).

1.6. Limitations

The study focused on assessing CPD activities and gathering information on the perception of professional accountants towards their competence and fulfilling competency requirements. Respondents are member bodies of IFAC based in South Africa. The reason for limiting the population to only IFAC accredited professional accountants was because IFAC member bodies have a mandatory obligation to comply with CPD requirements and the implementation of International Education Standards, which is not the case for non-member bodies (SAICA, 2013; IFAC, 2014; SAIPA, 2014).

This study was also limited to views on CPD activities as prescribed in IES 7. The study did not pre-empt a conclusion on professional accountants that are not part of professional or related regulatory bodies other than the ones stated above. The results of the study were based on information received from respondents, which may not guarantee a complete generalisation of the accounting profession, but rather relating only to the identified groups of professional accountants in the study.

1.7. Definition of terms

Table 1: Definition of terms

Professional Accountant	For the purpose of this study, a professional accountant is defined as "*a person who demonstrates expertise in the field of accounting which was achieved through formal education and practical experience, and who demonstrates and maintains competence and complies with a code of ethics*" (IESBA, 2011, p7).
Professional education	Methods used as training tools to teach and evaluate the level of competence of professional accountants on

	the technical contents and the application of accounting or auditing standards in practice (Murphy, 2017).
Continuing Professional Development (CPD)	"*CPD is a continuation of Initial Professional Development (IPD) - the learning and development through which individuals first develop competence leading to performing the role of a professional accountant*". (IFAC, 2010; Para 4)
SAICA	South African Institute of Chartered Accountants
SAIPA	South African Institute of Professional Accountants
IFAC	International Federation of Accountants
IES 7	International Education Standards 7

1.8. Research Methodology

The research will be quantitative in the context of a descriptive study. The purpose of descriptive research is '*to portray an accurate profile of persons, events or situations*' (Robson, 2002, p59 cited in Saunders et al. 2009:140). The methodology employed for this research and the design of the research instrument was adopted from a study conducted by (De Lange et al., 2015) to a South African context which has been modified by the researcher to achieve the objectives of this study.

1.9. Report Layout

This introductory chapter contextualised the study in terms of the purpose of the study, the research problems and the background to the study. The research study conducted and presented is outlined as follows:

Chapter 2: Provides a literature review on professional competence and the implementation of CPD per IES 7.

Chapter 3: Provides an account of the research methodology adopted in the study including the techniques used to analyse the results of the surveys.

Chapter 4: The results of the survey data analysis are presented and discussed.

Chapter 5: Provides a summary of the results obtained, as well as a conclusion to the research study performed.

Chapter 2: Literature Review

2.1. Introduction

The purpose of this chapter was to provide an overview of the existing literature on professional competence and CPD and to discuss the theoretical standpoint adopted by the researcher. The chapter is laid out as follows: Section 2.2 defines professional competence and highlights some of the important characteristics of professional competence. Section 2.3 discusses the theoretical stance of the research and the transition of CPD and lifelong learning from CPE, bringing forth a proposed framework for lifelong learning in the implementation and further enhancement of CPD structures. Section 2.4 highlights the importance of CPD.

Section 2.5 gives a detailed outline of the implementation of CPD in terms of IES 7 and CPD structures in South Africa. Section 2.6 presents a discussion on criticisms of CPD structures, together with evidence from prior literature.

2.2. Professional competence

A professional is competent when he or she can demonstrate a responsible and effective application of professional standards (IFAC, 2003). The key characteristics of competence identified in prior literature relate to the quality of performance demonstrated in the workplace and competence in terms of qualification and experience.

2.2.1. Quality performance at work:

Professionals are expected to deliver sustainable and quality performance in their professional area or job role. The level of quality of work performed is measured by the ability to carry out a task to a defined standard (IFAC, 2004). The defined standards could either be generally acceptable skills expected from members of a certain profession or a prescribed code of conduct by professional bodies. Thereupon, professionals strive to exhibit the use of communication, knowledge, technical skills, problem-solving, realising innovation, creating transformation and reflection in their regular practices for the benefit of the individuals and the community they serve (Epstein & Hundert 2003; IFAC, 2003; Mulder, 2014).

2.2.2. Qualification and experience

While the quality of work is considered in assessing the competence of professionals, competence has equally been associated with the level of educational qualification, the field of practice, on-the-job experience and other formalized learning activities (IESBA, 2011; Mulder, 2014). Professionals possess unique knowledge and expertise acquired throughout their academic careers and work experiences which gives organisations and clients' confidence to rely on specialists and experts to perform specialised tasks. For this reason, competent professionals provide services which recipients do not possess the knowledge to carry out or evaluate (Eraut, 2003).

Given the above discussion, competence based on qualification could mean anything from entry-level knowledge to being an expert (Dall 'Alba & Sandberg 2006; Eraut, 1994; Eynon & Wall, 2002; Jessup, 1991). It can also range between "*the basic levels of proficiency to the highest levels of excellence*" (Cheetham & Chivers, 2005, p54). This means that there could still be a distinction in terms of confidence level placed on members who belong to the same body of professionals in terms of the level of responsibilities, the complexity of tasks and the number of decision-making capabilities expected in any specific task employed. The value of each professional can, therefore, be placed on the perceived level of competence they possess based on the above-defined standards.

However, one could argue that qualification and experience do not have a specific measure of adequacy when professionals acquire increased levels of competence. Increased levels of competence could be in the form of an enhanced curriculum for qualifications which are more relevant for the area of work or the acquisition of new skills to respond to technological innovation. "*These increased levels of competence soon appear inadequate as better levels of performance then come into view. The attainment of competence may, therefore, be described as an unceasing movement towards new levels of performance*" (Murphy & Hassal, 2019, p.4.)

The workplace encompasses unique dynamics in projects, engagements, and problems that professionals are constantly faced with. All of which require them to continue learning how to tackle them, while on the job (Eraut, 2003). There is a need for professionals to demonstrate professional competence, displayed in their attitude towards professional values, leadership skills, critical thinking and intellectual skills that are best suited for the current and changing working environment (IFAC, 2003; De Lange et al. 2015). Mulder (2014) on his study on the conceptions of professional competence determined that "*the conceptions of professional competence have helped the practice of professional and practice-based learning*". These conceptions provide a good framework and foundation on which bodies of professionals set standards of performance, qualification and skills required from their members.

Professional competence is also necessary for the maintenance of public trust (IFAC, 2004). Technical knowledge is not sufficient to the role of an accountant as professional accountants bring value to society; not just by knowing how to account for transactions or determine tax compliance, but more importantly through exercising professional judgment by, for example:

- "*Assisting in the evaluation of risk*
- *Monitoring and ensuring quality and transparency of financial reporting*
- *Providing leadership in ethical decision-making*
- *Evaluating complex transactions and emerging issues to ensure financial reporting remains relevant and useful for users*
- *Interpreting and applying relevant standards and regulation*
- *Approaching information with a critical and questioning mindset*
- *Participating in strategic planning. It is through the application of professional judgment and competence that professional accountants support business decision-making that fosters public trust, as well as economic stability and growth*". (Borgonovo et al., 2019, p.3)

In summary, professional competence can be defined as the ability to demonstrate skills according to defined standards. These standards manifest in the quality of work expected from professionals, their level of qualification and work experience on the field. Ultimately, the pursuit of knowledge, furtherance of qualifications and acquisition of new skills by professionals is to increase their social status, gain public trust and attach value to their profession.

2.3. The Implementation of CPD

Training is one of the mechanisms which is used by professional accountants to maintain professional competence (Cervero, 1988; CFRR 2016; Murphy, 2017). Training has therefore been incorporated into the formation of the concept of Continuing Professional Development (CPD) (IFAC, 2014). CPD is structured to include ways of formal learning activities and platforms to meet the training needs of professional accountants (Cervero, 1988; Cervero, 2001; Day & Sachs, 2004; Fraser et al., 2007; Paisey et al. 2007; Boud & Hager,

2012).This section will give an outline of key aspects in the implementation of CPD, looking at the mandatory participation provision per IES 7, Approaches to CPD and CPD activities.

2.3.1. Mandatory CPD

Continuing Professional Development remains a mandatory aspect of most accounting associations, which requires members to comply with, in order to retain their membership or accreditation (IAESB, 2010; IFAC, 2014). This is no isolated case as mandatory professional development is a requirement for membership for most professional disciplines like medicine and pharmacy (Epstein & Hundert, 2002; Rouse, 2004; Lee, 2011).

IFAC has established CPD as a mandatory in South Africa, professional accountants who are part of IFAC member bodies in such as the South African Institute of Chartered Accountants (SAICA) and the South African Institute of Professional Accountants (SAIPA) have an obligation to undertake CPD activities to maintain their professional designations (SAICA, 2013; SAIPA, 2014). IFAC member bodies have the responsibility of facilitating CPD opportunities and providing resources to their members to assist them in achieving their obligation of meeting professional competence through lifelong learning (De Lange et al., 2015).

IFAC requires its member bodies to comply with International Education Standards (IES) (IFAC, 2014) including the requirements of IES 7 (IAESB, 2010). SAICA and SAIPA as IFAC member bodies in South Africa comply with the requirements of IES 7 (SAIPA, 2014; SAICA, 2016). The issue of IES by the IFAC education committee is in line with IFAC's mission of developing standards that will enable accountants to provide services of consistently high quality (IFAC, 2014). These standards provide a framework for the design of educational programmes expected for skills development (IFAC, 2003).

The application of IES 7 by SAICA and SAIPA has also been integrated into their Code of Professional Conduct (IAESB, 2010; SAICA, 2013; SAICA, 2014; SAIPA, 2014). The principle of professional competence

and due care (SAICA, 2014; IESBA, 2016) requires professional accountants to maintain professional knowledge and skills required for serving their clients and to diligently comply with applicable professional standards when providing those services (SAICA, 2014; IESBA, 2016).

The application of this principle also allows the researcher to investigate the availability of training methods used to develop professional accountants in South Africa and to identify the challenges they face in their efforts to ensure that their competency requirements are met in fulfilment of professional competence and due care.

2.3.2. Approaches to CPD

IES 7 prescribes CPD requirements for its members which contribute towards lifelong learning (IAESB, 2010). The standards outline three approaches that may be used for measuring a member's Continuing Professional Development: input-based approach, output-based approach and a combined approach which is a mixture of the other two approaches (IAESB, 2010).

The input-based approach prescribes hours of learning program activity undertaken and is used as a method of measurement of competence such as registration for a relevant course over each three-year rolling period. Members are required to complete:

- "*A minimum of 120 hours of CPD activities over a three-year period,*
- *Of which 60 hours should be verifiable.*
- *Complete a minimum of 20 hours of CPD each year and track and measure learning activities to meet the above-mentioned requirements*" (IFAC, 2010, Para. A14–A15; SAICA, 2013).

This approach essentially prescribes the amount of learning activities that are considered to be suitable for the development and maintenance of competence (IFAC, 2010). It has also conventionally been prominent due to the ease of understanding of what is expected by members, and ease of monitoring, measurement and verification (Murphy et al., 2019). In South Africa, SAIPA has adopted the input method approach for

their members which requires them to complete 20 hours of CPD annually in a three-year cycle in terms of par.130.3. The Code of Ethics for Professional Accountants (IESBA, 2016). The structure of the CPD approach and implementation for SAIPA is as follows:

Table 2: CPD requirements for SAIPA Professional accountants who are Tax Practitioners

Professional Accountant (SA) or Accounting Technician (SA), and a Tax Practitioner with SARS					
Structured hours per year					
Tax	**Ethics**	**Accounting/ IFRS**	**Other**	**TOTAL**	
12	2	4	2	**20**	
Unstructured hours per year				**20**	

Table 3: CPD requirements for SAIPA Professional accountants who are not Tax Practitioners

Professional Accountant (SA) or Accounting Technician (SA) – who is not a Tax Practitioner with SARS					
Structured hours per year					
Tax	**Ethics**	**Accounting/IFRS**	**Other**	**TOTAL**	
4	2	4	10	**20**	
Unstructured hours per year				**20**	

[1]

An output-based approach allows members to provide verifiable evidence that has been verified by a reliable, appropriate personnel assessment tool (IFAC, 2010). The upside to the output-based approach that it aims to measure the activities that a member is expected to achieve and gives professional bodies and individuals the autonomy in laying out their progress plan in achieving professional competence. The approach is based

[1] Table 2 and 3 were Adopted from SAIPA website: https://www.saipa.co.za/continuous-professional-development-cpd/cpd-requirements/. Access date: 12 February 2020.

on the *"substance over form"* principle (IFAC, 2008). The last approach is the combination approach which allows members to alternate between the input and output-based approaches to measure their CPD in the three year cycle.

SAICA allows its members to elect either of the three approaches. Members who choose to follow the output-based approach will follow an annual cycle and keep a record showing that they have:

- *" **Reflected on and planned** - learning needs in relation to the role being undertaken*
- ***Undertaken** relevant learning action - learning activities undertaken to meet competency requirements to be developed or maintained.*
- ***Evaluated** - the effectiveness of learning activities undertaken and considered whether the objectives identified in the plan have been met, competency achieved (developed or maintained) and whether any further action / learning activities are required, and*
- *Completed the annual **declaration"** (SAICA, 2013, Para 10.2)*

2.3.3. CPD Activities

Various learning activities can be undertaken as part of an input and output-based approach and include the following: "*participation in courses, conferences, seminars, self-learning modules or organized on-the-job training, published professional or academic writing, participation and work on technical committees, developing and/or delivering a course or CPD session in an area related to professional responsibilities, formal study related to professional responsibilities, participation as a speaker in conferences, briefing sessions, or discussion groups, writing technical articles, papers and books*"(IFAC, 2010, Para A7). IFAC member bodies in South Africa offer CPD programs for members to choose from.

SAIPA issues an annual CPD calendar which has seminars for different member groups while SAICA provides a variety of CPD activities such as seminars, webinars and workshops, while giving members an option to participate in verifiable CPD activities such as:

- "*Technical meetings,*
- *Developing new systems or processes*
- *Presenting information to others*
- *On-the-job training*
- *Mentoring or being mentored*
- *Industry published articles*
- *Committee work including preparation of board meetings, audit committees or other financial services or trade organisations*
- *In-house presentations on products, preparing papers and contributing to technical meetings*
- *Action-based learning (research problems)*
- *Further qualifications, for example Chartered Financial Analyst (CFA), web-based learning/training*
- *CPD clubs or discussion groups*
- *Watching programmes on DSTV's Summit TV channel*
- *Watching technical DVDs*" (SAICA, 2013, p. 5-6)

A study conducted by Rothwell and Herbert (2007) investigated "*the preferred CPD activities of accountants and the quality of the learning*". The most preferred CPD activity was found to be reading books and journals relevant to the profession while online discussions was ranked the lowest. The low rank of online discussions was considered to be ironic by De Lange et al. (2015) given the recent shift towards the use of technology and digital working environment.

The results of a more recent study by De Lange et al. (2015) revealed that most professional accountants had done some form of self-directed learning, reading or research. This CPD was followed by attendance of conferences, seminars, discussion groups and/or workshops. The least preferred activities were serving on technical committees, structured distance education and other non-technical broadening skills course/s (e.g. new language, cultural studies, etc.)

The research instrument of this study and has been developed considering the above discussion regarding input and output-based approaches. Accordingly, the research instrument includes questions about the type of training received, from the six categories discussed above and whether training received helps in improving the confidence of professional accountants in taking up new tasks. This will allow the researcher to analyse and evaluate which activities are undertaken by professional accountants in South Africa and the extent to which this training enables them to maintain their professional development.

2.4. Theoretical perspective to CPD

Education and training are fundamental drivers of change in the progression of the accounting profession (Elliott & Jacobson, 2002; West, 2003; De Lange et al., 2015). This is seen in the continuous change of accounting standards, accounting systems and frameworks developed in response to changes in the economic environment. Lee (1991) argued that accountants have established professional status, but some skepticism persists over the professional legitimacy of accountancy. This *would suggest that continuous training of accountants is part of a program that nurtures the legitimacy and dominance of the profession* (West, 2003; De Lange et al., 2015).

The legitimacy theory is derived from the "*organizational legitimacy theory*" which has been defined by Dowling and Pfeffer (1975, p. 122) as "*a condition or status which exists when an entity's value system is congruent with the value system of the larger social system of which the entity is a part".* The legitimacy theory assists in the fulfilment of a professions' objectives through the development and application of social disclosures to meet social expectations (Burlea Şchiopoiu & Popa 2013; Campbell et al., 2003). CPD is an important feature in "*ensuring that the accounting profession maintains its occupational status"* (De Lange et al., 2015, p5) and dominance through the continuous demonstration of high-quality standards of competence by all members of the profession.

CPD has previously moved from a state of *"infancy and transition*" (Murphy & Hassall, 2019, p2) similar to the twentieth century pre-service training phase of professional education to a more regulated and structured

framework that foster the continued development of professional accountants (Tan, 2015; Lindsay, 2015; IFAC, 2010; Friedman & Phillips 2004; Cervero, 2001; Houle, 1980). The elementary state of CPD focused on entry-level skills required for professionals to demonstrate the minimal accepted level of competence in a specific profession. This would mean, in-service training was the only post-formal qualification required to equip a professional for his lifetime of work.

2.4.1. The transition to Lifelong learning

While IES 7 focuses on the principles to which CPD is based and approaches to the implementation thereof, IFAC also highlights the requirement for professional bodies to foster a commitment to lifelong learning (IFAC, 2010, Para A2). This would require an ongoing platform for discussion by all members of the accounting profession of how to integrate continuous learning and development in their daily lives as professionals. Moreover, there have also been recent studies by De Lange et al. (2010; 2013) which emphasize the need for CPD schemes to embrace lifelong learning, further suggesting a positive outlook on CPD to be viewed as part of lifelong learning which ultimately establishes their social status.

The concept of CPD and lifelong learning emerged when the passive education depicted in CPE was replaced by the need to have individuals taking responsibility for their learning (Lindsay, 2016). CPE gradually transformed into CPD (Friedman & Phillips, 2004) with increased prominence on informal learning and professional behavior from formal structures of learning such as organized workshops and academic qualifications prescribed by CPE schemes. IES 7 reflects this transition by affirming that while professional bodies are responsible for the establishment of CPD schemes, professional accountants equally have the responsibility for the maintenance and development of their professional competence (IFAC, 2010). The main objective of IES 7 is ultimately to allow individuals to drive their development and define their way of learning as professionals.

Conventionally, the customary field of adult education had been replaced by a '*more diverse moorland of lifelong learning*' (Edwards, 1997, p. 67). The horizon of learning opportunities for professionals has been

broadened to more flexible platforms of learning such as on-the-job learning, e-learning and seminars which require less time and cost associated with traditional ways of learning such as obtaining an academic qualification through an institution of higher learning. Benner (1984) further affirms that experience does not refer to longevity but rather to '*a very active process of refining and changing preconceived theories, notions, and ideas when confronted with actual situations'* (p.178). She recognised that the dynamics of practical situations are more complex than traditional rule-based theories used in a formal learning setting.

CPD and Lifelong learning continue to reflect the significance and recognition of informal learning and learning on the job (Lindsay, 2016). The principles of lifelong learning inherently manifest in the evolution of professionalism (Chen, 2013; Lindsey, 2016) through the constant need for new knowledge and broadened scope of practice for professionals in response to changing times. Guthrie (2004) in his study found that the majority (91%) of UK management accountants also regarded CPD to be an integral part of being a professional which indicates a positive reception of CPD by professional accountants as part of lifelong learning.

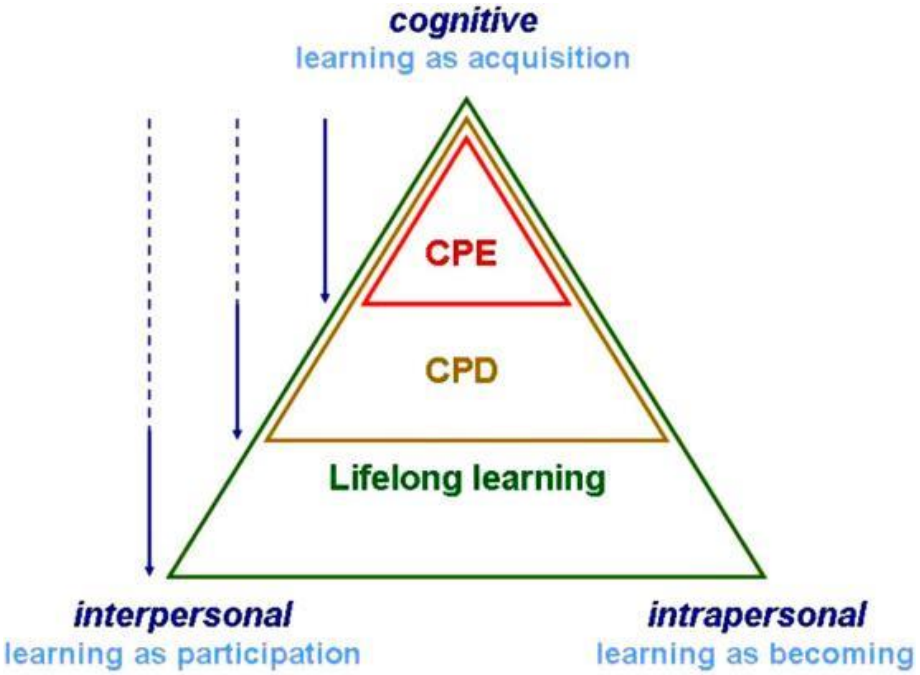
The *"informal learning iceberg"* referred to by Livingstone (2002, p.56) recognizes informal learning as an area that was often below the surface in CPE. This means that informal learning has not yet been utilized to its full capacity to envisage the maximum benefits of the platform for learning and development by professional bodies and the society at large, even though its benefits have been realized only up to the *'tip of the iceberg'*. Eraut (2003) argues in favour of informal learning, stating that: "*When free of examinations or other forms of assessment, pupillage focuses on the gradual acquisition of craft knowledge through demonstration, practise with feedback and possibly even coaching. It also has a strong influence on the development of standards and values".* The goal should not just be the attainment of a qualification measured through assessment outcomes, but rather be the acquisition, retention and the continuous demonstration of knowledge and skills which is better nurtured by informal learning.

2.4.2. The framework of lifelong learning.

Lindsay (2015) proposed frameworks from a literature review that illustrates the transition of lifelong learning from CPE to CPD and lifelong learning (Figure 1). The three dimensions of learning being cognitive, intrapersonal and interpersonal were developed by Kegan (2009) in his study into the transformational nature of learning.

The first dimension cognition- explains knowledge as being something that must be renewed over again. Not only is knowledge a "*cognitive matter, but also the total personal development of capacities, related to all functions and spheres of human life" (*Illeris, 2004, p.80). The cognitive learning dimension (Lindsay, 2015) is concurrently supported by the "learning as acquisition" metaphor developed by Sfard (1998) which relates to the acquisition, storage and use of knowledge – which draws back to the principles of CPE.

Figure 1: "Different perspectives of the evolving learning landscape"[2]



[2] Figure adopted from Lindsay (2015)

The "*intrapersonal dimension*" (Lindsay 2015, p2) involves the integration of learning and the development of the individual (Kegan, 2009)- better explained by the concept of *"learning as becoming"* (Felstead et al., 2005) which reflects *'a way of talking about how learning changes who we are and creates personal histories of becoming'* (Wenger, 1998, p. 5).

Lastly, the "*interpersonal dimension*" (Lindsay, 2015, p3) relates to learning through the interaction of people and the environment (Kegan, 2009). The learning dimension advocates for informal learning through "*learning as participation*" (Felstead et al., 2005) metaphor which reflects learning from interactions and participation (Sfard, 1998). The interpersonal and the intrapersonal dimensions described as the "*tensions of learning*" by Illeris (2004, p.19) both reflect the transition of learning towards CPD and CPE.

2.5. The importance of CPD

2.5.1. Public confidence and trust

Upholding public trust and confidence has become important considering the reputational damage of the accountancy profession in South Africa owing to state capture, ineffective corporate governance by entities and corporate scandals involving professional accountants (Rossouw, 2017; Farooq & Shehata, 2018; Thabane & Van-Deventer, 2018). Professional accountants such as Chartered Accountants [(CAs (SA)] have been subjected to news headlines and discussion owing to their involvement in these scandals.

A profession is more likely to retain public respect and support if the members of the profession are more knowledgeable in their area of practice (Zajkowski, Sampson et al., 2007). It is the objective of IFAC for members to maintain high-quality standards of service-delivery produced (IFAC, 2014). Professional competence is consequently a significant factor in maintaining the reputation of a profession.

Professionals and professional bodies have developed their brands as professionals on gaining public trust and confidence in their competence. The concept of CPD upholds the principle of excellence in the provision of quality accounting services and to strengthening public trust and confidence (Tan, 2015).

Professionalism is the competence or skill expected of a professional which associates with confidence and trust in a practitioner's knowledge, competence, and skills rather than the general competence to carry out a task (Musa, 2019; Svensson, 2006; Abbott, 1988). The maintenance of professional competence is therefore a necessary measure to strengthen public trust (IFAC, 2010).

SAICA conveyed concerns about the state of the profession in 2018, in a Press Release where they stated that the profession is arguably facing the toughest challenge of its 125-year existence in South Africa. CAs (SA) have been tarnished by accusations of state capture and corporate scandals. SAICA expressed that the scandals were completely unprecedented and have “created the proverbial perfect storm” that threatens the value and reputation of the profession. Concurrently, the involvement of professional accountants was said to have eroded credibility and trust in a profession whose very reputation is based on ethics and standards which is a matter of national interest.

The corporate scandals portrayed the loss of confidence in the accounting profession. Table 2 below summarises some of the major corporate scandals involving professional accountants in South Africa since early 2000:

Table 4: Summary of Corporate Scandals in South Africa involving professional accountants

Name of Company	Brief Summary	Reference
Steinhoff International Holdings	The company overstated profits and assets and generated fictitious supporting documents and accounting adjustments to inflate the value of the company... The share price of the company plunged by 98% in 2017, after Deloitte discovered accounting irregularities. The PwC forensic investigation report contained allegations concerning corporate fraud that was allegedly committed by several number of executives and related parties containing possible accounting irregularities and non-compliance with laws and regulations.	Business Insider SA, 2020; Lowman, 2019; Naudé et al. 2018; PwC, 2019.
Deloitte South Africa	Deloitte was the auditor involved in three major accounting scandals in South Africa, namely: Steinhoff in 2017, African Bank in 2013 and Tongaat Hulett in 2019. Deloitte South Africa is still under investigation by The Independent Regulatory Board for Auditors (IRBA) on possible non-compliance with International Auditing	IRBA Press releases 2018 ;2019; Rose, 2019

	Standards in the audits of the above-mentioned companies.	
Tongaat Hulett	In 2019, the 127-year old sugar producer and one of South Africa's oldest, Tongaat Hulett requested for the suspension of trade in its share following investigations which highlighted inappropriate accounting practices which suggest that financial statements are not reliable. The share price of the company had declined by about 80% at that time. An investigation conducted by PWC contained allegations of inappropriate accounting practices conducted by executives, to which, the company would consider taking legal steps against. The investigation revealed malpractices that led to incorrect recognition of revenue and assets, with equity being overstated by about R3.5 billion to R4.5 billion in 2018. Equity was overstated Its shares remain suspended on the Johannesburg Stock Exchange (JSE) and in London	Njobeni, 2019; PwC, 2019
VBS Bank	In 2018, advocate Terry Motau released his report, titled The Great Bank Heist, into fraud and corruption at the bank, compiled with Werksmans Attorneys for the South African Reserve Bank which estimated that nearly R2 billion was looted from the bank.	Motau & Werksmens Attorneys, 2018

	More than 50 people are believed to have benefitted, and Motau recommended that criminal proceedings be instituted. Executives for many years looted the organisation by creating fictional deposits and convincing municipalities to invest in the bank among other activities Motau said. Motau also found that KPMG's audit partner had committed fraud in signing off on the banks 2017 financial statements and on its regulatory reports to SARB.	
KPMG	The firm has been struggling to survive following the loss of some of their major clients, including g Absa, Sasfin and DRDGold over the past three years. The departure of clients followed the exposure of the firm's association with the Gupta companies, its involvement in a SA Revenue Service report that was discredited and allegations of corruptions at VBS which was its audit client. It was alleged that the firm was aware of misstatements and suspicious transactions from Gupta business accounts, and "*restated costs*	Business Insider, 2020; le Cordeur, 2017; Mail & Guardian, 2017; IRBA Press releases, 2019.

	related to a family wedding as an unspecified tax-deductible". In 2019, IRBA reached the sanction stage on the auditor of a Gupta-linked company (Linkway Trading (Pty) Ltd named as the conduit which paid for the Gupta wedding at Sun City), who was found guilty of improper conduct.	
Nkonki Inc	There were allegations that former CEO Mitesh Patel led a management buy-out that was indirectly funded by the Gupta family's business associate Salim Essa. After this, the Auditor General of South Africa (AGSA) terminated the audit contracts of Nkonki to audit the public sector and government. As the loss of revenue was substantial, Nkonki decided to undergo voluntary liquidation of its head office and retrench 180 employees including Chartered Accountants.	Niselow, 2018; Business Insider, 2020; Auditor General South Africa Media Releases, 2018.
PwC on South African Airways (SAA)	In 2017, IRBA fined the PWC Auditor for the failure to disclose the non-compliance with laws and regulations regarding procurement processes of South African Airways, which was then in need of a government bailout. The indebted SAA currently requires a bailout from the government.	Business Live, 2017.

The conduct of professional accountants in South Africa may be an indicator of deficiencies in the use their knowledge, skills, emotions and ethical values to deliver the quality performance expected in their areas of work as would have been expected from a competent professional as was defined in this research (Mulder, 2014). The research instrument of this study investigates the perceptions of professional accountants on whether these recent corporate scandals are indicators of inefficiencies in the current CPD structures put in place to maintain their professional competence.

2.5.2. Career advancement and personal goals

The broader outlook on professional practice has been changing in recent decades; together with large number of professionals opting to become employed by corporations instead of operating as independent practitioners, working for several employers throughout their professional careers and ensuring career adaptability with changes in roles and responsibilities (Small et al., 2019; Haurant, 2016; Daley, 2002).

"*On certification of 'competent' status and admittance to the profession, practitioners seek to enhance their experience and achieve career progression*" (Murphy & Hassall, 2019, p.11). Accountants have been found to have undertaken Continuing Professional Development activities for the advancement of their personal career goals (Rothwell & Herbert, 2007) while others wanted to maintain their competence or qualifications (Billett, 2010; Lindsay, 2013).

In a study by De Lange et al. (2015) on "*CPD practices and perceptions of accountants from the Asia Pacific region*", it was determined that most professional accountants undertook CPD "*primarily for their own developmental needs, followed by their own current work needs and lastly, to meet their employer's or organisation's needs*" (p.10). Zajkowski et al (2007) also found similar results in their study on perceptions of professional accountants on CPD in New Zealand that accountants prefer CPD activities that meet their individual needs, whether in fulfilment of current working requirements in the short term or for developmental benefits realised in the long run.

Contrary to the above, a study conducted by Tan (2015) on the contribution of CPD to career advancement of Certified Professional Accountants showed negligible contribution of CPD towards the advancement of careers and enhancing personal competence, although major impact of CPD was seen towards the improvement of financial income. The results were found to be the same even on professional accountants grouped according to their profiles.

2.5.3. Enhancement and acquisition of technical skills

The eagerness to master skills and gain recognition for expertise and gaining independence are main drivers of an individual's devotion to continued learning and development (Mulder, 2014). CPD provides a platform for professional accountants to enhance their technical skills. Historically, the ability to learn, adapt and be flexible was one of the most skill mentioned as necessary for equipping future (Tweed & Garland, 1998).

Evidently, professionals from a range of disciplines have voluntarily participated in CPD activities for the purpose of being up to fate with developments in their working (West, 2003). There have also been several accountants who enrol in short courses and training activities to gain new technical skills and for purposes of refreshing present knowledge (Lindsay, 2012).Furthermore, a literature review by Muhammad Umar Draz (2017) on CPD and accounting academics established that the main aim of undertaking CPD by accountants in academia was to acquire new technical knowledge pertaining to a certain profession. To this end, CPD is considered to be "*a bona fide stage in the lifecycle of professional accounting education"* [(Friedman & Phillips, 2004 as cited by Murphy & Quinn, 2018, p99)].

Conversely, arguments have been made to suggest that professional accountants with a mandatory CPD participation requirement do not necessarily reap the benefits of enhancement of skills. The arguments were supported by a study of 1957 Certified Public Accountants (CPAs) in North Carolina by Wessels (2007) into "*the effectiveness of mandatory CPD programmes*" which found that most professional accountants acknowledged that CPD helps with knowledge updates on time for the maintenance of their competence but not necessarily for the enhancement of their skills which could result in enhanced employability prospects or

increased financial benefits from the enhanced skill set. The study shows that participation by most professional accountants who met the hours of completed activity per the mandatory CPD requirements were mainly focused on compliance rather than enhancing skills. Professional accountants need to recognise CPD as effective in order to have the desired commitment of time and effort to the training experience (Wessels, 2007).

2.5.4. Employee satisfaction and confidence

Maintenance of professional competence is not solely motivated by technical requirements but equally contributes towards employee satisfaction and confidence in taking up new tasks and adding value to organisational efficiency (Friedman, Davis et al. 2001). Gunthrie (2004) found that employers had a positive response towards CPD as it was believed to have an impact on the satisfaction of employees in their roles while assisting employees maintain high performance and boost their self-esteem to take up new tasks.

2.6. Criticisms of CPD Structures

2.6.1. CPD as a sanction

CPD has previously been criticised to be a sanction imposed on professional accountants. Even though CPD was seen to still be 'an ambiguous and contested concept' by Friedman & Phillips (2004, p. 371). Professionals would accordingly be seen to stand to benefit most from voluntary participation in non-mandatory CPD, without the sanction element attached (Lindsay, 2016).

Interestingly, the mandatory conditions and benefits of CPD are both reflected in IES 7 (IFAC 2012, p. 4). While the standard refers to the requirement to "*develop and maintain the professional competence necessary to strengthen public trust in the profession*"(Para 9), which suggests an emphasis on CPD being mandatory , it also allows for an option to choose the output-based approach which better presents CPD as a benefit than compliance.

Friedman & Phillips (2001) raised concerns that the role of CPD was viewed as a position of compliance rather than the development of competence as part of lifelong learning; while researchers with contradicting beliefs towards CPD being a sanction like De Lange et al. (2010, p. 4) argue that "*member bodies of IFAC need to work towards shifting the focus of professional accountants from a compliance mentality concerning CPD to more fully embracing the ethos of lifelong learning and professional development approach to CPD*". Additionally, a study conducted by Wessel (2007) revealed that nearly 58% of the CPE Survey participants would take fewer courses if CPE were not required.

Consequently, one would agree that learning cannot be measured by the time spent on CPD as required of every professional to meet by the input-approach (Berg, 2007). Furthermore, we must be cognisant of the fact that focusing on professional accountants meeting their CPD requirements does not mean practitioners will choose activities that result in enhancement of skills and increased level of competence (Clyde, 1998). All these arguments advocate for voluntary CPD that allows professional accountants to drive their development.

2.6.2. Promotion of personal interest

Another criticism of CPD was it promotes personal interest (Friedman & Phillips, 2001) as professionals only engage in CPD for personal growth (Rothwell & Herbert, 2007), which does not necessarily benefit the client (Friedman & Phillips, 2001). CPD would in this case not be contributing towards improved quality of services provided to clients as structured to achieve this objective (IFAC, 2010).

2.6.3. Costs related to CPD

Cost limitations consist of both the direct cost of the program and the indirect costs such as travel and food costs while attending (Johnstone & Rivera, 1965; Scanlan & Darkenwald, 1984). Prior research indicates that cost was a major constraint in participating in CPD activities (Epstein & Hundert, 2003; Zajkowski, 2007).

As a result, the effective participation in training activities may be limited to courses that are most affordable and less time consuming, instead of training that enhances knowledge and provides critical skills (Epstein & Hundert, 2003; Wessel, 2007; Zajkowski, 2007). Furthermore, employers who sponsor CPD participation were also said to require organisation-specific training (Friedman & Phillips, 2001) that did not necessarily contribute towards the overall growth of a professional.

2.6.4. Uniform structures

De Lange et al (2012) believes that in practice, CPD also "*leverages off an individual's experience*" (p.7) and levels of organisational responsibilities. Therefore, a "*career guidance framework*" (p.39) must be considered in the developing CPD frameworks.

The uniform element of CPD activities is perceived to be a barrier to achieving satisfactory professional competence (De Lange et al., 2015) as homogenous training activities do not take into account factors like differences in career stages, personal ambition, diverse economic conditions and preferred learning methods (Friedman & Phillips, 2001). More elderly professionals may therefore not participate willingly due to their secure positions or perceived confidence in their experience that does not require structured learning (Friedman & Phillips, 2001).

IES 7 emphasises the significance of CPD as individuals take on new roles and responsibilities during their careers while IFAC (2002) recommends member bodies provide additional guidance to individual members, acknowledging the significance of experiential stage, where "*responsibilities and authority, performance expectations, and capacities required, to exercise responsibilities and authority in meeting performance expectations*" may vary hugely (p.30). However, there has not been formalised detailed guidance provided for the profession on how to handle changing roles and responsibilities of accountants in the workplace (Murphy et al. 2019).

2.6.5. Time

Work constraints, as classified by other researchers (Dao, 1975; Johnstone & Rivera, 1965; Scanlan & Darkenwald, 1985), include clashes between attending courses and managing responsibilities at work which comes with difficulties in taking time off from work to attend CPD. Muhammad Umar Draz (2017) stressed that time management is a critical challenge for professional accountants, considering their core responsibilities in their area of work.

Drawing from these arguments, it is necessary to have a balanced approach to be effective in meeting CPD requirements. These arguments have been used to formulate questions in the research instrument regarding the perception of respondents on mandatory participation in CPD; cost, time and other constraints in relation to the undertaken CPD activities.

2.7. Summary

This chapter defined professional competence from a theoretical perspective and highlighted key characteristics of competence. A key driver of professional competence is the constant effort for professionals to maintain their social status and dominance embedded in the legitimacy theory. CPD and lifelong learning appear to have received a good response by members of the accounting profession, considering the benefits realised, despite some of the drawbacks as highlighted by prior literature. The literature review allowed the researcher to identify research gaps on CPD in South Africa and aided in the formation of research questions and the construction of the research instrument utilised in the study. The following chapter lays out the methodology employed in this study.

CHAPTER 3: Methodology

3.1. Introduction

This chapter outlines the features of the research methodology adopted in this study. The methodology is discussed in the following sequence: First, the first section discusses the research design adopted in the study, followed by defining the research population, sample technique employed and the sample size. Thirdly, the construct of the research instrument is outlined together with the data collection method. The data analysis and interpretation are discussed and lastly, the validity; reliability of the study discussed together with research limitation.

3.2. Research design

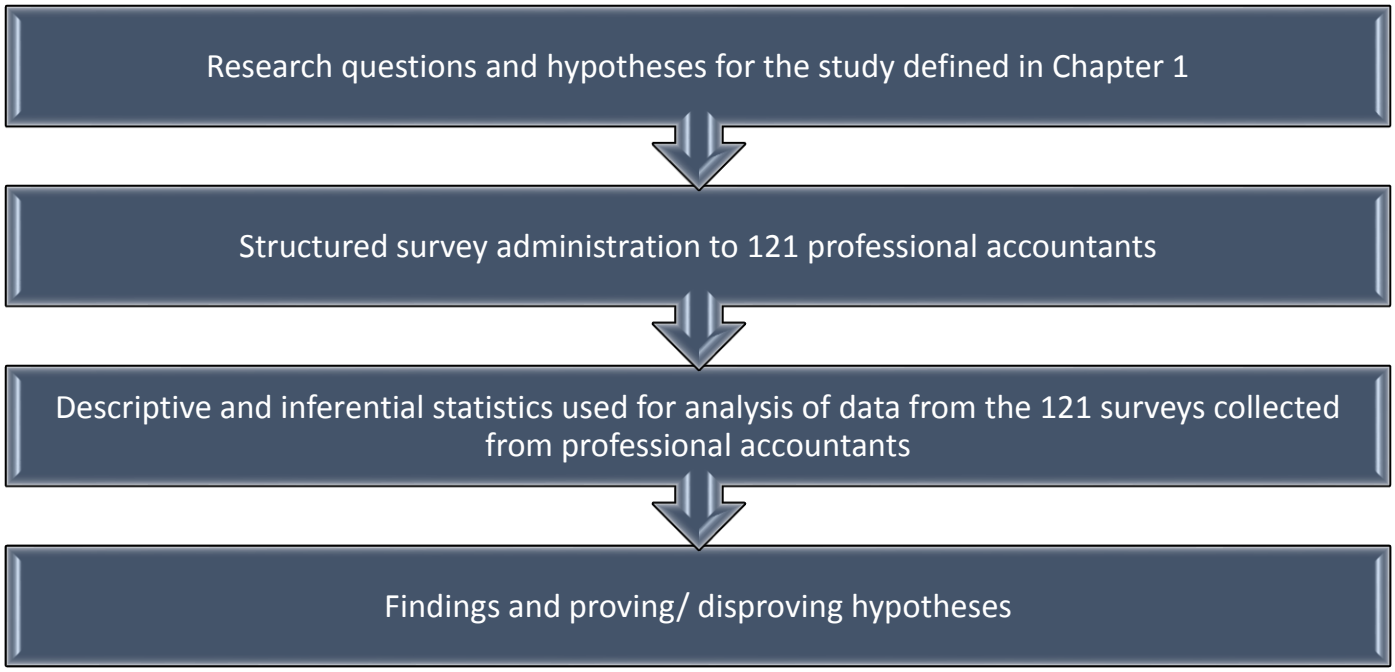
Saunders & Thornhill (2009) define research design as a general plan to answering a research question. The general categories of research design in research method literature is in three-folds being; descriptive research, exploratory research and explanatory research. The object of descriptive research is '*to portray an accurate profile of persons, events or situations'* [(Robson, 2002, p59) as quoted by Saunders & Thornhill (2009)]. Descriptive research may be an extension of exploratory research.

This study is quantitative and descriptive in nature (Leedy & Ormrod, 2016). The objective of employing a quantitative and descriptive research is to describe the characteristics of persons, events or situations, while quantitative research assists with quantifying the problem through the generation of numerical data or data that can be transformed into statistics. A quantitative and descriptive approach was appropriate for this research as it aided in quantifying perceptions of professional accountants and generalized the results for the broad population of professional accountants in South Africa (Leedy & Ormrod, 2016; Saunders & Thornhill, 2009).

The research involved the researcher acquiring information about perceptions, attitudes and previous experiences of professional accountants relating to their training, participation in CPD activities and the challenges they encountered in maintaining their competency requirements (Leedy & Ormrod, 2016). Similar studies had also adopted a descriptive quantitative approach that was quantitative in nature to investigated practices and perceptions of accountants on CPD (De Lange et.al 2015; Zajkowski et al. 2007).

The quantitative approach was used deductively by the researcher to advance various theories and opinions expressed in the study, to develop research questions, for data collection and analysis of data and proving or disproving hypotheses (Creswell, 2014). It is frequently used to answer *who, what, where, how much/ how many* questions and therefore tends to be used for exploratory and descriptive research (Saunders et al. 2009). The deductive approach used is presented in figure 2 below for ease of reference.

Figure 2: Overview of the deductive approach used in this study



The researcher administered a cross-sectional survey to collect data and interpret results that were used to answer the research questions under review (see Appendix A: Research Survey) (Creswell, 2014).The researcher used a survey to ask a series of closed-ended questions, and one open-ended question to professional accountants who are members of SAICA or SAIPA and summarised their responses using statistical analysis to draw an inference on the challenges faced by professional accountants in maintaining their competency requirements.

3.3. Population and Sampling

Population is defined as the complete set of group members (Saunders & Lewis, 2009). The population of the study was defined to be professional accountants who belong to accounting professional bodies that are member bodies of IFAC in South Africa i.e. professional accountants registered with SAICA and SAIPA.

A professional accountant in this study was defined to be a person who demonstrated expertise in the field of accounting which was achieved through formal education and practical experience, and who demonstrated and maintains competence and complies with a code of ethics (IESBA, 2011). The professional accountant in this study included someone who is part of a recognised accounting body in South Africa and holds a professional designation.

The reason for limiting the population to only professional accountants who belong to IFAC-accredited member-bodies was because, unlike non-member bodies, IFAC member bodies have a mandatory obligation to comply with CPD requirements and the Implementation of International Education Standards (IFAC, 2014).

The mandatory obligation to comply with CPD requirements made it easier for the researcher to acquire relevant responses from the targeted population, as they were all aware of CPD requirements and participate in CPD activities required for maintaining their professional designation and/or membership in their respective professional bodies (De Lange et.al, 2015; Zajkowski et al., 2007). This also guaranteed reliable responses

for the research questions under review in the study as the data would be collected from relevant sources who are the principal participants in current CPD structures.

The researcher followed the non-probability sampling approach as the researcher has no way of predicting or guaranteeing each element of the population will be represented in the sample (Leedy & Ormrod, 2016). The sample was a purposeful sample of qualified professional accountants, registered with SAICA and SAIPA and must currently be holding a professional designation such as a Chartered Accountant (SA) and Professional Accountant (SA).

The researcher was aware that a purposeful selection of a relatively small group of experts could lead to sampling bias (Leedy & Ormrod, 2016; Creswell, 2014; Rea & Parker, 2014). However, these practitioners belong to IFAC accredited member bodies that comply with mandatory CPD requirements, which allowed the researcher to focus on collecting evidence on most relevant population for this study. In this way, knowledgeable participants who can provide appropriate responses were included in the study.

The researcher intends to use results of a descriptive study to make generalisations about the entire population, to quantify results and to test hypotheses outlined in the study (Saunders & Lewis 2012; Leedy & Ormrod, 2016). A sample of 121 responses was considered to be appropriate by the researcher, which was assumed to be representative of the population. This sample size was considered appropriate as the respondents consist of professional accountants registered with IFAC and are all compliant with CPD requirements (SAIPA 2014; SAICA 2016) which make all responses to be reliable and able to provide the researcher with relevant data for the purposes of analysing the data.

3.4. Research Instrumentation and Data collection

The researcher administered a survey as the instrument for data collection, as was done in similar studies conducted by (De Lange et.al. 2013; Els, 2014; & Lindsey; 2016). The surveys were physically distributed by the researcher to professional accountants who are members of SAICA and SAIPA at various CPD workshops in October and November 2019. The researcher designed the survey on Microsoft Word by compiling a set of close-ended questions and a single open-ended question (see Appendix A).

The researcher considered the use of a web-based survey, as an appropriate instrument for this study since the researcher maintains a well-defined population which could easily be accessed via email and social media platforms (Rea & Parker, 2014) however, Physical distribution of surveys in CPD workshops was more appropriate as it ensured that a high respondent rate is achieved, as the researcher had a captive audience (Rea & Parker, 2014; Leedy & Ormrod, 2016).

The physical distribution also assisted the researcher to collect more data in a short space of time as professional accountants attend CPD events in large numbers which reduced possible distance and time limitations that come with physical distribution of surveys (Rea and Parker, 2014).

The survey was pilot tested and reworked based on the pilot test results (See section 3.9 below for details). The survey included a brief introduction of the researcher's topic and a request for participation in the survey to be completed.

Respondents were required to respond to close-ended questions (questions in Appendix A), with the use of a Likert-scale, ranging from strongly disagree to strongly agree or always to never as adapted from a study by De Lange et al. (2015). A rating scale was an appropriate quantitative analysis tool for this research as it aided the researcher to assess attitudes and behaviour (Saunders et al. 2009) of professional accountants towards maintaining their professional competence.

The researcher organised the close-ended questions into three categories:

- The first category requested demographical information; which included gender, age, sector, years of experience as well as the professional body the respondent belonged to.

- The second category was a Likert-type questions, which requested respondents to indicate their participation in 14 types of CPD activities from the adapted study; the responses were a five-point range Likert-scale, where respondents had to indicate whether their participation in a certain CPD activity was Always, Regularly, Occasionally, Rarely or Never.

- The third category of questions required respondents' perceptions on the effectiveness of the training they received in CPD events, relating to the material covered, cost constraints, time and location limitations, the importance of CPD and the compulsory aspect of CPD in their profession. The researcher kept the survey simple and user-friendly in an attempt to encourage participants to complete all the questions in the survey (Kelly, et al. 2003; Saunders & Lewis, 2012).

3.5. Data Analysis and Interpretation

The study employed a descriptive research design and collected quantitative data. The researcher performed descriptive statistics to describe or summarise information about a population or sample and quantitative analysis techniques such as graphs, charts and statistics that allowed the researcher to explore, present, describe, and examine relationships and trends within the data (Rea & Parker, 2014; Leedy & Ormrod, 2016).

The data analysis was performed by a statistician using the Statistical Package for Social Sciences (SPSS). Descriptive statistics were utilised to understand of the characteristics of each variable. A regression analysis was carried out to test the three hypotheses outlined in Chapter 1. Generally, a hypothesis is rejected if the p-value is above 0.05 (5%), and an inference can be drawn that there is a significant difference between variables. The statistical tests were performed at a 95% confidence level (Chambers, Steel et al. 2012; Rea & Parker, 2014; Leedy & Ormrod, 2016).

Pearson's Correlation was used to measure the relationship between variables (Afifi et al, 2012) identified in the survey to determine the views of respondents on the effectiveness of all six categories of types of training identified in the study according to demographical groups, sector of practice and other group profiles identified by the researcher.

Regression analysis would further be used to describe relationships and dependencies between identified variables from data collected and trends identified in the initial stage of data analysis. The survey data was transformed into quantitative data where the researcher was able to analyse each question as a variable (Afifi et al, 2012; Fox, 1997).

The researcher identified research variables (referred to as competency factors) for testing the hypotheses in the study and carrying out statistical tests. The competency factors (research variables) were developed from main factors affecting the implementation of CPD from the literature review in Chapter 2 which were further used to group survey questions that fall under each research question to carry out statistical tests. The themes identified are as follows: Quality of CPD Practices, CDP Practices, Perceptions on CPD & Professionalism, Professional Reputation and Corporate Scandals, CPD Participation, Mandatory CPD, Ability for CPD to Accommodate Changes in the Workplace Environment, and Challenges Encountered in Meeting CPD Requirements.

3.6. Validity and Reliability

A quantitative approach adapted, enhanced the validity of this study as a quantitative method was viewed to be more appropriate for a similar study (De Lange et al. 2015) that has been adopted in this study. To ensure construct validity, the questions adopted from the survey study were grounded in prior literature. The researcher conducted a pilot study in January and February 2019 and the survey questions revised based on the results of the pilot study to ensure that there is no misinterpretation of questions and that responses are in line with the question being asked (Smith, 2003; Rea & Parker, 2004; Leedy & Ormrod,2016; Nardi, 2018).

The population and sample consist of professional accountants who are suitably qualified and comply with CPD requirements, further contributing to the validity of the study. The inclusion of close-ended questions in the survey significantly reduced the risk of receiving biased responses from respondents, and therefore enhance the reliability and validity of the study.

3.7. Research limitations

By design, the research process has inherent limitations. The following limitations were noted in the research methodology and design:

Non-probability sampling method (purposeful sampling), means that the results are not statistically representative of the population. The use of physically distributed surveys to professional accountants attending CPD events in October and November 2019 represents a segment of professional accountants in South Africa, which means that the results are not statistically representative of the population. Therefore, the results may potentially not present a demographically representative view of the challenges faced by professional accountants in South Africa as a whole.

Chapter 4: Presentation of Results

4.1. Introduction

Chapter 4 presents the results of the survey administered to professional accountants who belong to SAICA or SAIPA. The intended use of the results of the survey was to obtain an understanding of challenges professional accountants encounter in meeting their CPD requirements and their perceptions on the effectiveness of current CPD structures and regulations.

This chapter offers a presentation of results, analysis and critical discussion of the research results. The layout of the chapter is as follows:

- Quantitative results are discussed under each research question, followed by the results on the hypotheses tested. In this chapter, the results of descriptive statistics and inferential statistics are presented separately and introduced by briefly summarising the data analysis strategies employed. Simultaneously, the analysis refers to prior literature where necessary and provides a critical discussion conclude the implications of the results on the current CPD structures in South Africa. The results will be presented under the following headings:
    - 4.2. Data description
    - 4.3. Respondents' Profile / Demographics
    - 4.4. Reliability
    - 4.5. Descriptive statistics
    - 4.6. Inferential Statistics
    - Summary

4.2. Data Description

The survey responses were analysed using SPSS. The survey questions were classified into categories that fall under each research question. The descriptive statistics tools used to present the results were bar graphs and were presented as mean values which were calculated for each survey question. Inferential statistics used and variables for each research question were analysed as follows:

Table 5: Study variables

Research Question	Variables	Inferential Statistics
RQ 1	Does the **quality of CPD practices** in South Africa affect the **competency and development** of professional accountants? Dependent variable: quality of CPD practices Independent variable: competency and development	*Pearson's correlation, Regression analysis between green and red variable*
RQ 2	Do **CPD practices** in South Africa influence **perceptions towards the competence** of professional accountants Dependent variable: CPD practices Independent variable: perceptions towards the competence	*Pearson's correlation, Regression analysis between brown and red variable*
RQ 3	Are the **current regulations for CPD** appropriate for maintaining **competency requirements** of professional accountants in South Africa? Dependent variable: current regulations for CPD Independent variable: competency requirements	*Pearson's correlation, Regression analysis between blue and red variable*

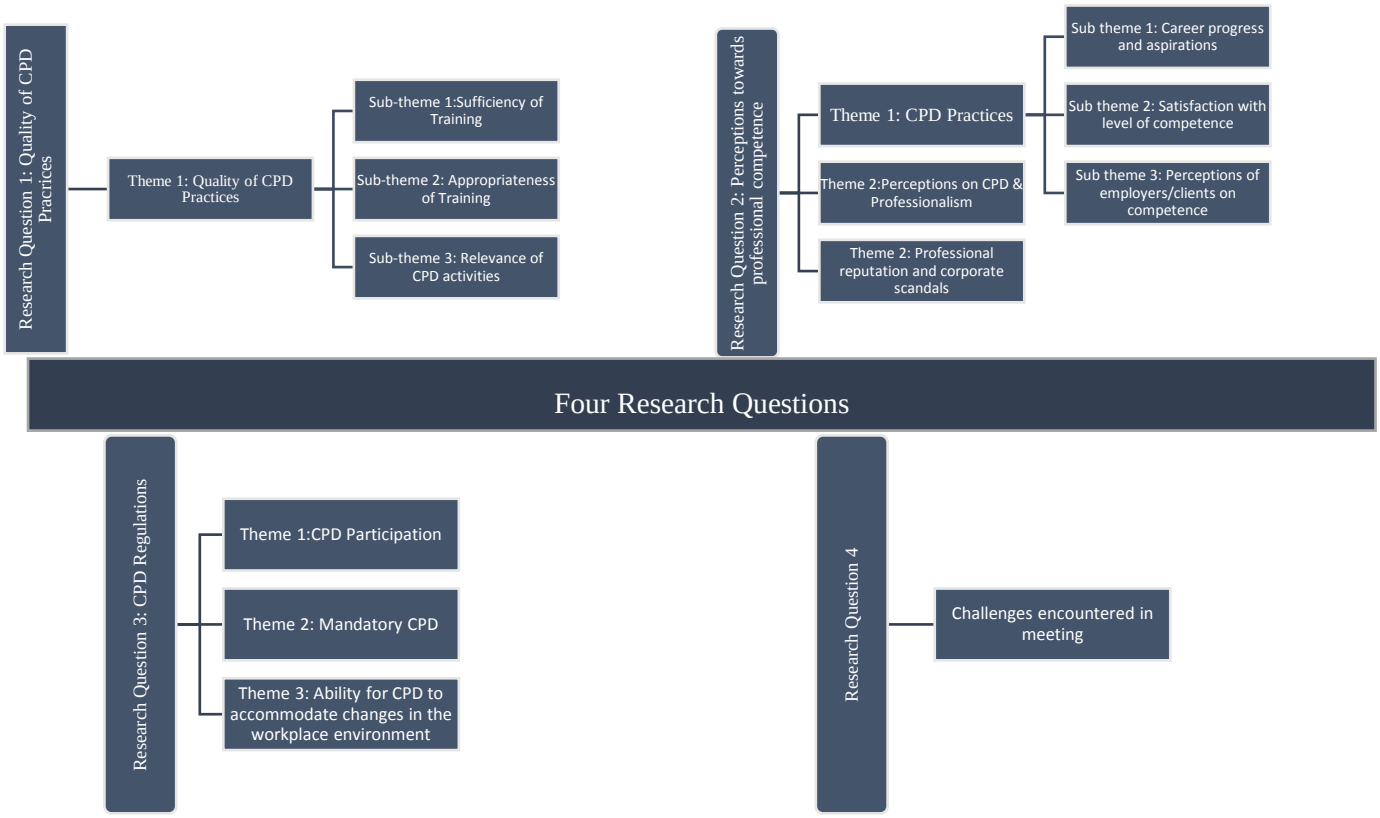
RQ 4	What other **challenges are encountered** by professional accountants in South Africa in meeting their CPD requirements?	*No hypothesis testing for RQ4.*

The phrases highlighted in table 5 indicate the identified variables used as inputs in testing the hypotheses of the study. Research question 4 did not require hypothesis testing which is why there were no variables identified for hypothesis testing.

A thematic approach was adopted to analyse data. Several themes (referred to as competency factors in the chapter) emerged from the data which were used to group survey questions (Yasseen, 2019). As discussed in Chapter 3, the competency factors were developed from main factors affecting the implementation of CPD from the literature review in Chapter 2 which were further used to group survey questions that fall under each research question to carry out statistical tests. The themes identified are as follows: Quality of CPD practices, CDP Practices, Perceptions on CPD & Professionalism, Professional reputation and corporate Scandals, CPD Participation, Mandatory CPD, Ability for CPD to accommodate changes in the workplace environment, Challenges Encountered in Meeting CPD Requirements.

Sub-section 4.5 of this chapter presents descriptive statistics of the data set. The results were presented under each research question, grouped into identified themes as shown in figure 3 below. In the same manner, sub-section 4.6 presents inferential statistics and the analysis thereof.

Figure 3: Presentation of themes within the analysis[3]



4.3. Respondents' Profile /Demographics

The Demographics section of the questionnaire covered the respondents' gender, age, race, sector, and professional body they belong to. Though not central to the study, the demographical data helped contextualise the findings and the formulation of appropriate conclusions on the population. Furthermore, the researcher asked the respondents to indicate if they participated in compulsory CPD to ensure that all responses meet the population criteria defined for this study. All respondents (121 respondents) indicated that they participate in compulsory CPD.

[3] Figure 3 was adapted from Yasseen (2019)**.**

Table 6: Profile of respondents

	Answer	%	Count
Total responses		100%	121
Gender	Male	57%	69
	Female	43%	52
Race	African	59%	71
	Indian	17%	21
	White	19%	23
	Colored	5%	6
Age	20-24	2%	3
	25-34	50%	61
	35-44	36%	43
	45-60	10%	12
	Older than 60	2%	2
	Public Sector	26%	31
	Private Sector	50%	61
	Academia	2%	2
	Accounting firm	22%	27
Years of Experience	0 - 5 years	21%	26
	6 - 10 years	40%	48
	11 - 20 years	27%	33

	More than 20 years	12%	14
Professional Body	South African Institute of Chartered Accountants (SAICA)	67%	81
	South African Institute of Professional Accountants (SAIPA)	29%	35
	Other:	4%	5

The respondents were mostly male (57%), female (43%) and between the ages of 25-34 (50%) and 35-44 (36%), with 6-20 years of experience (collectively adding up to 67% of the respondents). The dominant race was African (59%) and most respondents belonged to SAICA (67%). Five respondents who selected other professional bodies belonged to the Chartered Institute of Management Accountants (CIMA) and the Association of Accounting Technicians (AAT). The responses were included by the researcher as the number of responses was relatively small (4%) and all respondents indicated that they participated in compulsory CPD and belonged to recognised professional bodies of accountants which did not compromise the achievement of the research objective.

4.4. Reliability

To test the reliability of measurement scales, Cronbach's Alpha Test was used. Reliability is concerned with whether the findings of a study can be repeated and would be able to produce comparable results under consistent circumstances (Bryman & Bell, 2011).

Table 7 shows the item-analysis output for the multi-item scale of all CPD competency factors. The Cronbach's alpha coefficient of internal consistency is the most frequently used Cronbach's alpha coefficient.

Table 7: Reliability test for CPD sub scales

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Quality of CPD Practices	18.5098	15.626	0.475	**0.762**
CPD Practices	18.9384	13.298	0.756	**0.713**
CPD & Professionalism	19.4608	12.794	0.670	**0.722**
Professional Reputation and Corporate Scandals	18.8179	12.555	0.696	**0.716**
CPD Participation	17.1877	16.768	0.271	**0.785**
Mandatory CPD	18.1373	15.931	0.113	**0.843**
Ability for CPD to Accommodate Changes in the Workplace Environment	18.8894	15.797	0.501	**0.761**
Challenges Encountered in Meeting their CPD requirements	18.6078	13.449	0.641	**0.730**

Cronbach's alpha reliability coefficient normally ranges between 0 and 1. The closer Cronbach's alpha coefficient is to 1.0 the greater the internal consistency of the items in the scale (Gliem & Gliem, 2003). Internal consistency is used to assess how well the survey is measuring what it intends to measure. As shown in table 5 above, the results indicate that all sub scales in the study had acceptable internal consistency as their Cronbach's alpha coefficients were above 0.7 which is deemed acceptable, indicating that all measurements engaged in this study revealed an acceptable internal consistency (Bryman & Bell, 2011).

Furthermore, the results of the study also indicate that all the sub scales data were normally distributed (followed bell shape), which is another requirement for regression analysis. A conclusion can therefore be made that the data to be used for the inferential statistics was reliable and that the research survey reflected a reliable measurement instrument.

4.5. Descriptive Statistics

The results were presented with the use of bar graphs and mean values. The mean value of each question was interpreted relative to the 5-point scale that was used to indicate the respondent's answer. For sub-questions on participation in CPD activities on the survey, the mean values below 4 were treated as indicating that a larger portion of the respondents selected the lower values on the scale as opposed to the proportion that selected the higher values. The 5-point Likert scale was used as a frequency measure which had a minimum of 2 and maximum of 6, hence the midpoint of 4 is used.

For sub-questions under the third category of the survey, which asked for perceptions on the effectiveness of the training they received in CPD events (as outlined in Chapter 3.5), the mean values below 3 were treated as indicating that a larger proportion of the respondents selected the lower values of 1 and 2 as opposed to the higher values of 4 and 5. The mean was then used to make a general conclusion of the results on each question on the survey.

The results of the survey are discussed in the sections that follow. The results from the survey were presented under each research question. In cases where the sub-questions in the survey are all related to the same or fall under similar aspects of the research questions, the results are discussed and presented together.

4.5.1. Research Question 1: Does the quality of CPD practices in South Africa affect the competency and development of professional accountants?

Respondents were asked to indicate to what extent they agree with the statements in the sub-questions below, which ranged from strongly agree to strongly disagree. The results are graphically presented in figure 4 below:

Quality of CPD Practices

4.5.1.1. The sufficiency of training in meeting competency requirements

The respondents were asked to what extent they believe that the kind of training they received was enough to meeting professional competency requirements (see figure 4 below for visual representation). The results show that most respondents agree that the training they receive is enough to meet professional competency requirements with 19% who strongly agree with the statement and 40% who agree. 15% of respondents disagree with the statement and 2% strongly disagreed with the statement while 24% were neutral in their response. The mean of 2.42 which is below 3 indicates that most respondents believe that the kind of training that they receive is enough for meeting their professional competency requirements.

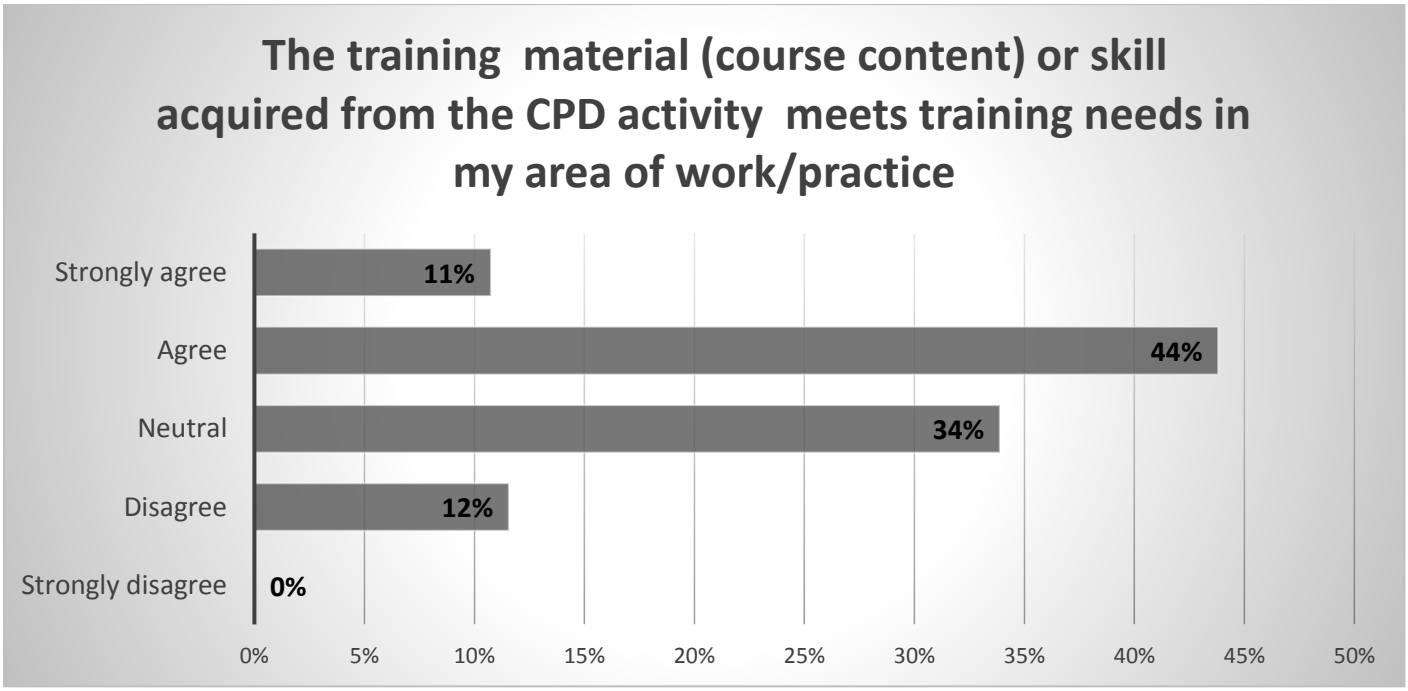
Figure 4: Clustered bar chart showing the perception of professional accountants on the sufficiency of CPD training towards meeting professional competency requirements.



4.5.1.2. The appropriateness of training received

The respondents were asked if the training material or skills acquired from the CPD activities they attended met their training needs in their area of work or practice (see Figure 5 below for visual representation). The results show that 44% of respondents agree that the training material (course content) or skill acquired from the CPD activity meets training needs in their area of work/practice while 11% strongly agree with the statement. Only 12% of respondents disagree with the statement with none of them strongly disagreeing with the statement; while a relatively large number (34%) of respondents were neutral in their response. The mean of 2.46 that is below 3 indicates that most respondents believe that training helps them acquire new skills and broadens their knowledge on existing professional skills.

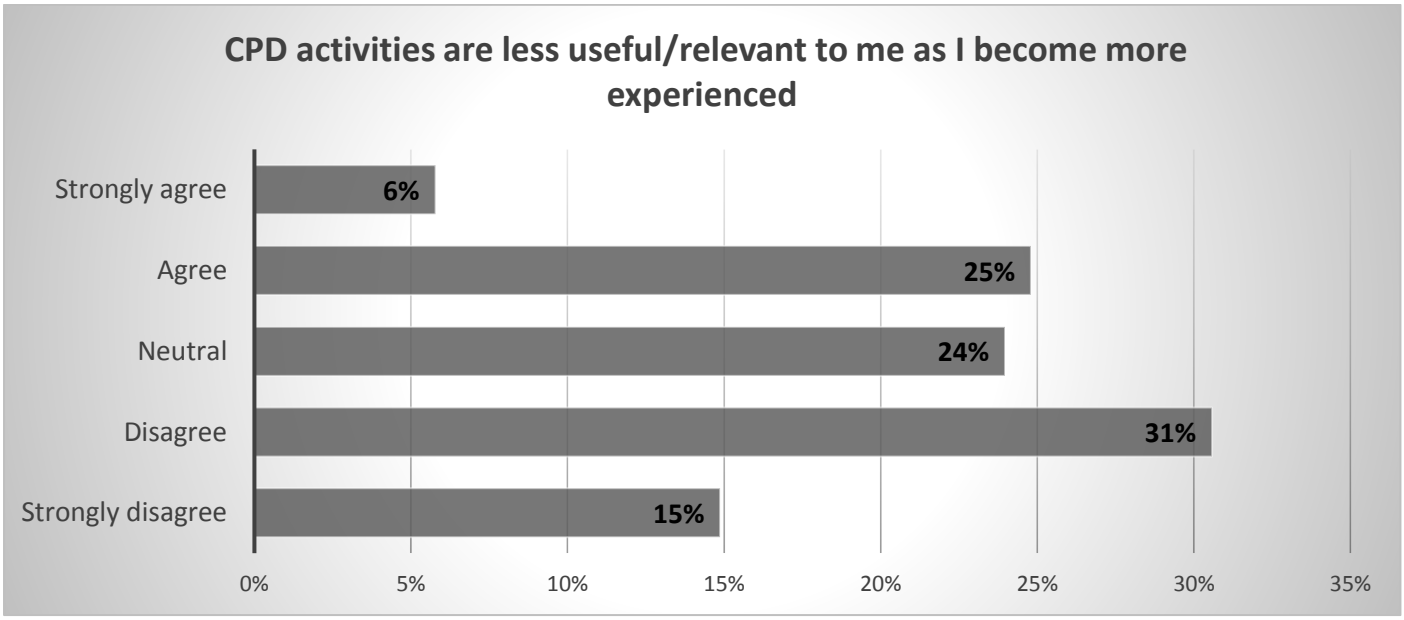
Figure 5: Clustered bar chart showing the perception of professional accountants on the appropriateness of training material or skills acquired from CPD towards meeting their training needs.



4.5.1.3. The relevance of CPD activities

The respondents were asked if the CPD activities were less useful/relevant for them as they become more experienced. The results show that 25% of respondents agree that CPD activities are less useful/relevant to them as they become more experienced while only 6% strongly agree with the statement. 31% of respondents disagree with the statement and another 15% strongly disagree with the statement while 24% of respondents were neutral in their response. The mean of 3.24 which is above 3 indicates that most professional accountants do not believe that CPD activities are less useful/relevant to them as they become more experienced.

Figure 6: Clustered bar chart showing the perception of professional accountants on the relevance of CPD as they become more experienced professionals.



Homogenous CPD training activities were found to be barriers in achieving satisfactory professional competence in a study by De Lange et al. (2015). The argument made was that homogenous training activities did not take into account factors like: differences in career stages, personal ambition, diverse economic conditions and preferred learning methods. A conclusion was reached that more elderly professionals may not participate willingly due to their secure positions or perceived confidence in their experience that does not require structured learning (De Lange et al., 2015).

However, the results from this study show that contrary to the above, CPD is not less relevant as professional accountants become more experienced. Accordingly, one can conclude that CPD structures in South Africa are designed in a way that they take into account the career stages of professional accountants to ensure that all material delivered remains relevant in their areas of practice. The conclusion on the relevance of CPD in South Africa can further be justified by looking at the demographical profile of respondents, majority of which had 6 to 20 years of experience (an aggregate of 79% of the respondents); which suggest that they have had a fair participation in CPD and were in a good position to give an opinion on the relevance of CPD based on their experiences over the years of practice as professional accountants. Just as Mott (2000) asserted that qualification and experience does not have a specific measure of adequacy, It can be said to be true in South Africa, taking into account the views of professional accountants on the relevance of CPD in their different career stages which reflect that as professionals attain increased levels of competence, these soon appear inadequate as better levels of performance. Thus further creating a need for training to equip professional accountants in demonstrating competence in their areas of practice. Evidently, CPD structures in South Africa remain relevant even when professional accountants advance in years of experience.

Summary of Research Question 1

Table 8 was included to provide a summary of descriptive statistics that assist in the observations made in relation to survey questions under Research Question 1. Mean values above the middle value of 3 were interpreted as a general tendency on the part of the respondents to disagree with the statement while with the mean values below the middle value of 3 were interpreted as a general tendency to agree with the statement. As may be observed from Table 8 below, in a general sense, the respondents believe that the kind of training that they receive is sufficient for meeting their professional competency requirements and also agree that the training material or skills acquired from CPD meets their training needs. Furthermore, respondents do not find CPD to be less useful as they become more experienced.

Table 8: Descriptive statistics showing a summary of the perception of professional accountants on the sufficiency, appropriateness and relevance of CPD in meeting professional competency requirements made under Research Question 1.

Sub-question	Minimum	Maximum	Mean	Standard Deviation	Variance
I believe that the kind of training I receive is enough to meet professional competency requirements.	1.00	5.00	2.42	1.03	1.07
The training material (course content) or skill acquired from the CPD activity meets training needs in my area of work/practice	1.00	4.00	2.46	0.83	0.69
CPD activities are less useful/relevant to me as I become more experienced	1.00	5.00	3.24	1.15	1.32

The results support the prior literature in that professional accountants participated in CPD to enhance their technical and professional skills to maintain their competence (Draz, 2017; Lindsay, 2012). As was stated in literature review, competence is reached when professional accountants deliver sustainable and quality performance expected in their professional area or job role (IFAC, 2004). The survey questions were used to test if the quality of CPD structures in South Africa can ensure that professional accountants demonstrate professional competence through the acquisition of skills that are best suited for the current and changing working environment (IFAC, 2003; De Lange et al., 2015).

The results prove that the quality of CPD structures- looking at the appropriateness and sufficiency of training material provided, as well as the relevance of CPD activities- are at the required level to ensure that professional accountants meet their competency requirements. Evidently, professional accountants in South Africa receive ongoing training that satisfied their training needs to enable them to deliver sustainable high-

quality standards of services as set out in IES 7. A conclusion could be reached that professional accountants in South Africa can demonstrate the required level of competence which is maintained by the current CPD structures.

4.5.2. Research Question 2: Do CPD practices in South Africa influence perceptions towards the competence of professional accountants?

Respondents were asked to answer seven questions which required their view on the extent to which CPD activities influence perceptions about the competence of professional accountants. Figure 6 below provides a visual representation of responses of seven sub-questions asked relating to the research question under review. A summary of the descriptive statistics of the seven sub-questions were also presented in Table 9 below and mean values were used to interpret the data in determining whether there is a general positive response to each sub-question.

4.5.2.1. Career Progress and Aspirations

Respondents were asked the extent to which they believe that their career progress and aspirations require CPD. 72% of the respondents agreed with the statement (where 41% agreed and 31% strongly agreed) while only 9% provided negative responses (with 7% who disagreed and 2% who strongly disagreed). 18% of the respondents provided neutral responses (see figure 6 below). The mean value of 2.07 (shown in Table 9) that is below 3 indicates that most professional accountants believe that their career progress and aspirations require CPD. The results support outcomes from several studies that found professional accountants to have undertaken professional development activities for the advancement of their personal career goals (De Lange et al. 2015; Lindsay, 2013; Billett, 2010; Rothwell & Herbert, 2007; Zajkowski et al. 2007) which found accountants to have undertaken continuing education.

This confirmation is important in light of this study as it ascertains that participation in CPD by professional accountants in South Africa would ensure career adaptability and aid in the enhancement of skills of professional accountants who will be working for multiple employers during their working life, undertaking various roles and responsibilities.

Figure 7: Stacked bar chart showing the perception of professional accountants on the impact of CPD.

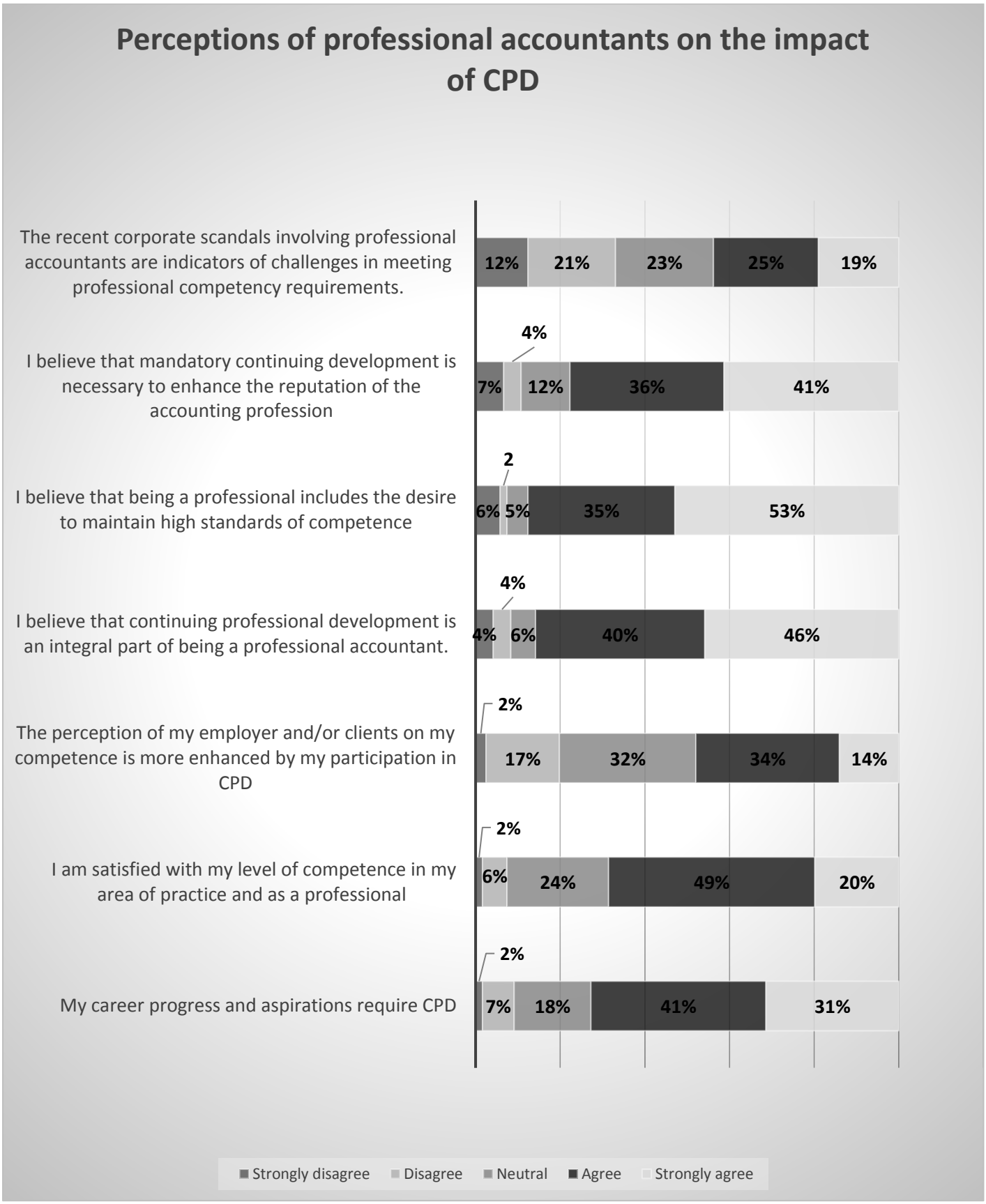


Table 9: Descriptive statistic showing a summary of responses on whether participation in CPD influence positive perceptions about the competence of professional accountants.

Sub-question	Minimum	Maximum	Mean	Standard Deviation	Variance
My career progress and aspirations require CPD	1.00	5.00	2.07	0.97	0.94
I am satisfied with my level of competence in my area of practice and as a professional	1.00	5.00	2.21	0.88	0.78
The perception of my employer and/or clients on my competence is more enhanced by my participation in CPD	1.00	5.00	2.60	1.01	1.02
I believe that Continuing Professional Development is an integral part of being a professional accountant.	1.00	5.00	1.81	1.01	1.02
I believe that being a professional includes the desire to maintain high standards of competence	1.00	5.00	1.73	1.04	1.09
I believe that mandatory continuing development is necessary to enhance the reputation of the accounting profession	1.00	5.00	1.98	1.14	1.29
The recent corporate scandals involving professional accountants are indicators of challenges in meeting professional competency requirements.	1.00	5.00	2.83	1.30	1.68

4.5.2.2. Satisfaction with the Level of Competence

The respondents were required to indicate if they agree or disagree with the statement that they are satisfied with their level of competence in their area of practice and as professionals. The results show that an aggregate of 69% of respondents agreed with the statement (49% agreed and 20% strongly agreed). Only 6% of respondents disagreed and 2% strongly disagree with the statement while 24% of respondents were neutral. The mean of 2.21 provides a general indication that professional accountants are satisfied with their level of competence in their area of practice and as professionals.

4.5.2.3. Perceptions of Employers and/or Clients on Competence

The respondents were asked to indicate the extent to which they believed that the perception of their employer and/or clients on their competence is more enhanced by their participation in CPD. The results show that 46% of the respondents agree with the statement (where 32% agree and 14% strongly agree) while 19% of the respondents collectively disagreed with the statement (17% strongly disagreed and 2%strongly disagreed). A relatively large number of respondents (32%) provided a neutral response which indicates their uncertainty on whether their participation in CPD has an impact on the perception of their clients and/or employers. However, the mean value (2.60) provides a general indication that the perception of employers and/or clients on the competence of professional accountants is more enhanced by their participation in CPD. Guthrie (2004) found that employers believed that CPD was a way to improve employee satisfaction, help employees maintain high performance and professional standards, and build a sense of self-worth while increasing people's confidence to tackle new tasks. The perceptions of professional accountants in South Africa support the findings of this study as it may be concluded that employers in South Africa shared the same sentiments as those in the study by Guthrie (2004). The perceptions of employers on CPD participation can have an effect on career prospects of professional accountants as participation in CPD could influence the decisions to appoint a professional accountant seeking a job or being considered for a promotion based on their perceived competence. It is therefore important for IFAC member bodies in South Africa to consider the perceptions of clients or employers of professional accountants in their implementation

of CPD. The inclusion of clients and employers would further improve public confidence in the competence of professional accountants in South Africa.

4.5.2.4. Perceptions on CPD and Professionalism

Respondents were asked two questions which required their perceptions on CPD and professionalism. The first question required respondents to indicate the extent to which they agree or disagree that CPD is an integral part of being a professional. 89% of the respondents provided positive responses (with 40% who agreed and 49% who strongly agreed with the statement). 4% of respondents disagreed with the statement and another 4% strongly disagreed while 6% were neutral in their response. The mean value of 1.81 provides a clear indication that most professional accountants believe that CPD is an integral part of being a professional accountant.

The second question required respondents to indicate the extent in which they believe that being a professional includes the desire to maintain high standards of competence. A large number of respondents (88%) believe that being a professional includes the desire to maintain high standards of competence (35% of respondents agreed and 53% strongly agreed). Only 2% of respondents disagree with the statement and 6% strongly disagree while the other 5% were neutral. The mean value of 1.73 also confirms the general notion that professional accountants believe that being a professional includes the desire to maintain high standards of competence.

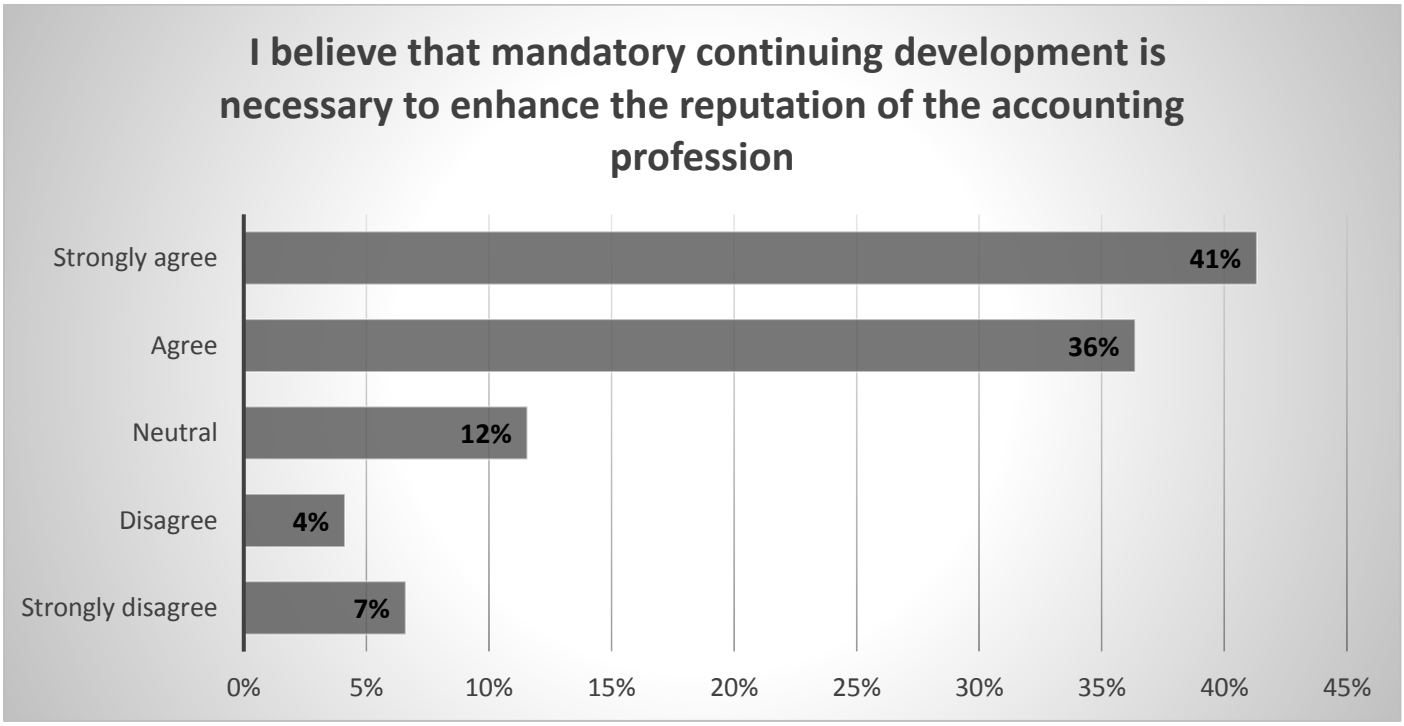
The purpose of the two questions above was to bring forth the objective of IES 7 which is to maintain high-quality standards of service delivery produced and to embrace the culture of lifelong learning (IFAC, 2014). The perceptions of professional accountants on the integration of CPD in their professional lives is an important aspect of embracing lifelong learning and ensuring continued professional competence and development as per IFAC's objective (IFAC, 2014). Professional accountants have been found to have accepted CPD as an integral part of being a professional in the UK (Guthrie, 2004). This a good indicator of how well the mandate of IES 7 of maintaining high standards of competence is being carried out by IFAC member bodies in the UK. It can therefore be deduced from the results of this study that IFAC member bodies

in South Africa have so far implemented CPD in a way that meets the mandate of IES 7 of maintaining high standards of competence through the current CPD structures.

4.5.2.5. Professional Reputation and Corporate Scandals

Perceptions on the Reputation of the Accounting Profession.

Figure 8: Clustered bar chart showing the perception of professional accountants on the necessity of CPD to enhance the reputation of the profession.

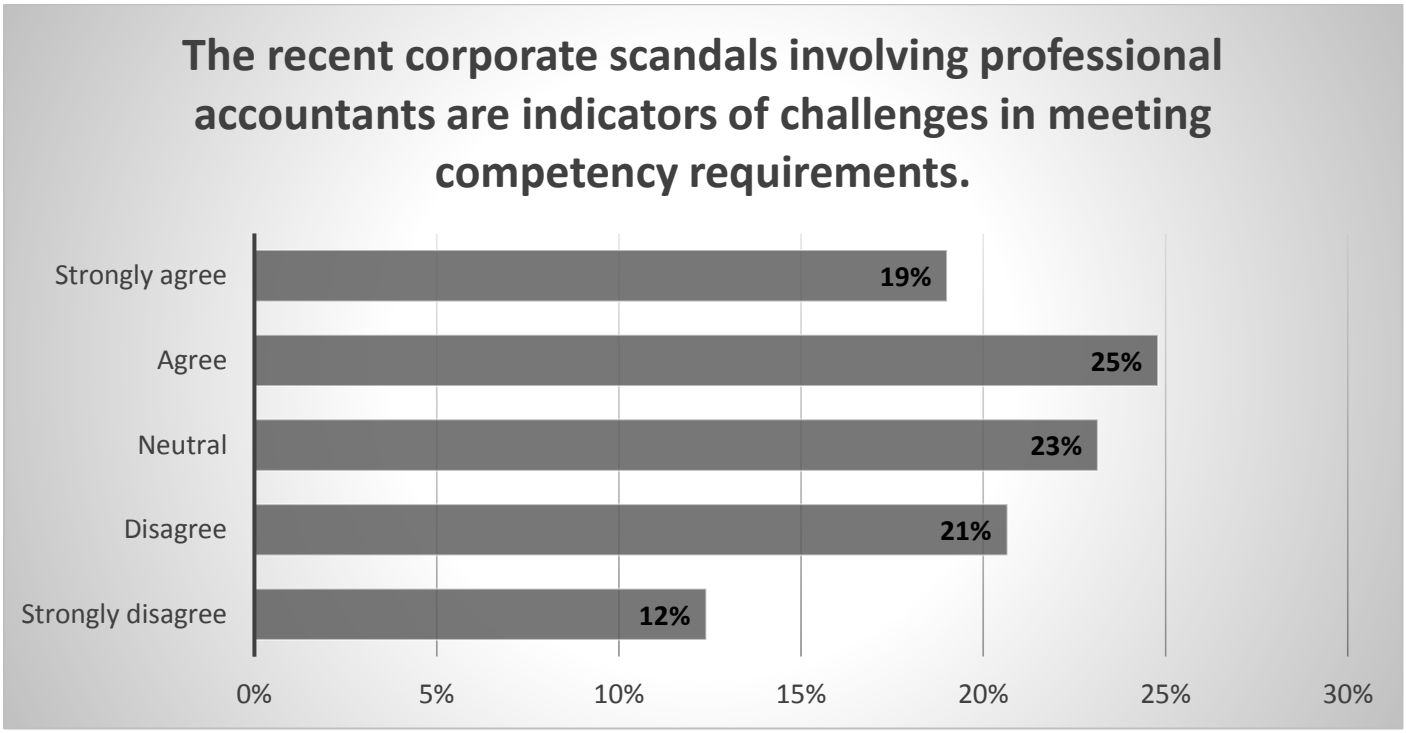


Respondents were asked to what extent they agree that mandatory continuing development is necessary to enhance the reputation of the accounting profession. The results show that 77% of respondents agreed with the statement (36% agreed, while 41% strongly agreed) and 12% were neutral. Only 11% of professional accountants disagreed with the statement (with 7% who strongly disagreed and 4% who disagreed). The mean value of 1.98 indicates that most respondents believe that mandatory continuing development is necessary to enhance the reputation of the accounting profession.

Perceptions on Corporate Scandals

Respondents were asked the extent to which they agree that the recent corporate scandals involving professional accountants are indicators of challenges in meeting competency requirements. Figure 9 below provides a visual representation of the responses to this question.

Figure 9: Clustered bar chart showing the perception of professional accountants on whether the recent corporate scandals involving professional accountants are indicators of challenges in meeting competency requirements.



The results show that 44% of the respondents agreed with the statement (25% agreed and 19% strongly agreed) while 33% disagreed with the statement (where 21% disagreed and 12% strongly disagreed with the statement). 23% of the respondents provided neutral responses. The mean value for this question was 2.83 which gave a general indication that respondents agreed that the recent corporate scandals involving professional accountants are indicators of challenges in meeting professional competency requirements.

To summarise results under Point E. on corporate scandals and the reputation of the accounting profession, accountants in South Africa are found to share the same sentiment as that of Zajkowski et al. (2007) in that professional competence plays a significant role in maintaining the reputation of a profession. Chapter 2 gave an in-depth discussion on how the involvement of professional accountants in corporate scandals have eroded credibility and trust in the accounting profession and how professional competence plays a critical role in maintaining the reputation of the profession (Zajkowskiet al. 2007) The concerns on unethical conduct of professional accountants in South Africa who were involved in corporate scandals are indicators of inefficiencies in the demonstration of professional skills associated with the ethical conduct of professional accountants in South Africa.

Consequently, one could argue that professional skills may not have been equally emphasized or incorporated in current CPD structures to ensure that professional accountants maintain high levels of ethical conduct in South Africa. While we can agree that CPD structures play a vital role in promoting good ethical behavior of professional accountants that sustain the reputation of the profession in South Africa, there are still inefficiencies in current CPD structures in promoting ethical behavior and protecting the reputation of the profession.

Summary of research question 2:

The graphical representation in Figure 6 together with the mean values below 3 for 6 positive statements (excluding perceptions on corporate scandals), some higher than others, all show positive responses for the statements/ questions relating to the perceptions of professional accountants on the impact of CPD. Respondents also agreed that their career progress and aspirations require CPD and that they are satisfied with their level of competence in their area of practice and as professionals. Furthermore, respondents agreed that the perception of employers and/or clients on the competence of professional accountants is more enhanced by their participation in CPD and that being a professional includes the desire to maintain high standards of competence and that CPD is an integral part of being a professional. Lastly, the perceptions of professional accountants towards the contribution of CPD to enhancing the reputation of the accounting

profession was also positively accompanied by a consensus that recent corporate scandals involving professional accountants are indicators of challenges in meeting professional competency requirements. Therefore, IFAC member bodies in South Africa must place more focus on incorporating the development of professional skills and ethical conduct in current CPD activities to ensure that professional accountants demonstrate professional skills that are required to uphold the social status of the profession.

4.5.3. Research question 3: Are the current regulations for CPD appropriate for maintaining competency requirements of professional accountants in South Africa?

The respondents were asked to answer several questions which required their view on the appropriateness of current CPD regulations for maintaining competency requirements of professional accountants. The objective allowed the researcher to investigate and analyse the extent to which professional accountants participate in CPD activities, from both the input method and output method which was explained in the literature review.

Fourteen CPD activities from both measures of CPD were listed in Question 3 of the survey and required respondents to indicate the extent to which they participated in each of the CPD activities, ranging from always to never. Since this question measured frequency of participation, there was no option for a neutral answer, and therefore, the mean value interpretation was any value below 4 which indicated more frequent participation and mean values above 4 indicated less frequent participation in the CPD activity.

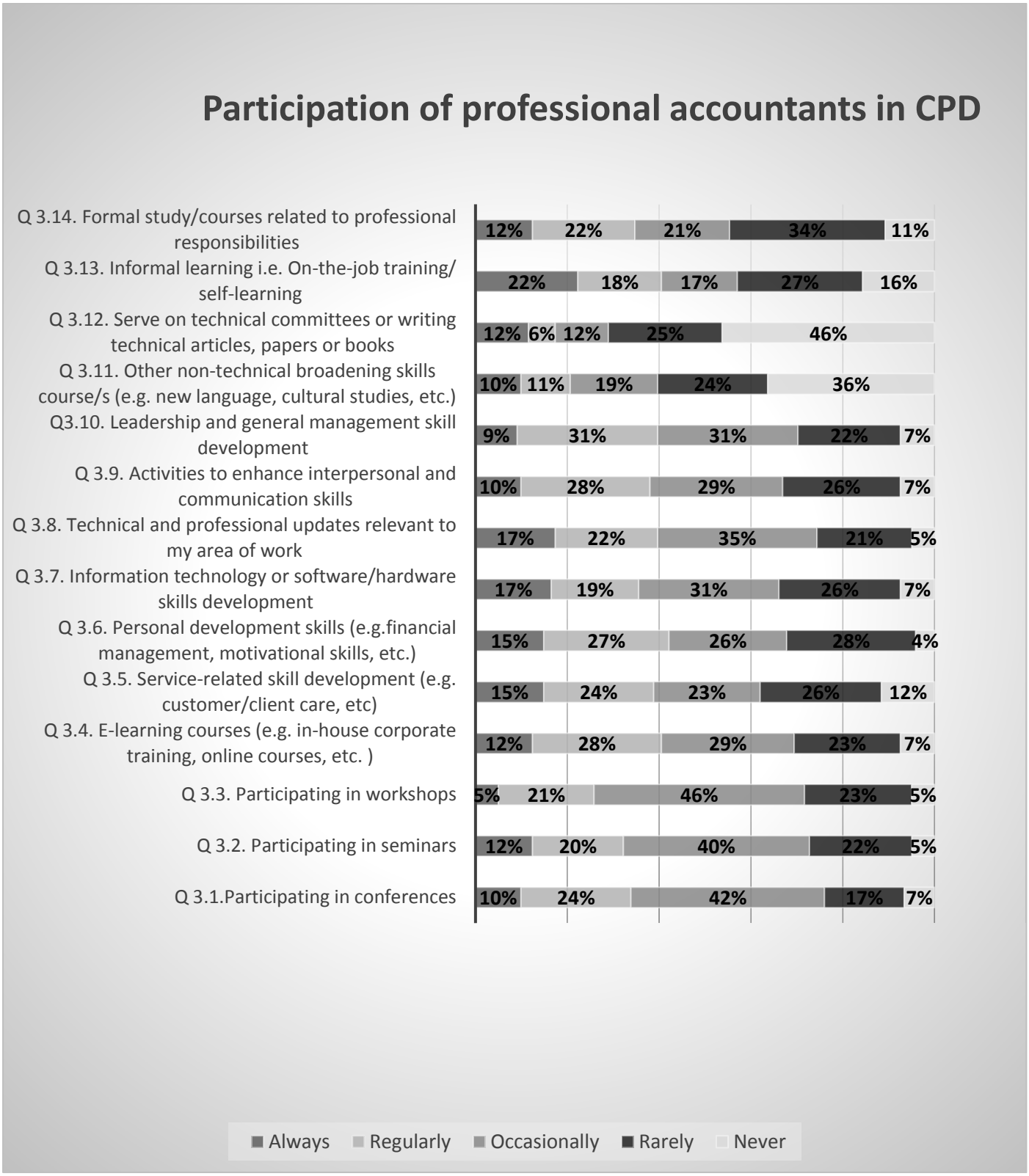
Figure 10 below provides a visual representation of responses on the 14 CPD activities. The mean values were used for the general conclusion on majority participation in each of the CPD activities (see Table 4 for a summary of descriptive statistics of survey question 3). Concurrently, the researcher asked respondents

for their view on the mandatory element of CPD. The analysis is accompanied by a visual representation of the responses in Figure 10.

Lastly, the researcher investigated the ability of CPD structures to accommodate changes in the workplace environment.

4.5.3.1. CPD Participation

Figure 10: Stacked bar chart showing the frequency of participation in various CPD activities of professional accountants.



Respondents were asked to indicate the frequency with which they participated in CPD activities. As may be deduced from Figure 9 together with mean values from Table 10, CPD activities with a high number of respondents who chose “never” for the frequency of participation were serving on technical committees, or writing technical articles, papers or books(46%) and other non-technical broadening skills courses. Furthermore, mean values also show two more CPD activities which appeared to also be less taken up by respondents which were workshops (4.03) and formal study/courses related to professional responsibilities (4.08).

From mean value interpretation, all other CPD activities were below 4, which shows the frequency in participation by the respondents. From Figure 10, CPD activities that had a relatively high number of respondents who had collectively selected always and/or regular participation were Personal Development Skills activities (42%), E-learning courses (40%), Leadership and General Management Development (40%) and Informal Learning (40).

The results also show that there was a relatively large number of respondents who said that they occasionally participated in seminars (40%), conferences (40%) and technical and professional updates relevant to their areas of work (35%).

Table 10: Descriptive statistic showing a summary of responses on perceptions of professional accountants on the ability of CPD to accommodate changes in the workplace.

Sub-question	Minimum	Maximum	Mean	Standard Deviation	Variance
1.Participating in conferences	2.00	6.00	3.87	1.03	1.06
2. Participating in seminars	2.00	6.00	3.88	1.05	1.10
3. Participating in workshops	2.00	6.00	**4.03**	0.92	0.84
4. E-learning courses (e.g. in-house corporate training, online courses, etc.)	2.00	6.00	3.85	1.13	1.28
5. Service-related skill development (e.g. customer/client care, etc.)	2.00	6.00	3.96	1.25	1.56
6. Personal development skills (e.g. Financial management, motivational skills, etc.)	2.00	6.00	**3.79**	1.13	1.27
7. Information technology or software/hardware skills development	2.00	6.00	3.89	1.18	1.40
8. Technical and professional updates relevant to my area of work	2.00	6.00	**3.74**	1.12	1.25
9. Activities to enhance interpersonal and communication skills	2.00	6.00	3.93	1.11	1.23
10. Leadership and general management skill development	2.00	6.00	3.88	1.08	1.18

11. Other non-technical broadening skills course/s (e.g. new language, cultural studies, etc.)	2.00	6.00	**4.66**	1.33	1.76
12. Serve on technical committees or writing technical articles, papers or books	2.00	6.00	**4.88**	1.36	1.84
13. Informal learning i.e. on-the-job training/ self-learning	2.00	6.00	3.96	1.40	1.97
14. Formal study/courses related to professional responsibilities	2.00	6.00	**4.08**	1.22	1.48

The results reveal that professional accountants in South Africa fall more on the side of informal learning than formal learning for meeting their competency requirements. The results agree with prior literature where a shift in formal learning as a preferred method of CPD activities was observed to more informal learning activities. The transition of CPE to CPD was mainly inspired by the integration of lifelong learning as part of being a professional which is demonstrated daily through informal learning platforms such as on-the-job training. A survey study by Rothwell & Herbert (2007) which explored attitudes of accountancy members towards CPD concerning employability, career success and professional identity in the early stages of mandatory CPD implementation found that the most popular CPD activity was reading books and journals relevant to the profession which was more of a structured way of learning while a study by De Lange et al. (2015) revealed that the most preferred CPD activities were attendance of seminars, conferences, discussion groups and/or workshops. Accordingly, it would be expected for professional accountants in South African to embrace informal learning given the change in the focus from CPE to CPD.

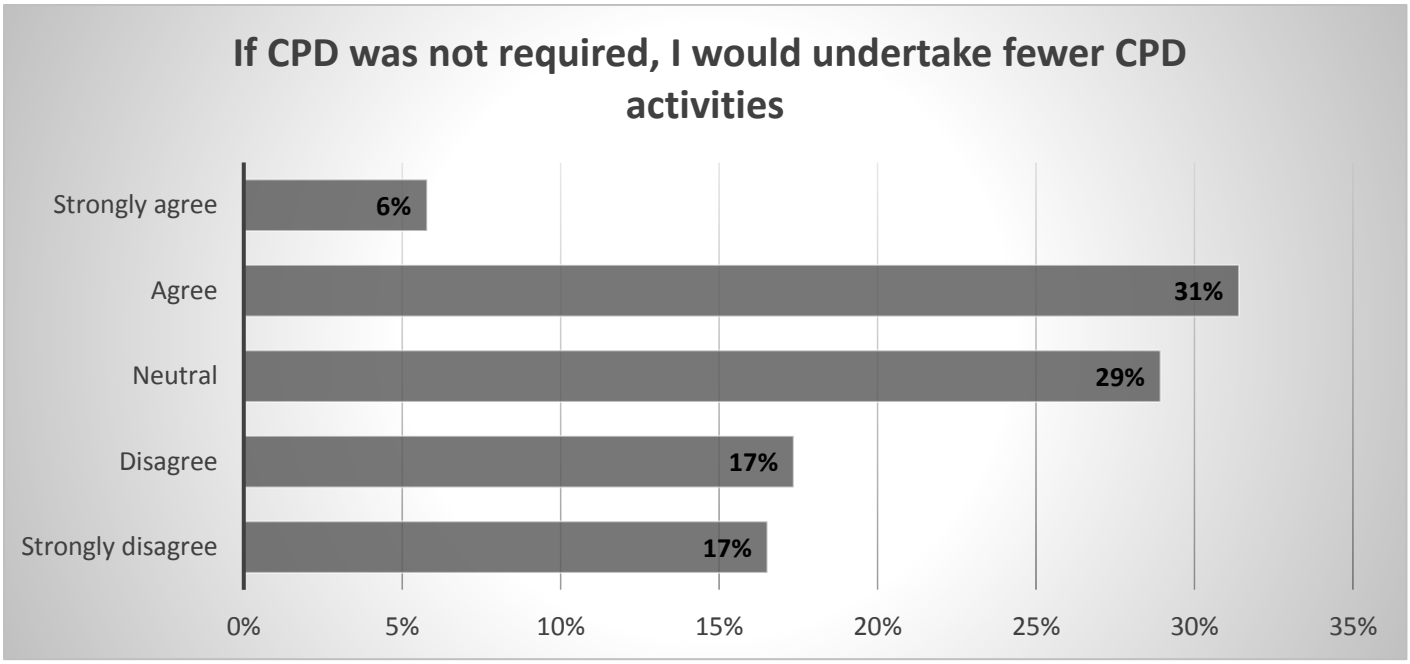
The results of this study show commonalities with the findings of a study conducted by De Lange et al. (2015) on the least preferred CPD activities. The study by De Lange et al. (2015) revealed that the least preferred

CPD activities in Asia were serving on technical committees, structured distance education and other non-technical broadening skills course/s (e.g. new language, cultural studies, etc.) which were also found to be the same in South Africa. Furthermore, e-learning received more preference in South Africa than it did in the United Kingdom where respondents ranked online learning lowest (Rothwell & Herbert, 2007).

The shift to more on informal learning (supported by the output approach of measuring CPD) could be explained by time constraints (where professional accountants are unable to take time off from work to focus on completing formal qualifications with institutions of higher learning). The cost thereof and the rapid changes in the workplace which require new ways of learning in a timelier manner than would be done in a formal learning set up were to be noted too. Accordingly, e-learning CPD has become more convenient in terms of accommodating time constraints of professional accountants at reduced costs than what would be borne for face to face CPD.

4.5.3.2. Mandatory CPD

Figure 11: Clustered bar chart showing the perception of professional accountants on the mandatory participation of CPD.



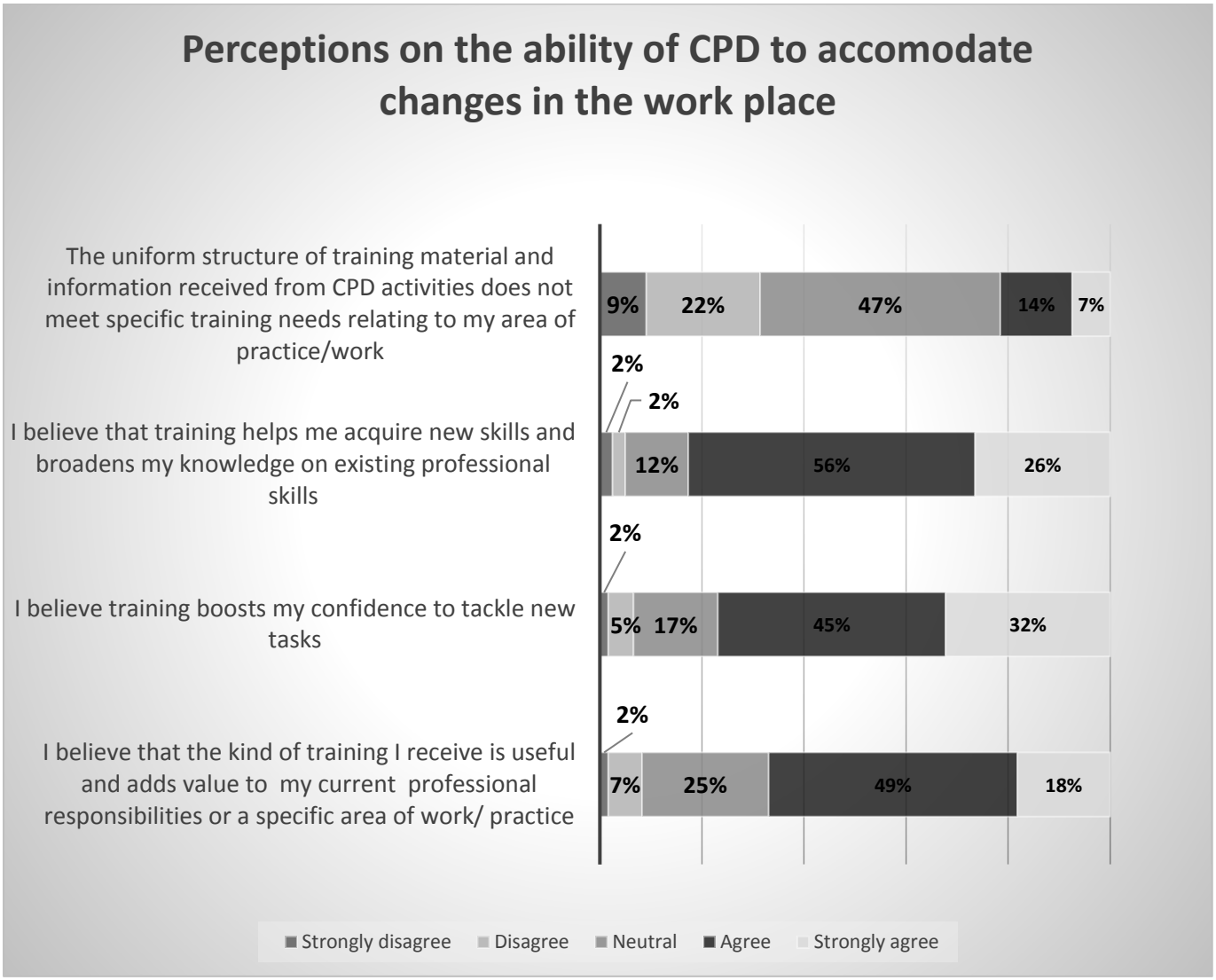
Respondents were also asked the extent to which they agreed that if CPD was not required, they would undertake fewer CPD activities. The results show that 37% of respondents agreed with the statement while about 34% disagreed with the statement (where 17% disagreed and 17% strongly disagreed with the statement). A relatively large number of respondents (29%) provided neutral responses. The mean value of 3.07 shows consensus among respondents that if CPD was not required, they would undertake fewer CPD activities.

The purpose of this question was to determine whether professional accountants viewed CPD as a sanction or as a necessary element of maintaining their professional competence. Mandatory CPD has previously been assessed to be a sanction imposed on professional accountants as discussed in chapter 2(Friedman & Phillips 2004). Lindsay (2016) recently stated that professionals benefit most from voluntary participation in non-mandatory CPD, without the sanction element attached. Equally, the results of this study show that professional accountants in South Africa share similar sentiments regarding CPD being perceived as a sanction instead of a voluntary effort towards embracing lifelong learning as part of being a professional. Consequently, one would agree that just because professional accountants complete the CPD requirements set out by their professional body, it does not mean that learning has occurred which in overall advocates for the implementation of voluntary CPD.

4.5.3.3. Ability for CPD to accommodate changes in the workplace environment

Respondents were asked to respond to four questions which required their view on the extent to which CPD activities could accommodate changes in their workplace. Figure 12 below provides a visual representation of responses of four sub-questions asked relating to the research question under review. A summary of the descriptive statistics of the four sub-questions was also presented in Table 11 below and mean values were used to interpret the data in determining whether there is generally a positive response to each sub-question.

Figure 12: Stacked bar chart showing the perception of professional accountants on the ability of CPD to accommodate changes in the workplace.



a. Usefulness of training

Respondents were asked the extent to which they believed that the kind of training they received was useful and added value to their current professional responsibilities or specific area of work or practice. 67% of the respondents agreed with the statement (18% strongly agreed and 49% agreed with the statement) while only 9% of professional accountants disagreed with the statement (with 7% disagreed and 2% strongly disagreed). However, a significant number of respondents (25%) provided neutral responses. The mean value of 2.25 (as deducted in Table 11) is indicative of the general view that the kind of training that professional

accountants receive is useful and adds value to their current professional responsibilities or specific area of work/practice.

b. Perceptions of CPD on professional skills and confidence

Respondents were asked to what extent they believe that training boosted their confidence to tackle new tasks. The results show that 77% of respondents agree that training boosted their confidence to tackle new tasks (with 32% who strongly agree with the statement and 45% who agree). Only 9% of respondents were on the opposing side of responses where 7% disagreed and 2% strongly disagreed with the statement while 17% gave a neutral response. The mean value of 1.99 (as shown in Table 11 below) indicates that professional accountants believe that the kind of training that they receive is useful and adds value to their current professional responsibilities or specific area of work/practice. Furthermore, respondents were asked the extent in which they believe that training helps to acquire new skills and broadens their knowledge on existing professional skills. 82% of the respondents provided positive responses (26% strongly agreed and 56% strongly agreed with the statement) while only 4% of the responses were negative (2% disagreed and 2% strongly disagreed) and 12% of the respondents were neutral. The general deduction from the mean value indicates that most professional accountants are of the notion that training helps them acquire new skills and broadens their knowledge on existing professional skills.

c. Uniformity of CPD structures

Respondents were asked if they agreed that the uniform structure of training material and information received from CPD activities does not meet specific training needs relating to their areas of work/practice. Results show that almost half of the respondents (49%) provided neutral responses which mean they did not agree nor disagree with the statement, followed by 31% of respondents who disagreed with the statement (22% disagreed and 9% strongly disagreed) while 21% agreed with the statement (where 14% agreed and 7% strongly agreed). The mean value of 3.12 which is slightly above 3 indicates that the uniform structure of training material and information received from CPD activities does meet specific training needs relating to their areas of practice/work.

Table 11: Descriptive statistic showing a summary of responses on perceptions of professional accountants on the ability of CPD to accommodate changes in the workplace.

Sub-question	Minimum	Maximum	Mean	Standard Deviation	Variance
I believe that the kind of training I receive is useful and adds value to my current professional responsibilities or a specific area of work/ practice	1.00	5.00	2.25	0.88	0.78
I believe training boosts my confidence to tackle new tasks	1.00	5.00	1.99	0.91	0.83
I believe that training helps me acquire new skills and broadens my knowledge on existing professional skills	1.00	5.00	1.98	0.84	0.71
The uniform structure of training material and information received from CPD activities does not meet specific training needs relating to my area of practice/work	1.00	5.00	3.12	1.01	1.01

Summary of Research question 3:

CPD activities that were popular amongst professional accountants in South Africa are reported to be: personal development skills activities, e-learning courses, leadership and general management development and informal learning. Occasional participation was most evident in seminars, conferences and technical while the least preferred CPD activities were those relating to professional updates relevant to their areas of work while serving on technical committees, or writing technical articles, papers or books and other non-

technical broadening skills courses. Overall, there was consensus that if CPD was not a mandatory requirement, professional accountants would reduce their participation in CPD.

The graphical representation in Figure 12 together with the mean values below 3 for positive statements and mean value above 3 for one question- which is a negative statement, all show positive responses for all statements/ questions relating to the perceptions of professional accountants on the ability of CPD to accommodate changes in the workplace.

Respondents are of the view that the kind of training that they receive is useful and adds value to their current professional responsibilities or specific area of work/practice. Furthermore, there was consensus that that training also boosted their confidence to tackle new tasks and that training helps them acquire new skills and broadens their knowledge on existing professional skills. The uniform structure of training material and information received from CPD activities was also believed to be able to meet specific training needs relating to their areas of practice/work. The perceptions of professional accountants in South Africa indicate contradicting responses to those discussed in Chapter 2, where professional accountants in Asia-Pacific Region viewed Uniform CPD activities as a barrier to achieving satisfactory professional competence as homogenous training activities did not take into account factors like differences in career stages, personal ambition, diverse economic conditions and preferred learning methods (De Lange et al., 2015). It can, therefore, be deduced that CPD structures in South Africa are designed in such a way to accommodate changes in the respective workplaces and areas of practice for professional accountants and give individuals an opportunity and confidence to take on new roles and responsibilities during their careers as emphasized in IES 7 (IFAC, 2014).

4.5.4. Research question 4: What other challenges are encountered by professional accountants in meeting their CPD requirements?

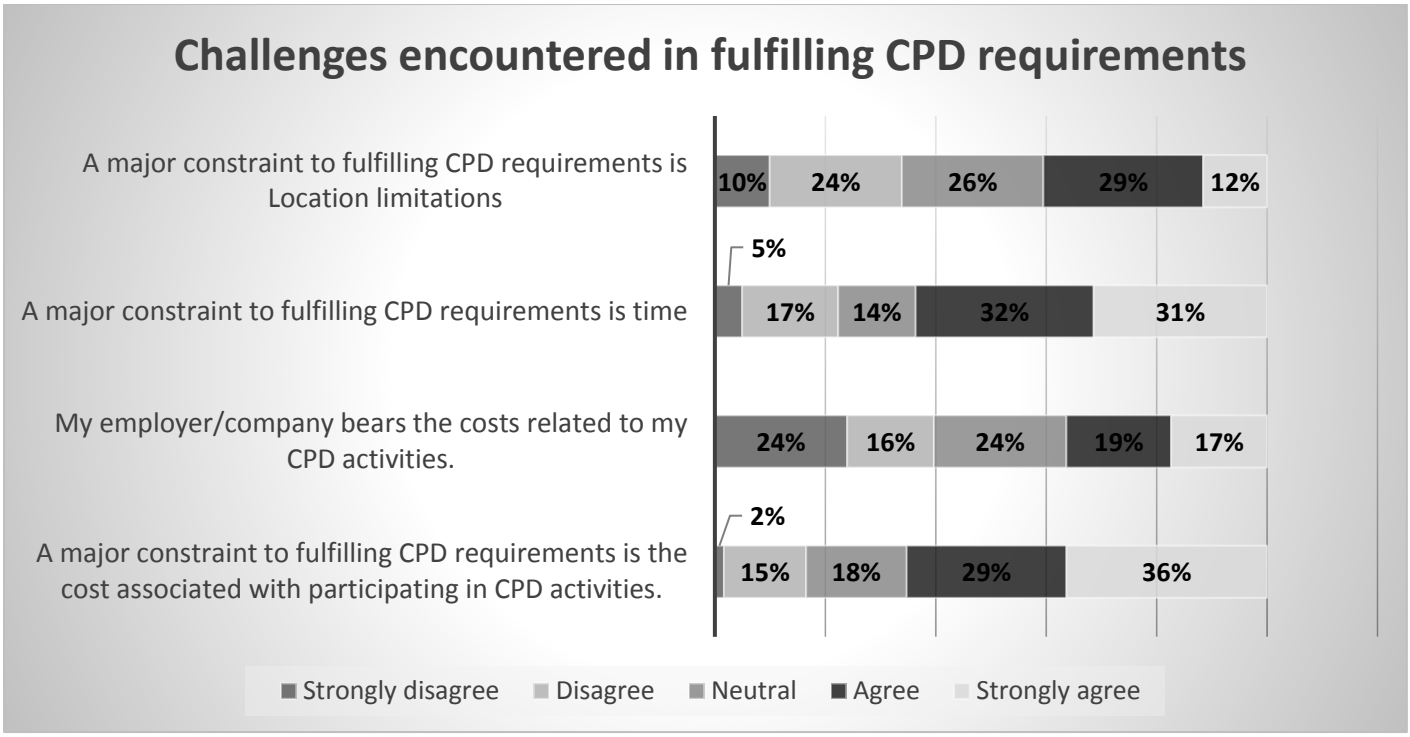
The researcher asked respondents five questions on identified challenges that professional accountants encounter in meeting their CPD requirements. The respondents were asked 4 close-ended questions and one open-ended question that highlighted other challenges that professional accountants' encounter that had not been identified by the researcher in the survey.

Figure 12 below provides a visual representation of the responses to four close-ended sub-questions asked relating to the research question under review. The mean values were also used to come to a general conclusion on the four questions. Table 12 shows a summary of descriptive statistics for the 4 sub-questions and mean rankings of the challenges identified. From the most agreed-with challenge to the least agreed-with, as per the mean interpretation by the researcher which is further summarised at the end of the sub-section.

Common themes were then identified for the open-ended question and summarised in the second part of the analysis. The open-ended question did not have a 100% response rate as it was added to identify new challenges the researcher might not have been aware of or to provide emphasis on those already identified. The question yielded 28 responses.

4.5.4.1. Challenges encountered in fulfilling CPD requirements

Figure 13: Stacked bar chart showing responses of professional accountants on other challenges encountered in fulfilling CPD requirements.



a. Cost

65% of respondents agreed (where 29% agreed and 36% strongly agreed) that cost is a major constraint to fulfilling CPD requirements. A relatively small number of respondents (17%) disagreed with the statement (with 15% who disagreed and 2% who strongly disagreed) and 18% provided neutral responses. The mean of 2.17 indicates that most professional accountants agree that a major constraint to fulfilling CPD requirements is the cost associated with participating in CPD activities that their career progress and aspirations require CPD.

Furthermore, 40% of the respondents disagreed that their employer or company bears the cost of their CPD participation (a relatively large number of respondents strongly disagreed (24%) and 16% disagreed with the

statement) while 36% collectively agreed that their employer/ company bore the cost of their CPD. 24% of the respondents were neutral. The mean of 3.10 indicates that the costs related to CPD activities of professional accountants are not borne by their employers/companies.

Prior studies have found the cost of participation in CPD to be a major challenge in meeting competency requirements (Wessel, 2007, Zajkowski, 2007; Epstein & Hundert, 2003; Scanlan & Darkenwald, 1984; Johnstone & Rivera, 1965) which remained an obstacle for professional accountants in South Africa. The costs borne by professional accountants relating to CPD are not only for attendance, but also related to travelling costs to seminar venues and accommodation related expenses. The largest costs are probably borne by professional accountants who are based in the outskirts of cities or rural areas as most CPD activities are in the central business districts of the country. The implication of this would be professional accountants choosing cheaper CPD activities that do not necessarily meet their training needs. One could argue that professional accountants who work in rural areas may opt for e-learning courses and webinars, which would eliminate travelling costs. The option for e-learning limits interaction one may have with facilitators and colleagues which may limit their understanding of the topic being delivered. A more resolute approach would be for IFAC member bodies in South Africa to consider the viability of having CPD activities in more isolated areas of the country.

b. Time

Respondents were asked to what extent they agreed that time was a major constraint to fulfilling their CPD requirements. The results show that 63% of the respondents agreed with the statement (where 32% agreed and 31% strongly agreed). 17% disagreed with the statement and 2% strongly disagreed while 14% provided neutral responses. The mean of 2.17 that is below 3 indicates that most professional accountants agree that a major constraint to fulfilling CPD requirements is the cost associated with participating in CPD activities that their career progress and aspirations require CPD. Time constraints have been as a critical challenge for professional accountants, taking into account their core responsibilities in their area of work (Draz, 2017; Dao, 1975; Johnstone & Rivera, 1965; Scanlan & Darkenwald, 1985). The results from this study also suggest

that the same constraints related to time exist among professional accountants in South Africa. Professional accountants occupy managerial roles that may sometimes not accommodate CPD schedules provided by their professional bodies. Taking time from work to attend CPD events may not be approved by employers during busy periods in the workplace when relevant CPD for the individual are scheduled. Consequently, professional accountants may opt for more convenient CPD activities such as e-learning to meet CPD requirements even if it is not the most relevant for their training needs. Furthermore, time constraints could be a factor in explaining why professional accountants in South Africa prefer the output approach to CPD that encourages informal learning instead of formal learning. Professional bodies should, therefore, take into account time constraints when planning CPD activities to accommodate busy schedules of their members and to ensure that CPD activities are delivered to relevant recipients who stand to benefit from them instead of a generic approach of scheduling CPD activities.

c. Location

Respondents were asked to what extent they agreed, that location was a major constraint to fulfilling their CPD requirements. The results show that 29% of the respondents agree with the statement while 12% strongly agree. 24% disagree with the statement and 10% strongly disagree with the statement while 26% of professional accountants were neutral in their responses. The mean of 2.92 which is below 3 indicates that location is a major constraint to fulfilling CPD requirements for professional accountants in South Africa.

Just as discussed in Sub-heading A. above, location limitations may be caused by having majority CPD activities in central business areas of the country. A significant number of respondents (an aggregate of 53%) who feel that location is a major limitation indicates that even though relevant CPD activities are planned by accounting professional bodies they belong to, they may not necessarily be accessible due to location limitations which would require both time off from work and the costs of travelling to receive a more interactive training session. Therefore, professional bodies must constantly work towards having online CPD that is interactive and accommodating to members who may not be able to physically attend CPD events.

Table 12: Descriptive statistic showing a summary of responses on challenges encountered by professional accountants in meeting competency requirements.

Sub-question	Minimum	Maximum	Mean	Standard Deviation	Variance
A major constraint to fulfilling CPD requirements is the cost associated with participating in CPD activities.	1.00	5.00	2.17	1.12	1.26
A major constraint to fulfilling CPD requirements is time	1.00	5.00	2.32	1.22	1.49
A major constraint to fulfilling CPD requirements is location limitations	1.00	5.00	2.92	1.18	1.38
My employer/company bears the costs related to my CPD activities.	1.00	5.00	3.10	1.41	1.99

Table 12 above shows a summary of descriptive statistics, which have been arranged per their mean ranking. The constraint that was most respondents considered the challenge in fulfilling CPD requirements to be cost, which had the lowest mean value of 2.17. This may be accompanied by the fact that employers/ companies do not bear the cost related to CPD activities of respondents. The second constraint according to mean value interpretation was time with a mean value of 2.32. Location limitation was ranked third of the identified constraints by the researcher, which had a mean value of 2.92.

4.5.4.2. Open- ended question analysis

Other challenges or constraints to fulfilling CPD requirements

As stated in the introductory paragraphs, the survey included an optional open-ended question which required respondents to provide any other challenges that had not been identified by the researcher. Common themes that were identified by the researcher, provide an emphasis on the constraints/challenges identified by the researcher in Part A. above and have been summarised below (Creswell, 2014):

1. ***Cost***

The cost associated with participating in CPD activities was more accentuated in Question 5. Some respondents highlighted that this is due to lack of financial support from their employers and the high cost of each CPD event which result in respondents being selective on which CPD events to attend based on cost, instead of the relevance of the CPD to their area of training needs.

2. ***Time***

Time was also stressed in Question 5 as a major challenge to meeting CPD requirements. Some respondents highlighted that CPD events take place during working hours, when they have other work commitments which limit their participation, while others have problems with the number of CPD hours they have to complete which, in their view, is more than what they can accommodate. Some respondents also mentioned the need to have some CPD events happening on Saturdays which would not coincide with work commitments. Some highlighted lack-of or limited number of e-learning CPD activities, particularly in less developed areas, which would reduce the amount of time spent travelling to CPD events

4.6. Inferential Statistics

4.6.1. Pearson's Correlation

Correlation refers to a technique used to measure the relationship between two or more variables. When two things are correlated, it means that they vary together. (Ritchie et al. 2001). In other words, the variables move in the same direction when there is a positive correlation. The variables move in opposite directions when there is a negative correlation. For correlations, the effect size is called the coefficient of determination and is defined as r. The following table provides results for associations between CPD factors (Afifi et al. 2012).

Table 13: Pearson's Correlation between CDP Dimensions

		1	2	3	4	5	6	7	8
1.Quality of CPD practices	Pearson Corr.	1	.498**	.362**	.404**	.285**	0.094	.343**	.263**
	Sig. (2-tailed)		0.000	0.000	0.000	0.002	0.307	0.000	0.004
2.CPD Practices	Pearson Corr.	.498**	1	.704**	.699**	.345**	0.118	.395**	.555**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.198	0.000	0.000
3. Perceptions on CPD & Professionalism	Pearson Corr.	.362**	.704**	1	.765**	.273**	-0.038	.584**	.448**
	Sig. (2-tailed)	0.000	0.000		0.000	0.003	0.680	0.000	0.000
4. Professional reputation and corporate scandals	Pearson Corr.	.404**	.699**	.765**	1	.269**	0.024	.443**	.513**
	Sig. (2-tailed)	0.000	0.000	0.000		0.003	0.792	0.000	0.000

5. CPD Participation	Pearson Corr.	.285**	.345**	.273**	.269**	1	0.157	.335**	0.127
	Sig. (2-tailed)	0.002	0.000	0.003	0.003		0.087	0.000	0.167
6. Mandatory CPD	Pearson Corr.	0.094	0.118	0.038	0.024	0.157	1	0.022	.444**
	Sig. (2-tailed)	0.307	0.198	0.680	0.792	0.087		0.812	0.000
7. Ability for CPD to accommodate changes in the workplace environment	Pearson Corr.	.343**	.395**	.584**	.443**	.335**	-0.022	1	.304**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	0.812		0.001
8. Challenges encountered in meeting their CPD requirements	Pearson Corr.	.263**	.555**	.448**	.513**	0.127	.444**	.304**	1
	Sig. (2-tailed)	0.004	0.000	0.000	0.000	0.167	0.000	0.001	

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Quality of CPD practices ($p<0.05$), CPD practices ($p<0.05$), perceptions on CPD & professionalism ($p<0.05$), professional reputation ($p<0.05$) were significantly associated with all CPD factors in the study (p-value less than 0.05) except mandatory CPD ($p>0.05$), where the p-values are greater than 0.05. Further results indicate that CPD participation was positively and significantly associated with all other CPD factors in the study (p-value less than 0.05) except Mandatory CPD ($p>0.05$) and challenges encountered in meeting their CPD requirements ($p>0.05$) where the p-values are greater than 0.05. These results provide evidence that generally, the CPD factors on perceptions on CPD & professionalism and competency were interrelated, except for Mandatory CPD that seems not to be associated with any of the factors.

Professional accountants recognize and appreciate the benefits of CPD and CPD structures in South Africa, deducted from the positive perceptions on the quality of CPD activities, CPD practices and the appreciation of the impact of CPD in defining their professional status and protecting the reputation of the profession.

However, the negative correlation of Mandatory CPD from all CPD factors highlight a major weakness of IES 7 provision of enforcing CPD as a mandatory condition of membership and provides confirmation of the adverse responses deducted from the descriptive analysis in sub-section 4.5.3.2 above. These results mean most of the respondents who said they participate in mandatory CPD, were, in fact, participating in order to fulfil their membership conditions. It could, therefore, be said that CPD is viewed as a sanction instead of a way to promote a culture of lifelong learning. One could, therefore, conclude that Mandatory CPD provision contradicts IFAC's objective of introducing IES 7 to encourage professional accountants to embrace lifelong learning as an integral part of their professional lives. The following table tests associations between CPD competency factors and demographic factors.

Table 14: Pearson's Correlation and demographic factors

		Quality of CPD practices	Perceptions on CPD & Professionalism	Ability for CPD to accommodate changes	CPD Participation	CPD Requirements	Ability for CPD to accommodate change	Challenges
Gender	Corr.	0.076	0.138	0.153	0.068	-0.112	-0.049	0.079
	Sig.	0.406	0.133	0.094	0.463	0.221	0.596	0.387
Race	Corr.	0.086	0.122	0.163	0.074	0.095	0.032	-0.094
	Sig.	0.346	0.185	0.075	0.422	0.300	0.730	0.304
Age	Corr.	-0.130	-0.164	-0.120	-0.030	0.044	-0.055	-0.089
	Sig.	0.155	0.073	0.192	0.744	0.632	0.546	0.330
Years of work experience	Corr.	-0.134	-0.178	-0.138	-0.022	-0.080	-0.027	-0.105
	Sig.	0.142	0.052	0.131	0.813	0.381	0.771	0.253

The ability for CPD to accommodate changes in the work environment was weakly associated with the race of the respondents ($r=0.163$, $p<0.1$), weak evidence suggesting that being Black, Indian, White or Colored had minor differences in their ability for CPD to accommodate changes in the work environment. This means that CPD structures in South Africa are suitable for professional accountants of all age groups. Furthermore, CPD can be accepted as a lifetime effort for the development of professional accountants which has the ability of being in existence for more years to come. CPD is a platform for change and a vehicle for the evolution of the accounting profession.

Perceptions on CPD & professionalism was negatively associated with age ($r=-0.164$, $p<0.1$), results are significant at 10% level, weak evidence suggesting that older respondents and the younger ones had major differences in their perceptions on CPD and professionalism. Years of work experience were negatively associated with perceptions on CPD & professionalism ($r=-0.178$ $p<0.1$), results are significant at the 10% level. Weak evidence suggests that those with more experience and those with less experience had major differences in their perceptions of CPD & professionalism. Under this competency factor, respondents were asked questions with an aim to gain an understanding of how professional accountants viewed CPD as an integral part of being a professional. Descriptive statistics in sub-section 4.5.2.4 gave an overall indication that most professional accountants in South Africa embrace CPD as an integral part of being a professional and as a means to maintain high standards of competence. Further correlation analysis in terms of age provides more insight on the profiles of respondents, which could further reveal new information that was not deducted from the descriptive statistics. Accordingly, the results further affirm the general perception among professional accountants in South Africa that CPD achieves the IES 7 mandate of maintaining high standards of competence and promotion of lifelong learning.

Lastly, Table 14 indicates that there were no significant associations between all CDP related factors among male and female respondents. These results suggest no strong evidence of associations between demographic factors of age, race, gender and experience and CDP factors.

4.6.2. Regression and hypotheses testing

Regression analysis was conducted to test the hypotheses in this study. Regression analysis was used to examine the relationship between variables identified in the study.

4.6.2.1. Research Question 1:

H_1: The quality of CPD practices in South Africa affects the competency and development of professional accountants

H_0: (Null hypothesis). The quality of CPD practices in South Africa does not affect competency and development of professional accountants.

Table 15: Univariate regression, Perceptions on CPD & Professionalism and Quality of CPD Practices

Perceptions on CPD & Professionalism	Coef.	**Std. Err.**	**t**	**P>t**	**[95% Conf.**	**Interval]**
Quality of CPD practices	**0.557**	0.13	4.22	0	0.296	0.819
cons	**0.257**	0.37	0.7	0.486	(0.471)	0.984
Obs=120	RMSE=0.907		R-sq=0.131		P=0.000	

A regression analysis was done to test Hypothesis 1, i.e. perceptions on CPD as the independent variable and the quality of CPD practices as the dependent variable.

Table 15 indicates that there was a significant relationship between quality of CPD practices and perceptions on CPD & professionalism (B=0.557, $p<0.05$). The results suggest that a unit improvement in the quality of CPD practices was likely to increase the level of perceptions on CPD professionalism by as much as 56%.

A conclusion can be made that the quality of CPD practices in South Africa do affect the competency and development of professional accountants and therefore rejecting the null hypothesis.

4.6.2.2. Research Question 2:

H_0: (Null hypothesis) CPD practices do not influence perceptions towards the competence of professional accountants.

H_1: CPD practices influence perceptions towards the competence of professional accountants CPD.

Perceptions on CPD & Professionalism

Regression analysis was done to test Hypothesis 2 with CPD Participation as the dependent variable and perceptions on CPD & professionalism as the independent variable. Table 16 indicates that there was a significant relationship between CPD participation and perceptions on CPD & professionalism of accountants in South Africa, (B=0.456, p<0.05). The results suggest that a unit improvement in CPD participation was likely to increase perceptions on CPD and professionalism by as much as 46%. All factors held constant, which supports this hypothesis.

Table 16: Univariate Regression, Perceptions on CPD & Professionalism and CPD Participation

CPD_PROF	Coef.	**Std. Err.**	**t**	**P>t**	**[95% Conf.**	**Interval]**
CPD_PARTICIP	**0.456**	0.15	3.07	0.003	0.162	0.749
_cons	**(0.077)**	0.60	-0.13	0.898	(1.275)	1.120

Professional Reputation and Corporate Scandals

Table 17: Univariate Regression, Professional Reputation and Corporate Scandals and Quality of CPD Practices

Professional Reputation and Corporate Scandals	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
Quality of CPD practices	**0.631**	0.13	4.82	0	0.372	0.890
_cons	**0.696**	0.36	1.91	0.058	(0.024)	1.417
Obs=120	RMSE=0.899		R-sq=0.163		P=0.000	

Additionally, regression analysis was done to test Hypothesis 2, i.e. perceptions on CPD as the independent variable and quality of CPD practices as the dependent variable.

Table 17 indicates that there was a significant relationship between the quality of CPD practices professional reputation and corporate scandals (B=0.631, $p<0.05$). The results suggest that a unit improvement in the quality of CPD practices was likely to increase the level of perceptions on professional reputation and corporate scandals by as much as 63%.

From the above two tests, a conclusion can be made that CPD practices in South Africa influence perceptions towards the competence of professional accountants, all factors held constant. The null hypothesis is therefore rejected.

4.6.2.3. Research Question 3

H_0: (Null hypothesis). The current regulations for CPD are not appropriate for maintaining competency requirements of professional accountants.

H_1: The current standards and regulations for CPD are appropriate for maintaining competency requirements of professional accountants.

Table 18: Univariate Regression, Quality of CPD Practices and Mandatory CPD

Quality of CPD Practices	Coef.	Std. Err.	t	P>t	[95% Conf.	Interval]
MANDATORY CPD	**0.080**	0.06	1.29	0.198	(0.043)	0.203
_cons	**2.045**	0.20	10	0	1.640	2.450

A regression analysis was done to test hypothesis 3, i.e. Quality of CPD practices as the independent variable and Mandatory CPD as the dependent variable.

Table 18 indicates that there was no significant relationship between the quality of CPD practices and Mandatory CPD. A conclusion can be made that the current regulations for CPD are appropriate for maintaining competency requirements of professional accountants in South Africa, other factors held constant, thereby supporting the hypothesis. The null hypothesis is therefore rejected.

4.7. Summary

The results from the study address research questions to determine challenges faced by professional accountants in South Africa in meeting their competency requirements. The data collected supports the three hypotheses in this study. The quality of CPD practices affects the competency and development of professional accountants in South Africa. CPD practices were also found to influence perceptions towards the competence of professional accountants in South Africa. Lastly, the current regulations were found to be appropriate for maintaining competency requirements of professional accountants in South Africa. Major challenges faced by professional accountants in meeting their competency requirements were identified to be time, cost and location.

Chapter 5: Conclusion

5.1. Summary

This research was undertaken to investigate challenges faced by professional accountants in meeting their competency requirements. The study formulated four research objectives, together with hypotheses concerning the implementation of CPD as per IES 7, as well as the benefits and challenges to meeting CPD requirements. The first objective sought to establish whether the quality of CPD practices in South Africa affects the competency and development of the professional accountant.

The second objective was to investigate whether these CPD practices influence perceptions on the competency of professional accountants in South Africa. The third objective investigated if the current regulations for CPD were appropriate for maintaining competency requirements of professional accountants in South Africa. The regulations of CPD were considered regarding provisions of IES 7, from CPD practices to mandatory participation for IFAC member bodies and the ability for these CPD practices to accommodate changes in the working environment.

Lastly, the research sought to establish whether professional accountants in South Africa faced similar challenges in meeting their professional competency requirements as identified in prior literature and determine if there are other challenges specific to professional accountants in South Africa.

The literature review was performed in Chapter 2. This included the definition of professional competence and a discussion of the theoretical perspectives to CPD which included the transition of CPD from CPE to lifelong learning. The literature review also discussed the importance of CPD, the principles of IES 7 on the implementation of CPD in South Africa and some criticisms of CPD structures. Chapter 1 provided a brief introduction of the methodology which was further expanded on in Chapter 3 which included the research design of the study, population and sampling and the limitations of the study. Chapter 4 presented the results

of the survey conducted together with the analysis thereof, starting with the profile of respondents followed by descriptive statistics and inferential statistics for testing hypotheses defined in the study.

5.2. Results

The study analyses data collected from a survey which investigated challenges faced by professional accountants in meeting their competency requirements. Results of the study revealed that professional accountants in South Africa viewed CPD practices and the implementation thereof positively. The quality of CPD practices was perceived to influence the competency and development of professional accountants considering the sufficiency of training received, the appropriateness of training material used in CPD and the relevance of CPD activities offered.

Secondly, CPD practices in South Africa were found to influence perceptions on the competency of professional accountants in South Africa. Most professional accountants believe that their career progress and aspirations require CPD and were satisfied with their level of competence in their area of practice and as professionals. This indicates the level of adoption and integration of CPD and lifelong learning by professional accountants in their careers. Professional accountants recognise the value of CPD as a significant factor for their career progression and aspirations. IFAC member bodies would need to ensure that CPD structures remain relevant in promoting career progression and meeting technical and professional competency requirements of their members to ensure that they remain confident with their knowledge and skills as professional accountants. Furthermore, the results also revealed that the perception of employers and/or clients regarding the competence of professional accountants was more enhanced by their participation in CPD.

Overall, the current regulations were found to be appropriate for meeting competency requirements of professional accountants in South Africa. Upon investigation of CPD practices, the most preferred CPD activities in South Africa were found to be were personal development skills activities, e-learning courses, leadership and general management development and informal learning while occasional participation was

most evident in seminars, conferences and technical and professional updates relevant to their areas of work while serving on technical committees, or writing technical articles, papers or books and other non-technical broadening skills courses were identified to be least taken up by professional accountants in South Africa.

Secondly, there was a consensus that if CPD was not a mandatory requirement, professional accountants would reduce their participation in CPD which shows negative response towards the mandatory implementation of CPD per IES 7. However, there were positive responses on the benefits of CPD. There was a consensus that CPD has the ability to accommodate changes in the workplace. CPD was found to be useful and added value to the current responsibilities of professional accountants, to boost their confidence to tackle new tasks and assisted in the acquisition of new skills.

Finally, the specific challenges in meeting CPD challenges were found to be cost constraints, time limitations and location limitations.

IFAC member bodies in South Africa play a significant role in the implementation of IES 7 and the provision of solid CPD structures that promote lifelong learning among its members. The positive results in terms of the sufficiency of training, relevance of CPD activities and the appropriateness of training materials used in CPD also reveals the amount of effort invested in the provision of quality CPD structures to professional accountants in South Africa. CPD engagements should be encouraged among accounting professional bodies and its members which allow members to voice out their concerns regarding current CPD structures, limitation, and strategies to resolve challenges they face in meeting CPD requirements. Furthermore, the involvement of employers should be encouraged in the implementation of CPD by accounting professional bodies to ensure that professional accountants are given the required time off work and financial support for CPD.

5.3. Areas of Future Studies

Continuing Professional Development in the accounting profession is an area that has not received much research attention in South Africa since the inception of IES 7. This research provides an overview of perceptions of professional accountants on CPD undertaken under mandatory conditions of membership in South Africa. Future research could extend to investigate the benefits of voluntary CPD in South Africa for

professional accountants who do not belong to IFAC member bodies for a further view of CPD as an integral part of lifelong learning that is not imposed on professional accountants. Further research could also investigate the most beneficial approach to CPD in South Africa considering their knowledge and skills requirements. The involvement of employers in promoting the implementation of CPD and supporting professional accountants achieve their CPD requirements could also be investigated.

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Annexure A: Survey



Challenges faced by professional accountants in maintaining their professional competency requirements

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ABOUT THE RESEARCH

Dear Respondent,

My Name is Relebogile Mashile. I am currently completing my Master's degree at the University of the Witwatersrand. The aim of my research is to investigate challenges faced by professional accountants in maintaining their professional competence. I believe that your participation will assist me in answering my research question. The following survey will take you approximately 10-15 minutes to complete. The survey does not require your name so as to maintain confidentiality. Should you require any additional information, please email me on Relebogile.Mashile@wits.ac.za or contact me on 0760154984.

Yours Sincerely,

Relebogile Mashile

820552

Name of Supervisor: Professor Yaeesh Yasseen

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1. Demographics:

Gender	Male	Female			
Race	African	White	Indian/Asian	Coloured	Other
Sector:	Public	Private	Academia	Accounting firm	Other
Age	20-24	25-34	35-44	45-60	Older
Years of experience	0-5 years	6-10 years	11-20 years	More than 20 years	
Are you a member of a professional body?	SAICA	SAIPA	Other		

2. Do you participate in compulsory continuing professional development?

Yes	No

3. How often do you participate in the following CPD activities?
   Use the following rating scale to answer:
   1. Always
   2. Regularly
   3. Occasionally
   4. Rarely
   5. Never

Activity	1	2	3	4	5
1. Participating in conferences					
2. Participating in Seminar					
3. Participating in Workshops					
4. E-learning courses (e.g. in-house corporate training, online courses, etc.)					

5. Service-related skill development (e.g. customer/client care, etc.)					
6. Personal development skills (e.g. financial management, motivational skills, etc.)					
7. Information technology or software/hardware skills development					
8. Technical and professional updates relevant to my area of work					
9. Activities to enhance interpersonal and communication skills					
10. Leadership and general management skill development					
11. Other non-technical broadening skills course/s (e.g. new language, cultural studies, etc.)					
12. Serve on technical committees or writing technical articles, papers or books					
13. Informal learning i.e. On-the-job training/ self-learning					
14. Formal study/courses related to professional responsibilities					

4. **To what extent do you agree with the following statements:**
   Use the following rating scale to answer:
   1. Strongly agree
   2. Agree
   3. Neutral
   4. Disagree
   5. Strongly disagree

Question	1	2	3	4	5
4.1. I believe that the kind of training I receive is enough to meeting professional competency requirements.					
4.2. I believe that the kind of training I receive is useful and adds value to my current professional responsibilities or a specific area of work/ practice					
4.3. I believe training boosts my confidence to tackle new tasks					
4.4. I believe that training helps me acquire new skills and broadens my knowledge on existing professional skills					
4.5. The training material (course content) or skill acquired from the CPD activity meets training needs in my area of work/practice					
4.6. My career progress and aspirations require CPD					
4.7. I am satisfied with my level of competence in my area of practice and as a professional					
4.8. The perception of my employer and/or clients on my competence is more enhanced by my participation in CPD.					
4.9. CPD activities are less useful/relevant to me as I become more experienced					
4.10. I believe that continuing professional development is an integral part of being a professional accountant.					

4.11. I believe that being a professional includes the desire to maintain high standards of competence					
4.12. I believe that mandatory continuing development is necessary to enhance the reputation of the accounting profession					
4.13. If CPD was not required, I would undertake fewer CPD activities					
4.14. The recent corporate scandals involving professional accountants are indicators of challenges in meeting professional competency requirements					
4.15. A major constraint to fulfilling CPD requirements is the cost associated with participating in CPD activities.					
4.16. My employer/company bears the costs related to my CPD activities.					
4.17. A major constraint to fulfilling CPD requirements is time					
4.18. A major constraint to fulfilling CPD requirements is Location limitations					
4.19. The uniform structure of training material and information received from CPD activities does not meet specific training needs relating to my area of practice/work					

5 Please provide any other challenges or constraints to fulfilling CPD requirements