NAPIER UNIVERSITY BUSINESS SCHOOL

SCHOOL OF ACCOUNTING & ECONOMICS

RESEARCH PAPER SERIES

Educating the accounting professional: the hidden curriculum of work experience

Brian S Windram

Napier University, Edinburgh

Author details:

Brian S Windram
School of Accounting and Economics
Napier University Business School
Edinburgh EH11 4BN, UK
Tel: 44-131-4553439/3356; Fax: 44-131-4553575/3475
Emails: b.windram@napier.ac.uk

ABSTRACT

This paper offers a critique of the pre-qualification work experience requirements of accounting students. The analysis draws on literature from post-compulsory education and professional learning to explore and identify important aspects of knowledge and learning in the workplace. It is argued that the 'functional' competence-based model is severely limited in its ability to go beyond a one-dimensional box-ticking exercise and should be replaced by a 'capability' focused approach. The paper attempts to 'lift the veil' on the hidden curriculum of work experience and argues that 'learning to learn' through work experience requires to be given a greater profile in preparation for the profession. The paper proposes that new work-based learning approaches offer an opportunity to develop a work-based accounting curriculum which will more effectively identify, apply and develop the knowledge, skills and values required by professional accountants. In particular, a holistic approach to work-based learning is commended using an adaptation of Stephenson's (2001) 'capability envelope'. The benefits to trainees and employers will be substantial but not without significant investment and change.

Key words: Accounting education; capability; competence; professional education; professional learning; work-based learning

## 1.	Introduction

The accountancy profession is currently facing many challenges, in particular, globalisation, the impact of information technology, and the technical difficulties of accounting for complex financial instruments and intangibles (ICAEW, 1998a; French & Coppage, 2000). Recent financial scandals surrounding Enron and Worldcom have again focused attention on the professionalism and integrity of accountants and the regulation of their role as accountants and auditors. Accountancy training is constantly changing and the profession continues to grapple with how to educate its current and future members in a dynamic financial environment. Over the last thirty years, the core elements of accounting education have been shared (unequally) between higher education and the profession. The higher education environment itself has been constantly changing and has been impacted by interventionist government policy resulting in dramatic increases in student numbers, vocationalism, the rise of the 'competence movement', teaching quality assessments and research assessment exercises.

The purpose of this paper is to investigate student/trainee learning which takes place on route towards qualification as an accountant and membership of a professional accountancy body. The analysis will not involve a detailed examination of the content of the formal undergraduate and professional examination syllabi but will instead focus on the work experience stage of the qualifying process. This is a topic of considerable relevance to the International Federation of Accountants (IFAC), who in June 2002 issued two exposure drafts proposing new international educational standards for professional accountants entitled '*Professional Skills and General Education*' and '*Experience Requirements*'.

The aim of this paper is to offer a critique of the current work experience practice which forms part of the formal requirements for qualification as a professional accountant. The analysis will utilise post-compulsory educational literature to explore issues of knowledge and learning neglected within the current system. The paper will recommend how recent work-based learning approaches may used to enhance the work experience component of the accounting trainees professional education.

This paper primarily considers accounting education in Scotland although reference is made to the general UK context particularly regarding higher education. A comparative study between professions (see Becher,1999; Paisey & Paisey, 2000) or between countries is beyond the scope of this paper but would be informative to future debate. The paper does not extend to post-qualifying education and continuing professional development requirements.

The paper is organised as follows: section two sets the context by providing an overview of accounting education including a brief history of its development. This is followed, in section three, by a critical review of current work experience practice using the literature on knowledge and learning to identify weaknesses and problems inherent within the existing system. Section four of the paper moves the debate forward into the domain of work-based learning where consideration is given to some possible approaches to improve the experience requirements to the benefit of students, employers and the accounting profession. The paper concludes, in section five, with a challenge to the accounting profession to revisit a number of issues and problems which arise from the analysis. It is argued that a holistic work-based learning approach offers a practical way forward and can overcome many of the deficiencies of the current approach.

2. Accounting Education

In the early years accounting training was undertaken by apprenticeship (Shackleton, 1992). In the late 1800's the professional associations in Scotland introduced examinations and from the mid 1920's trainees were required to attend University on a part-time basis to study accounting, law and economics. A system of apprenticeship and examinations was also used in England where exemptions were granted to graduates reducing a five-year apprenticeship to three years.

By 1965, twelve universities had introduced accounting degree courses but it was more common for accounting to be taught by economics or commerce departments (Zeff, 1997). Accounting as a university subject continued to grow from the 1970's following the UK-wide expansion of higher education.

The entry requirements for professional training vary between the different professional institutes. In Scotland, trainees wishing to become Chartered Accountants are required to have a degree although it need not necessarily be in accounting. Accounting degree holders gain exemptions from the first stage of professional examinations. A system of accreditation is in place comprising a panel of academic and professional accountants which reviews degree courses on behalf of the professional body and recommends exemptions. The accreditation requirements are rigorous involving review of course syllabi, examination papers, staffing and other resources, and constraints are set on assessment methods.

On completion of a University degree, prospective accountants apply for a training contract with a firm of accountants. In Scotland, the Institute of Chartered Accountants of Scotland (ICAS) is a teaching institute so students are required to attend classes normally on a block-release basis. The professional training comprises three sets of examinations during a period of three years work experience. A standard logbook is kept by students to document their work experience.

Accounting education, therefore, can be defined as a pre-qualifying period comprising a university degree, which in Scotland will often be an accredited accounting degree, followed by the professional training contract. The *location* of the 'accounting education' can be a combination of University and the profession or solely the latter if the trainee holds a non-accounting degree.

It is clear from the current structure that 'accounting education' is essentially learning which occurs within and between the different contexts of education and work. The link between education and practice is a problematic one and is achieved in several ways in other disciplines. Doctors are required to do clinical practice; teachers are sent out on short-term placements, lawyers have a postgraduate legal course which provides a transition between the degree and traineeship. It is not the purpose of this paper to derive an 'ideal' structure for accounting education but to temporarily dismantle the structures and clear the ground allowing some intellectual space to explore some theories of knowledge and learning which will help to problematise the interface between education and work in the context of the accounting profession.

The background provided in this section has highlighted three particular issues which are important for the rest of the paper. Firstly, over the last thirty years accountancy has become a recognised university subject although it is essentially a vocational discipline. Secondly, despite the fact that all trainee chartered accountants now require to be graduates, the accounting profession exercises a significant degree of control over their *'accounting education'*. Thirdly, in terms of structure, the qualifying process of the professional accountant can be divided into three clear stages, that is, academic study, practical experience and professional examinations. At present, the only validated overlap between these stages is where a trainee graduates with an accredited accounting degree and is given exemption from the first set of professional exams.

The shift in accounting education and training from apprenticeship to the current regime described above has resulted in a reduction in the educational profile of the work experience of the accountant. Practical experience is stated as one of the three elements of the qualifying process but the curriculum of work experience is much less obvious than the university degree or the professional examinations. During their training, students can become preoccupied with examinations as this is a place of relative security and familiarity, however, much of the knowledge and learning of the accountant is identified, applied, developed and understood within the work context. The next section of the paper will explore this 'hidden curriculum' of work experience of professional accountants.

3. Accounting Work Experience

The terms work experience, practical experience and professional experience are all used to describe the component of the accountants training which takes place in the work environment. IFAC (2002b) defines practical experience as *"... the on-the-job execution of tasks that are relevant to the field of accountants"* (p.7). This is further explained as intended to develop candidates '*through the direct application of knowledge, skills and professional values'*. It is recognised by the professional bodies that ultimately it is through practical experience that trainees will demonstrate their competence to perform the roles of professional accountants.

ICAS requires its students to keep an achievement log which is filled out by the student and signed off by the training firm. The student is required to attain competencies in certain prescribed areas and to specialise in some optional areas. The student is expected to have achieved a minimum of 450 days of relevant work experience by the end of the three-year period. The logbooks are reviewed by ICAS and the results are monitored by the ICAS student education committee. An individual (the counselling member or training principal) within the training firm is required *"to ensure that the student achieves the competencies expected in the particular technical and softer skill areas set"* (ICAS, 2002, p4). The training principal is expected to regularly review and monitor the student's work experience and sign off the achievement log on an annual basis.

The system is essentially competence based, the achievement log has two sections, the competency achievement record and the target levels of experience record. The competency achievement record has three sections, the prescribed competencies (accounting, information technology, communication skills and personal skills), optional competencies (e.g. auditing, taxation, insolvency, etc) and specialist competencies. The target levels of experience is recorded in days spent on different areas although IT, communication skills and personal skills are not recorded in days as it is asserted that they will generally occur concurrently with other recorded experience. The completed logbook comprises lists of competencies which are ticked off by the student, targets are recorded in numbers of days and the booklet is signed off by the training principal (ICAS, 2002).

Competence-based systems have become popular in education over the past thirty years mainly due to the influence of government. Government policy in the 1980's and 90's emphasised that higher education should provide value for money and increase its provision of technical and vocational subjects. A number of vocationally based initiatives were launched giving rise to the 'competence movement'. These developments highlighted the changing role of universities which were required to produce graduates equipped for employment. There has been considerable academic debate over this shift (see e.g., Barnett 1990, 1994; Jones & Moore,1993; Saunders, 2000).

There are a number of problems associated with competence based approaches not least the definition of competence itself. IFAC (1998) defines competence *as "… the ability to perform the tasks and roles expected of a professional accountant, both newly qualified and experienced, to the standard expected by employers and the general public" (para 3).* The IFAC paper goes on to state that competence refers to a set of minimum requirements and not the distinguishing attributes of those who are deemed to be especially effective. Despite this restriction on the definition of competence there are a number of assumptions and implications which arise which require clarification. Barnett (1994) argues that occupational standards are not something that can be settled, that any list of competencies is partial and debatable. Certainly the public may not understand the domain of a professional and it is arguable whether the training principals themselves would know the boundaries or the exact level of performance to be described as competent.

There are a number of practical challenges associated with the system currently employed by the profession. For example, the training principal is expected to be able to verify the target levels of experience are of a sufficient quality and nature to fulfil ICAS requirements despite the arms length nature of the role of the training principals. Further, the experience gained by individual students can vary dramatically between different training offices. There is, however, a range of other more fundamental problems bound up with the issue of competence-based education. These include the absence of mechanisms to identify the development of different knowledge and skills, this is particularly evident with regard to IT, communication skills and personal skills which are envisaged as being subsumed within specific tasks. The binary character of competence based approaches (Barnett, 1994) results in a lack of recognition of any progression between different levels of experience, from say novice to advanced beginner, etc. There is no reference to any socialisation processes or the abilities to display flexibility to cross disciplines. There are further general problems associated with competence based systems such as the focus on outcomes rather than inputs; difficulties with identification and measurement of desired outcomes; what is deemed desirable by one may not be desirable by another; what is acceptable performance for one may not be acceptable to another (Barnett, 1994; Stephenson 1998; Boud & Solomon 2001).

The formal practical experience requirements as they currently stand are but a pale shadow of the work experience of the accounting trainee. Further, the competence-based logbooks appear to provide only a 'straight-edged outline' leaving gaps and questions as to the shape and dimensions of the rich knowledge and learning which is possible during the accounting training contract. It is important to explore and understand the process of professional learning, otherwise there is a risk that essential learning does not take place resulting in students lacking the necessary competencies being admitted to membership, and many significant learning opportunities will be lost. The remainder of this section of the paper will explore some of areas of knowledge and learning and the challenges which the students face in their work experience which are often unsupported because they are not recognised as part of their accounting education – this is the hidden curriculum.

One of the initial challenges facing accounting trainees is simply the transition from higher education into the world of work. Bennett et al (2000) relates that *"typical problems encountered by graduates in this period are culture shock, frustration created by ambition outrunning experience and misallocation of roles and responsibilities" (p.144)*. There is no chronological dimension to the work experience logbook with the exception of boxes to tick achievements in year 1,2 or 3. This first period of work experience would seem to merit particular attention in terms of knowledge transfer and socialisation. The events and activities surrounding induction into employment present a series of learning opportunities which require recognition through processes of identification, experience, and reflection. However, at this stage there would appear to be a situation which Bonamy et al (2001) describe as '*chronic uncertainty*' within the learner, arising at the commencement of the training contract, where there is a realisation that their academic knowledge does not easily equip them for practice. They argue that the problematic transition can be managed by utilising a range of '*bridging tools*' which provide '*provisional stability*' for such boundary crossing activities. The work experience requirements would be enhanced by identifying the sorts of bridging tools one would expect trainees to require and acquire during the initial period of practical experience and by giving specific attention to induction into the workplace community.

Of particular importance is how students learn and develop through work experience. Some of the more recent literature has identified 'directionality' in learning and development (Engestrom, 2001; Guile & Griffiths, 2001). The concept of 'vertical development' is focused on a hierarchy of knowledge and skills which individuals progress up towards higher levels of competence. The concept of 'horizontal' development involves sideways learning where individuals move between contexts (e.g. from university to work) i.e. the ability to act as a 'boundary crosser'. There has been a tendency to treat the vertical separately from the horizontal reflecting the separation of formal and informal learning. Guile and Griffiths (2001) suggest that this is a major problem for students, arguing that *".. education and training systems have emphasised pedagogic approaches which support the study and assessment of subjects in isolation from one another as well as the separation of academic subjects from practical contexts" (p.116).*

It is difficult to put a time period on the initial phase of training described above, however, it is possible to draw on work by Dreyfuss and Dreyfuss (1986) which offers a classification of stages of professional development. The 'Dreyfuss' model for personal learning describes an individual who begins as a 'novice' becomes an 'advanced beginner', then 'proficient', 'competent' and finally 'expert'. It may be difficult to distinguish between these categories as the individual moves along the continuum however it is unlikely to be difficult to recognise the difference between a novice and an expert.

Before going further with the critique of practical accountancy experience it is beneficial to distinguish between the 'functional' approach to competence adopted by ICAS and what could be described as a 'capability' approach. A capability approach attempts to focus on competence development rather than the ability to perform lists of tasks or functions. A capability-based approach requires an understanding of professional knowledge and how that knowledge is acquired.

Eraut (2000) discusses two types of professional knowledge under the headings of *codified knowledge* (also referred to as public knowledge or propositional knowledge) and *personal knowledge*. He defines personal knowledge as *"the cognitive resource which a person brings to a situation that enables them to think and perform"* (p. 114).

Eraut argues that personal knowledge incorporates codified knowledge, procedural knowledge, process knowledge, experiential knowledge and impressions in episodic memory and it can be either explicit or tacit. The problem facing the learner in the transition from education to work is that much of their personal knowledge is not yet 'available for use'. For example, Eraut asserts that the process by which codified knowledge is acquired is affected by the learning context, so that subsequent use of that knowledge in a different context will require further learning.

The new graduate trainee brings very limited codified and personal knowledge to the workplace. Even as an accounting graduate Kinney (1990) confessed that *"…my accounting courses did little to help me understand the social nature of real-world accounting and attestation or the context in which they arise" (p.299).* The decontextualised learning experienced by many in their higher education has to be reinterpreted and often reconstructed to fit each particular kind of practical situation.

The professional development from 'novice' to 'advanced beginner' will take place 'on-the-job'. Brown et al (1989) suggest that conceptual knowledge is contingent upon the context in which it is learned and used. They align themselves with the "communities of practice" literature and develop a model of learning through '*cognitive apprenticeship*' by legitimate peripheral participation into the culture of practice.

> *"Given the chance to observe and practice in situ the behaviour of members of a culture, people pick up relevant jargon, imitate behavior, and gradually start to act in accordance with its norms….what they pick up is a product of the ambient culture rather than of explicit teaching" (p.34)*

It is interesting to observe in professional offices, that some of the 'best' auditors, those who have learned to deal effectively with clients and who show professional awareness and work well in the audit team, are often not the best performers in professional examinations (IFAC, 1998). Equally the reverse can be true, that those who do well in university and professional exams can be poor auditors. Brown et al suggest a dependency on 'school-based cues' can make learning extremely fragile.

The idea of cognitive apprenticeship is certainly worthy of further investigation as many of the professions have traditionally been learned through apprenticeship.

Apprenticeship is resource intensive and results in non-uniform training experiences which can be both positive and negative. The accounting profession made a choice to move away from the apprenticeship model to a more formal exam based system of education where standards can be more easily measured, controlled and monitored, however, aspects of apprenticeship remain within the training contract. There is no doubt that an apprenticeship model presents real difficulties in terms of the unevenness and unpredictability of experience but this is consistent with real work practice which is what this dimension of the professional training is supposed represent. It is important to look further than the traditional educational approaches and assessment methods to ensure that trainees learn how to learn through work experience. Surely, this is critical in a profession where, after qualifying, members will be responsible for managing their own continuing professional development to meet the requirements of their professional bodies.

When working in practice, trainees will mainly be occupied with learning to carry out their assigned task and with assimilating the values and insights of qualified colleagues in order to gain confidence and approval. From the students' perspective, this learning will involve using only that knowledge whose relevance is immediately apparent to them or explicitly mentioned by their supervisors. Knowledge will be excluded that colleagues have acquired tacitly. This may be knowledge considered so commonplace as to be not worth mentioning; knowledge not possessed at all; or knowledge not considered relevant. There can therefore be many opportunities for learning to use trainees' academically acquired knowledge which are either not recognised or not prioritised.

Brown et al (1989) offer three principles to help apprentices along the process of entering the 'culture of practice'. They emphasize the 'centrality of activity' in knowledge and learning and highlight that it is inherently 'context-dependent', 'situated' and that learning is an 'enculturation' process. They contend that apprenticeship offers a *"paradigm of situated modelling, coaching, and fading, whereby teachers or coaches promote learning, first by making explicit their tacit knowledge or by modelling their strategies for students in authentic activity. Then, teachers and colleagues support students' attempts at doing the task. And finally they empower the students to continue independently" (p.39).* There are many aspects of

'becoming an accountant' which are learned in this way but often 'on the job' learning because of its informal nature remains unrecognised, it is not consolidated or refined by reflection and discussion. Although the work experience element of the training contract offers a 'perfect opportunity' for 'apprenticeship' it often involves learning the hard way (trial and error) or perhaps inadequately (fragile learning) or not learning at all as the trainee simply carries out a series of mundane tasks. New (exam) qualified accountants may be 'badly born' into the profession depending on their individual experiences of the training contract. This can be due in part to their own personalities, the nature of their training firm, the range of clients, their work colleagues, their training principal and many other factors but perhaps most significantly an inability to learn in a way that enables them to deal with unknown situations. There is a challenge to make the tacit more explicit and foreground some of the 'mystical' aspects of learning how to deal with clients, give advice, make judgements, manage a team, act ethically, and ultimately become a professional accountant.

Wenger (1998) deals with this area when he defines the concept of 'practice' which he asserts *"…includes both the explicit and the tacit. It includes what is said and what is left unsaid; what is represented and what is assumed. It includes the language, tools, documents, images, symbols, well-defined roles, specified criteria, codified procedures, regulations, and contracts that various practices make explicit for a variety of purposes. But it also includes all the implicit relations, tacit conventions, subtle cues, untold rules of thumb, recognisable intuitions, specific perceptions, well tuned sensitivities, embodied understandings, underlying assumptions, and shared world views." (p.47)*. He argues that many of these may not be articulated but that they are *"unmistakable signs of membership in communities of practice" (p.47).* It is these very things which we need to engage with when identifying the educational curriculum of work experience. Wenger also introduces an interesting concept called 'reification', *"the process of giving form to our experience by producing objects that congeal this experience into 'thingness'" (p.58).* The identification of reified practice may give recognition to some of the tacit aspects of accounting practice thus offering an opportunity for more deliberative learning.

Wenger goes further suggesting that communities of practice are not only drawing on knowledge bases but that the participants are socialised into mastery. Jones & Moore (1993) agree that *"… membership of professions …is gained by a lengthy process of socialisation (training/apprenticeship) into the professional community in which individuals acquire not only the knowledge and skills of the group (its particular expertise), but also its distinctive cultural ethos and character" (p.391).* This socialisation process is complex but cannot be ignored. It involves all kinds of relationships, positive and negative, intimate and political, competitive and cooperative, resulting in a dynamic professional community which needs to be captured in the professional learning process.

The theories of Lave and Wenger relating to communities of practice (CoP) are initially compelling when applied to the professions. They view the main issue in learning as becoming a practitioner not learning about practice. Much of the CoP literature (Brown et al,1989; Lave,1993; Wenger,1998) appears particularly applicable at the boundary between HE and the profession where the novice/expert relationship is at its most extreme. This may be valuable but it is important to appreciate that in practice there will be resistance, negotiation and compromise by trainees and professionals as 'participation' takes place. Issues of power, politics and contest seem to be overlooked by the main authors and there is a danger that the professional work environment can be analysed in a superficial and unrealistic way (Trowler & Knight, 1999, Gherardi et al, 1998).

The challenge is to create a work-based curriculum which recognises the importance of the socialisation process and takes account of tacit knowledgeability. There must be a place in the professional curriculum which enables students to access the rich learning opportunities of this work experience. This will involve the trainees in learning how to learn within the workplace. The current functional competence-based approach reduces the work of the professional to a mere set of discrete tasks to be ticked off. The real curriculum remains hidden and will be stumbled through by trainees rather than negotiated by extending the higher-level cognitive skills that are developed in the final years of higher education. Learning to learn is an attitude or disposition, something to be highly valued. It requires that professionals gain greater knowledge of learning and, in particular, of how to direct their own learning and

better understand some of the learning difficulties they encounter. All accounting professionals ought to be committed to lifelong learning but at present the work experience component of the qualifying process, that part which will continue beyond the professional examinations, represents a missed opportunity to establish a learning pathway for the accountants' continuing professional development.

Some of the educational literature is useful in further identifying knowledge types required within the workplace. Francis Blackler (1995) attempts to identify the knowledge requirements of organisations by constructing a typology of organisations and knowledge types. He identifies five common images of knowledge which are described in turn. *Embrained* knowledge is propositional knowledge dependent on conceptual skills and cognitive abilities. *Embodied* knowledge is action oriented, it is 'knowing how' and is mostly tacit. *Encultured* knowledge refers to the process of achieving shared understandings through language and social acculturation. It is socially constructed and negotiable. *Embedded* knowledge resides in systematic routines involving relationships between technologies, roles, formal procedures and emergent routines. *Encoded* knowledge is information conveyed by signs and symbols.

This analysis is useful as it rejects the traditional compartmentalised and static approaches and analyses knowledge (or knowing) as an active process. The knowledge types are helpful in bringing recognition to a range of important capabilities which are central to work practice but which are not obvious from performing individual tasks. Blackler goes on to argue that *"…knowing in all its forms is analysed as a phenomenon which is: (a) manifest in systems of language, technology, collaboration and control (i.e. it is mediated); (b) located in time and space and specific to particular contexts (i.e. it is situated); (c) constructed and constantly developing (i.e. it is provisional); and (d) purposive and object-oriented (i.e. it is pragmatic)."* Blackler acknowledges that activity theory is criticised as being weak in its analysis of the relationship between knowledge and power and adds a further characteristic of knowing i.e. that it is contested.

It is possible to apply these knowledge types to analyse aspects of the educational process of the accountant. 'Embrained' knowledge would appear to be a knowledge

type which could be 'transferred in' from higher education. The graduate will have developed conceptual skills and cognitive abilities which may be useful in the workplace, however, even for the accounting graduate, many of the technical tasks will have been sterile book based scenarios which may be unrecognisable in practice. For example, typically a new trainee would come out in a cold sweat having been handed a plastic bag of bank statements, cheque stubs and invoices and told to prepare a set of accounts. Even where 'embrained knowledge' is in place some 'bridging tools' will be required.

The initial problem posed by the example above arises from a lack of 'embodied' and 'embedded' knowledge. The trainee does not know 'how to act' in an unfamiliar situation - the practical systematic routines associated with how to prepare a set of accounts from a variety of types of books and records (incomplete records, manual, integrated, computerised, etc). As the trainee learns by experience, he will gain more confidence to tackle the next task which will again be different. He will gain some '*provisional stability*' (Bonamy et al, 2001) arising from the previous experience to build on but unless the work experience curriculum engages the trainee in his learning it is likely that the trainee will race on to the next deadline with a fragile learning experience carrying his brand new, fairly empty, 'professional knowledge toolbox'! 'Encultured' knowledge is important as it provides the opportunity to borrow from colleagues 'toolboxes' or receive assistance or a demonstration of how to go about a task. The social acculturation can often be critical to the professional development of the trainee. There is certainly some overlap between the community of practice / cognitive apprenticeship theories and the development of Blacklers' 'encultured knowledge'.

Work experience for the professional extends beyond the development of knowledge and skills. Another significant challenge is the requirement for integrity, objectivity and independence. These value-based characteristics would appear to be formed through enculturation and become embodied in the professional accountant but they are inadequately addressed in the competence-based logbooks. Some of the accounting bodies include ethics in the professional examinations syllabi but acknowledge the difficulties of teaching and assessing when it is separated from reality and taught as a dry, self-contained topic. Successful handling of values issues

entails the use of intellectual, interpersonal, and communication skills. Work experience can socialise trainees into the values expectations of a profession. Practical experience is necessary for people to learn how to recognise that a value issue is involved when handling a particular situation. The learning experience then needs to be appreciated and processed by the trainee.

There are experiential learning theories (Kolb, 1984; Honey & Mumford, 1986; Dreyfuss & Dreyfuss, 1986) which are associated with post-qualifying education which may be helpful here. A number of the large accounting firms have drawn on these theories in their continuing professional development programmes. It seems sensible to consider 'rolling-back' some aspects of experiential learning theory into the pre-qualifying work-experience approach.

The basic concept of experiential learning is that ideas are constantly being formed and reformed by experience. Experiential learning theories offer hypotheses about how the process works and how they can be applied to adult learning situations. Perhaps the most popular theory is that of Kolb (1984) who offers his "learning cycle" (see figure 1 below). According to the theory the individual moves from one stage to the next starting from any point. All four stages of the cycle must be completed for effective learning to take place.

Figure 1 Kolb Learning Cycle
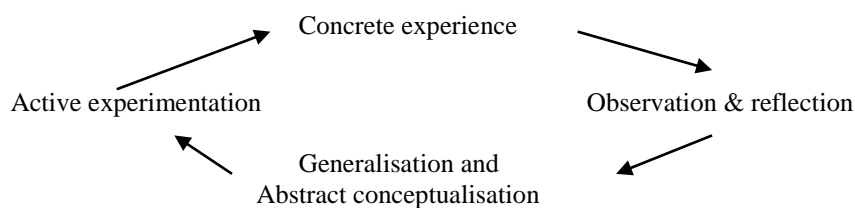
Honey & Mumford (1986) offer a variation on the above where the learner moves from 'having an experience' to 'reviewing the experience' to 'concluding from the experience' to 'planning the next steps'. These authors offer considerable evidence that different people learn in different ways and the Kolb and Honey & Mumford models have offered useful analysis of learning styles. Some commentators

(Schlesinger, 1996) reject these neat cycles arguing that learning is much more complicated, fragmented and even chaotic.

The functional competence-based approach does not require the trainee to go beyond the task or 'concrete experience'. The process of reflection is absent from the current work experience requirements. Further, the importance of making the links between different processes and activities and understanding the social dynamics involved requires consideration.

As the trainee moves from 'advanced beginner' to 'proficient' (Dreyfuss & Dreyfuss, 1986), a progression anticipated within the training contract, there is a necessity to distinguish between performing a set of tasks and performing the whole job. As an accountant this will involve scheduling, prioritising, negotiating with colleagues and clients. There will also be the need to be able to cope with the pressure of deadlines and handling several ongoing assignments at once. It can be argued that the functional competence based approach can often regress to a list of learning outcomes resulting in reductionism and fragmentation. This is partly caused by the requirements for accreditation and assessment - surely a better model can be found which adopts a more holistic approach to work experience.

In this section of the paper the current work experience stage of professional qualification has been examined. Consideration of post-compulsory educational and professional learning literature has highlighted the importance of informal learning, tacit knowledge acquisition and socialisation through cognitive apprenticeship and communities of practice. The critique provided has identified that the competence-based approach to work experience is dominated by a task orientation. There is no doubt that this model is cheaper and easier to implement than alternatives based on knowledge and capabilities, however, the process and the outcomes are far from convincing. The real challenges and opportunities for learning in the workplace are at best stumbled upon and the authentic work experience curriculum remains mainly hidden from view. The next section of the paper will explore some possibilities for 'removing the veil' by using approaches which are associated with the growing area of 'work-based learning'. It is argued that work-based learning offers a more holistic approach to work experience and provides opportunities to engage with tacit

knowledge, socialisation and professional values by learning to learn in the workplace.

4.   Work-Based Learning

As we have seen above professional preparation for accountancy comprises an academic qualification followed by a training contract during which trainees gain work experience and take professional examinations. This can lead to a rigid separation between on-the-job and off-the-job learning. Each partner is focused on its own interests without necessarily having regard to what the others are contributing. Higher education provides formal teaching and knowledge based examinations; employers provide a mixture of practical tasks and experience of working alongside qualified professionals; the professional body provides complex final examinations; and the student focuses their learning on the various assessment hurdles which mark their path to qualification.   The net effect is a less than effective accountant than would have been possible with a more collaborative and integrated approach. The distinctive feature of work-based learning is that working and learning are coincident. *"Learning tasks are influenced by the nature of work and in turn, work is influenced by the nature of learning that occurs … Learners are workers; workers are learners"* (Boud, 2001a, p34). A learner-managed approach to work-based learning (WBL) would be consistent with the informal processes by which people learn through work.

This section of the paper examines the philosophy and practice of WBL approaches with a view to importing a methodology which will overcome the major deficiencies inherent within the current functional competence based approach to demonstrating and validating learning from accounting work experience. WBL practices offer opportunities to engage with the development of capabilities and they recognise the importance of tacit knowledge and the process of socialisation. The commitment required by the learners, employers, and awarding bodies (universities or professional bodies) can result in a more integrated approach to learning.

There is a considerable body of literature being built up around WBL. By its very nature WBL focuses directly on the inter-relationship between education and work. Gray (2001) defines WBL as *"learning at higher education level derived from undertaking paid or unpaid work. It includes <u>learning for work</u> (e.g. work placements), <u>learning at work</u> (e.g. company in-house training programmes) and <u>learning through work</u>, linked to formally accredited further or higher education programmes." (p.3).* Cheetham & Chivers (2001) offer a wider definition, *"it can relate to the placement elements, provided as part of a higher education course, it can refer to the semi-formal on-the-job training provided within organisations, and it can include the myriad of informal learning experiences to which people are exposed to throughout their working lives" (p.256).* Whether a specific or more general definition is accepted WBL is about the connection, which is an increasing close one, which is emerging between education and work.

Brennan & Little (1996), in an extensive review of WBL in higher education, summarise the variety of forms in which WBL is currently recognised see table 1.

Table 1 Spectrum of experience-led WBL

(1) Brief encounter (up to 7 days, awareness raising)
(2) Short project (several weeks, immersion in real work under sheltered conditions)
(3) Sandwich Placement (6-15 months, introduction to professional responsibility)
(4) Sequenced Placements (Various, novice professional e.g. teaching, nursing)
(5) Employment-based learning programmes (In work professional/personal development)
(6) Immediately post-qualifying (1-2 yrs pre-registration, developing professional acumen)
(7) Continuing professional development (a series of episodes, specific skill development)

 (adapted from table in Brennan & Little, 1996, p10)

Resnick (1987) summarises in quite a stark way how learning in educational institutions may differ from learning outside institutions (see table 2 below). Although this is an oversimplification, assumptions about the superiority of formal learning have resulted in greater value being placed on decontextualised knowledge and skills than 'situated' or contextual knowledge and therefore consideration of the relationship between the two and the implications for pedagogy have been neglected.

Table 2 – Differences between learning in and outside organisations

Learning in institutions	Learning outside institutions
Decontextualised	Has 'real' content
Second-hand	First-hand
Needs motivating	Comes easily
Tends to be individualistic	Is cooperative/shared
Assessed by others	Self-assessed
Formal structure	Few structures

Source: Resnick (1987)

Another area of importance relates to the quality of learning. In 1998, The Institute of Chartered Accountants of England and Wales (ICAEW) published reform proposals designed to tackle the problems of the increasing knowledge base required of the professional accountant. They state that *"Given the current syllabuses, the size and nature of the learning task are such that students approach it as a short-term, rote-learning matter, divorced from the reality of the workplace, not as a process which generates deep understanding" (ICAEW, 1998b, p.12).* Much has been written on 'deep' and 'surface' approaches to learning (see table 3 below). Entwistle (1997), in his later work makes a further distinction between deep (transforming), surface (reproducing) and strategic (organising) approaches to learning.

Table 3 – 'Deep' and 'surface' approaches to learning

Deep approach
Focusing on concepts applicable to problem solving
Relating previous knowledge to new knowledge
Relating knowledge from different courses
Relating theoretical ideas to everyday experience
Relating and distinguishing evidence and argument
Organising and structuring content into a coherent whole

Surface approach
Focusing on 'signs'
Focusing on unrelated parts of the task
Memorising information for assessments
Associating facts and concepts unreflectingly
Failing to distinguish principles from examples
Treating the task as an external imposition

(Source: Entwistle and Marton (1984))

It would appear that work-based experience could provide context for deeper learning to take place. Raelin (2000) argues that WBL is different to classroom learning in a number of important ways:

"(1)   WBL is centred around reflection on work practices; it is not merely a question of acquiring knowledge and a set of technical skills, ...but a case of reviewing and learning from experience;
(2)   WBL views learning as arising from action and problem-solving within a working environment ...centred around live projects and challenges to individuals and organisations;
(3)   WBL sees the creation of knowledge as a shared and collective activity; one in which people discuss ideas and share problems and solutions;
(4)   WBL requires not only the acquisition of new knowledge but the acquisition of meta-competence – learning to learn".

These key aspects of reflection, action learning, social learning and meta-cognition are essential for professional development. Similar themes are advanced by Mezirow (1985) in identifying three domains of WBL, 'instrumental' (learning to do the job better), 'dialogic' (learning about the organisational culture) 'self-reflective' (knowledge of self and personal change).

WBL would appear to provide an opportunity to develop curricula frameworks which encourage students to make links between work experience and the knowledge and skills which underpin it in a variety of contexts (cultural, social and technological). Work-based learning may provide prospective accountants with the support they require for relating formal and informal learning and a context for participating in 'communities of practice' and becoming effective 'boundary crossers', learning in a way that enables them to deal with unknown situations. However, as argued in the previous section, there needs to be a focus on an educational approach to the curriculum and not settle for a narrow operational competency-based approach suitable for pre-defined learning outcomes. Boud (2001b) argues that such frameworks *"are unlikely to be appropriate except for relatively low-level work-based learning programmes" (p46),* and therefore unsuitable for professional learning.

There are a number of more holistic approaches to competency (Gonczi, 1994; Hager et al,1994; Stephenson,1998) which are much more closely aligned to the requirements described above.   This section continues by taking a closer look one of these holistic approaches, Stephenson's 'capability envelope'. This model is chosen as it is more comprehensive than the others. The 'capability envelope' is proposed as a *"model for encompassing individual learning activities within an overall learning strategy, which reconciles the learners' needs with the interests of the organisation and the constraints of formal accreditation"* (Stephenson, 2001, p86). The model is designed to provide participants with support to relate their work to their learning goals and development. It comprises three stages resulting in a 'wrap around' or enveloping effect hence the name (see figure 2 below).

Figure 2 The Capability Envelope
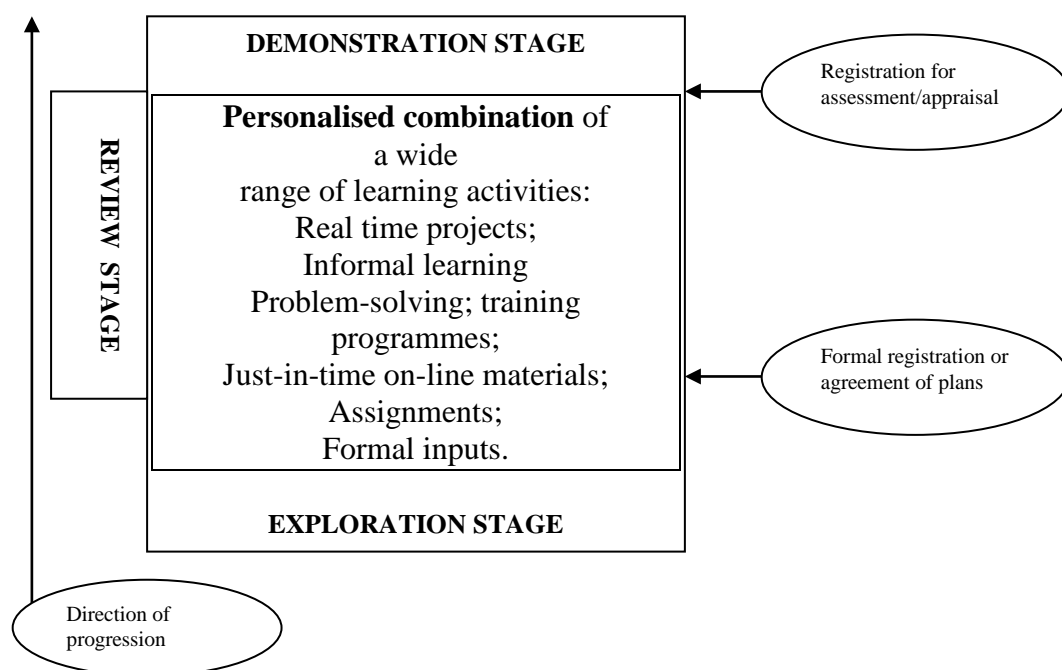
Adapted from Stephenson (2001), p94

The process set out in the diagram is consistent with the objectives of the development of capable individuals and Stephenson argues that the benefits also extend to the organisations. It begins with the *exploration stage* where the trainee, employer and the professional body work towards a learning contract which, where

formal certification is required, is established as a 'seal' on the first stage. The key to this exploration stage is that the trainee is *"helped to reflect on and make sense of their prior experience and learning, articulate their aspirations, explore possibilities and establish an overall strategic plan for their own development through work"* (Stephenson, 2001, p.95). The benefit of this approach is that opportunities for learning through everyday routine and tasks can be built into learning activities as part of the development strategy.

The *progress review stage* runs concurrently with the learning activities. Trainees are assisted in monitoring and reviewing progress and are able to share their learning with others and evaluate their progress and further needs. This phase offers an opportunity for the trainee to articulate aspects of their work based learning which are informal and tacit through a process of socialisation.

The *demonstration stage* takes place at the end of the learning episode. Trainees are helped to identify and articulate the specific achievements, their personal learning and their plans for continuing development arising from their work experiences. For certification purposes, the trainees are in a position to articulate their outcomes in terms of generic level requirements for qualification.

One of the benefits of the process described above is its flexibility. Over the course of the three-year training contract the accounting student may for example complete three capability envelopes of different sizes. It would be possible, using the 'Dreyfuss' classification referred to above, to use this process to recognise the movement from 'novice' (say first six months) to 'advanced beginner' (next twelve months) to 'proficient' (final eighteen months). This type of approach would directly address the issue of the development of knowledge, skills and values as opposed to settling for a 'binary' box ticking exercise.

Stephenson (2001) claims that the capability envelope *"enables people to share their thoughts, experiences and plans with fellow learners within a mutually supportive micro-culture, integrate their immediate task-related learning into their longer-term development and engage the active and purposeful support of their immediate line-managers"* (p.96). The process does provide an opportunity for trainees to make their

tacit learning explicit within a 'deliberate mode' (Eraut, 2000) and offers the profession possibilities for certification within a generic award structure. More generally, the process supports the development of skills, knowledge and values within a learner-managed environment. Layock & Stephenson (1993) identify particular opportunities for development through learner-negotiated learning contracts in the areas of planning, negotiating, implementing, demonstrating and reflection. Although beyond the scope of this paper, there are real possibilities for the extension of such holistic work-based learning approaches back into university studies and forward into continuing professional development.

It is however important to recognise that holistic approaches to work-based learning do present many difficulties. By encouraging learners to take greater responsibility for their learning through work and providing the necessary support for them to do it well will require not just commitment from employers and the professional bodies but changes in the way they operate. The professional bodies will required to move away from listings of predetermined outcomes and release some of the control that it holds over student learning and the professional firms will require to become more flexible and supportive of the student's learning at work. The potential benefits could however be significant: the professional bodies would be making a serious attempt to engage students in professional learning in the workplace; and the corporate capability literature (e.g., Mayo & Lank, 1994; Senge, 1992) suggests synergy between individual and organisational capability resulting in positive benefits to the employer.

This section of the paper has drawn attention to the potential benefits associated with WBL approaches to education. After outlining the scope and variety of WBL taking place, this part of the paper focused on one of a number of holistic approaches to WBL which could be applied to accounting work experience. This was to illustrate the possibilities for improvement to a seriously underdeveloped component of the pre-qualification education of accountants. It is hoped that the training firms and the accounting profession in particular, will rise to the challenge to find effective ways of enabling trainees to uncover, learn and develop the hidden curriculum of work experience so that it becomes a fully integrated component of their professional education.

5.   Conclusions

This paper is a response to the '*chronic uncertainty*' (Bonamy et al, 2001) experienced in the workplace by many students (and employers of students) during the period of their accounting training contract. Students with an accounting degree initially make a limited contribution to the firm and together with those with a non-relevant degree often spend the first few months running errands, making coffee, photocopying and doing other '*apparently trivial activities*' (Lave & Wenger, 1991, p97). The purpose of this paper has been to problematise the interface between education and work as experienced by an accountant en route to professional qualification. A critique of the current work experience requirements of accounting trainees, drawing on the educational and professional literature on knowledge and learning, has highlighted a number of significant deficiencies most notably an over-emphasis on functional competence, a lack of engagement with the development of professional capabilities, and ignorance of the importance of socialisation, tacit knowledge and learning professional values.

The paper offers the new work-based learning approaches as an alternative model for the work experience component of the accountants pre-qualification education. These situated learning theories draw attention to the importance of socialisation processes for in the training of accountancy students, as well as the importance of recognising the role of tacit knowledge. Stephenson's (2001) 'capability envelope' is outlined as an example of an holistic approach to WBL which could be adapted for accounting education. It is argued that such holistic approaches to work-based learning can provide accounting trainees with a framework through which they can access the hidden curriculum of professional learning. Moreover, there are opportunities to roll-back and roll-forward WBL into to higher education and continuing professional learning respectively, resulting in a more coherent and integrated professional education process.   The literature points compellingly towards the need for individuals to 'learn to learn'. WBL offers a learner-managed but collaborative approach to effective learning in the workplace.

The challenges facing the accounting profession are numerous and varied but individuals can prepare themselves by learning how to learn, how transfer learning between contexts and to operate with professionalism and expertise in unfamiliar situations. This paper encourages the professional bodies to rethink their approach their pre-qualifying work experience requirements. The challenge is to move to a more rigorous and radical engagement with professional learning in the workplace. The practical development of a new work-based learning approach will require further research and the mutual commitment of trainees, employers and the professional bodies. It is hoped that this paper will stimulate debate and research which moves the accounting profession towards a more integrated and holistic approach to work experience requirements.

Bibliography

Arquero Montano JL, Donoso Anes JA, Hassall T & Joyce J (2001), 'Vocational skills in the accounting professional profile: the Chartered Institute of Management Accountants (CIMA) employers opinion', *Accounting Education*, 10(3), pp299-313

Barnett R (1990), *The Idea of Higher Education*, SRHE & Open University Press

Barnett R (1994), *The Limits of Competence*, SRHE, & Open University Press

Becher T (1999), *Professional Practices: Commitment & Capability in a changing environment*, New Brunswick, NJ

Bennett N, Dunne E & Carre C (2000), *Skills Development in Higher Education and Employment*, SRHE & Open University Press

Blackler F (1995), 'Knowledge, Knowledge work and organisations: an overview and interpretation', *Organisational Studies*, (16)(6), pp1021-1045

Bonamy J, Charlier B & Saunders M (2001), ''Bridging Tools' for change: evaluating a collaborative learning network', *Journal of Computer Assisted Learning*, 17, pp295-305

Brennan J & Little B (1996), *'A Review of Work Based Learning in Higher Education'*, DfEE

Brown J, Collins A & Duguid P (1989), 'Situated Cognition and the Culture of Learning', *Educational Researcher*, 18,1, pp32-42

Boud (2001a), 'Knowledge at Work: Issues of Learning' in Boud D & Solomon N (eds), *'Work-based Learning'*, SRHE & Open University Press, pp34-43

Boud (2001b), 'Creating a Work-based Curriculum' in Boud D & Solomon N (eds), *'Work-based Learning'*, SRHE & Open University Press, pp44-58

Boud D & Solomon N (2001), *'Work-based Learning'*, SRHE & Open University Press

Cheetham G & Chivers G (2001), 'How Professionals Learn in Practice: an investigation of informal learning among people working in professions', *Journal of European Industrial Training*, 25, 5, pp248-292

Dreyfus H & Dreyfus S (1986), *Mind over Machine: The Power of Human Intuition and Expertise in the Era of the Computer*, Free Press, New York, NY

Engestrom Y (2001), 'Expansive Learning at Work: toward an activity theoretical reconceptualization' *Journal of Education & Work*, 14 (1), pp133-156

Entwistle NJ and Marton F (1984), 'Changing conceptions of learning and research, in Marton F et al (eds), *The Experience of Learning*, Edinburgh, Scottish Academic Press

Entwistle NJ (1997), 'Contrasting Perspectives on Learning' in Marton et al (eds), *The Experience of Learning (2nd ed)*, Edinburgh, Scottish Academic Press

Eraut M (2000), 'Non-formal learning and tacit knowledge in professional work', *British Journal of Educational Psychology*, 70, pp113-136

French GR & Coppage RE (2000), 'Educational issues challenging the future of the accounting profession', *Ohio CPA Journal*, Vol 59, Issue 3, pp69-73

Gherardi S, Nicolini D & Odella F (1998), 'Toward a Social Understanding of How People Learn in Organisations', *Management Learning Journal*, (29),(3), pp. 273-297

Gonczi A (1994), Competency based assessment in the professions in Australia', *Assessment in Education*, 1(1), pp27-44

Gray D (2001) '*A Briefing on Work-based Learning*', Assessment Series No. 11, LTSN Generic Centre, page 3

Guile D & Griffiths T (2001), 'Learning Through Work Experience', *Journal of Education and Work*, 14,1, pp113-131

Hagar P, Gonczi A & Athanasou J (1994), 'General issues about assessment of competence', *Assessment and Evaluation in Higher Education*, 19(1), pp3-16

Hassall T, Dunlop A & Lewis S (1996), 'Internal audit education: exploring professional competence', *Managerial Auditing Journal*, Vol 11, No 5, pp28-36

Honey P & Mumford A (1986), *The Manual of Learning Styles*, P Honey, Maidenhead

ICAEW (1998a), Performance Measurement in the Digital Age, The Institute of Chartered Accountants of England & Wales, Milton Keynes

ICAEW (1998b), *Creating the Added-Value Business Advisor*, The Institute of Chartered Accountants of England & Wales, Milton Keynes

ICAS (2002), *Achievement Log 2002-2005*, ICAS, Edinburgh

IFAC (1998), *Competence-Based Approaches to the Professional Preparation of Accountants*, Discussion Paper, IFAC Education Committee, June 1998

IFAC (2001), *Competence-Based Approaches to the Preparation and Work of Professional Accountants*, Exposure Draft Discussion Paper, IFAC Education Committee, May 2001

IFAC (2002a), *Professional Skills and General Education*, Proposed International Standard for Professional Accountants, IFAC Education Committee, June 2002

IFAC (2002b), *Experience Requirements*, Proposed International Standard for Professional Accountants, IFAC Education Committee, June 2002

Jones L & Moore R (1993), 'Education, Competence and the Control of Expertise', *British Journal of the Sociology of Education*, 14(4), pp385-397

Kinney W R (1990), 'Some Reflections on a Professional Education: It Should Have Been More Positive', *Issues in Accounting Education*, 5(2), Fall, pp295-301

Kolb D (1984), *Experiential learning*, London: Prentice Hall

Lave J (1993), 'The practice of learning' in Chaiklin S & Lave J (eds.) *Understanding Practice: Perspectives on activity and context*, Cambridge: Cambridge University Press, pp3-32

Lave & Wenger (1991), *Situated learning: Legitimate peripheral participation*, Cambridge, Cambridge University Press

Layock M & Stephenson J (1993), 'The place and potential use of learning contracts in higher education', in M Laycock & J Stephenson (eds), *Using Learning Contracts in Higher Education*, London, Kogan Page.

Mayo A & Lank E (1994), *The Power of Learning: A Guide to Competitive Advantage*, London: Institute of Personnel and Development

Mezirow J (1985), "A critical theory of self-directed learning" in Brookfield, S (ed), *Self-directed Learning: From Theory to Practice*, Jossey-Bass Inc., San Francisco, CA, pp18-22

Paisey C & Paisey N J (2000), *A Comparative Study of Undergraduate and Professional Education in the Professions of Accountancy, Medicine, Law and Architecture*, Glasgow: ICAS

Raelin JA (2000), *'Work-Based Learning: The New Frontier of Management Learning'* New Jersey, Prentice Hall Inc.

Resnick LB (1987), 'Learning in school and out', *Educational Researcher*, 16(9), pp.13-40

Saunders M (1995), 'The Integrative Principle: higher education and work-based learning in the UK', *European Journal of education*, (30),(2), pp.203-216

Saunders M (2000), 'Understanding Education and Work: Themes and Issues in Moon R, Ben Pereetz M & Brown S (2000) (eds), *The International Encyclopeadic Dictionary of Education*, Routledge, pp1003-1029

Saunders M & Machell J (2000), 'Understanding emerging trends in higher education curricula and work connections', *Higher Education Policy*, Vol 13, pp287-302

Schlesinger E (1996), 'Why learning is not a cycle'*, Industrial and Commercial Training*, Vol 28, No2, pp30-35 & No5, pp11-17

Senge P (1992), *The Fifth Discipline*, London: Century Business

Shackleton K (1992), 'The Evolution of Education Policy within the Institute of Chartered Accountants and Scotland' in Anyane-Ntow, K (1992), *International Handbook of Accounting Education and Certification*, Pergamon Press, Oxford, pp417-444

Stephenson J (1998), 'The concept of capability and its importance in higher education', in J Stephenson & M Yorke (eds), *'Capability and Quality in Higher Education'*, London: Kogan Page.

Stephenson J (2001), 'Ensuring a Holistic Approach to Work-based Learning: The Capability Envelope', in Boud D & Solomon N (eds), *'Work-based Learning'*, SRHE & Open University Press, pp86-102

Symes C & McIntyre (2000), *'Working Knowledge'*, SRHE & Open University Press

Trowler P & Knight P (1999), 'Organisational socialisation and induction in universities: Reconceptualizing theory and practice', *Higher Education*, 37, pp177-195

Wenger E (1998), *Communities of Practice: Learning, meaning and identity,* Cambridge University Press

Zeff S A (1997), 'The Early Years of the Association of University Teachers of Accounting:1947-1959', *British Accounting Review*, Special Issue, June, pp3-39