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Funded Intervention on a Professional Accountancy  
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# **Stakeholder Perceptions of the Outcomes of Donor Funded Intervention on a Professional Accountancy Organisation in Ghana**

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## **Abstract**

This paper examines stakeholder's perceptions on institutional intervention outcomes and how the outcomes influence the credibility of the accountancy professional qualification. The study employs principal component analysis (PCA) and regression to establish the relationship between continuous professional development (CPD) quality, examinations quality, tuition quality and credible professional qualification. Our results show that majority of members, examiners and students believed that the institutional intervention by IFAC to ICAG had improved the quality of CPDs, quality of examinations and quality of tuition provided by accredited Tuition Centres. Further, there is evidence to suggest a positive and significant relationship between CPD quality, examinations quality, tuition quality and credible professional qualification. By extension, these results have important policy implications for regulators in assessing the effectiveness and credibility of professional qualifications

Key words: Stakeholders, donors, perceptions, funding, professional bodies and Ghana

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## **1. Introduction**

A well-resourced professional accountancy body is important for the effective regulation of the profession as well as providing relevant training, examinations and experience for students (Samsonova-Taddei and Humphrey, 2014). In addition, promoting and enhancing the global accountancy profession, professional accounting bodies have the important mandate of serving as the voice for the country's professional accountants, including those in business and in practice. Because they perform different roles in society. The overall standing of the accountancy profession is dependent on how well society perceives professional accountants in business and in practice. This means that the professional accountants are more likely to rely on their professional accountancy body for support in undertaking their work. Also, they will look to the professional accountancy body to offer them with the necessary assistance and resources to enable them to undertake their jobs more efficiently, offer advice in handling ethical dilemmas, and depend on the body to offer training programmes in order to keep their knowledge and skills up to date. Generally, professional accountancy bodies in the developed world are seen to be in a better position to meet the expectations of the professional accountant. Adequate resources and effective governance are some of the factors that could account for the effectiveness of professional accountancy organisations (PAO) in developed economies.

The World Bank Report (2004, 2014) on the Observance of Standards and Codes (ROSC) shows a weak regulatory environment for regulators in developing countries, especially those in Africa. For example, the Report suggests that lack of financial resources; operational inefficiencies and unavailability of reliable databases are some of the key challenges confronting PAOs in Africa. The Report shows that a number of PAOs in Africa have failed to ensure compliance with

accounting, auditing and professional standards. In addition, PAOs have not been able to ensure that members are adequately abreast with the accounting standards as well as failing in their oversight role and this has resulted in low audit quality, high competition in the audit and accounting industry which in turn leads to lowballing and price cuts.

The inability of the PAOs to effectively regulate the accountancy profession in developing countries has largely been attributed to inadequate financial resources and lack of capacity. In order to fix the aforementioned challenges of PAOs, International Federation of Accountants (IFAC) through the Department for International Development (DFID) and other donors provided ten countries including Ghana, Nigeria, Zimbabwe, Uganda and Rwanda with a US\$8m funding (DFID, 2016). It is expected that the provision of the funding to the PAOs in these ten countries will position the PAOs to carry out their mandate with efficiency thus, improve the training, examinations and their oversight role.

The second review in 2014 on the Observance of Standards and Codes in Accounting and Auditing (ROSC A&A) reveals that Ghana has made progress in strengthening the pillars of financial reporting since the last review in 2004. The report further finds that the accountancy profession has been improved following the twinning arrangements with the Institute of Chartered Accountants, England and Wales (ICAEW) and that the Institute of Chartered Accountants, Ghana (ICAG) is up to the task of setting, moderating and marking its own examinations. The report also indicates a significant improvement in ICAG's Continual Professional Development (CPD) to its members.

The evaluation of such donor-funded intervention has been a subject of controversy. Even though donor-funded intervention is assumed to be useful in building the capacity of local institutions, donor intervention can have adverse effects, and many of such interventions are not adequately evaluated (Lee, 2008). According to Pérouse de Montclos (2012), aid organisations have an interest in positive appraisals as such positive evaluations can help in sourcing for funds subsequently for other projects and also portray the implementing partners (i.e. non-governmental organisations) as effective. Another problem with the evaluation of intervention programmes is the limited access to evaluation reports which are not even published but classified. Very few countries (i.e. Norway and Holland) make the publication of an assessment of aid programmes compulsory. Many other countries restrict access to such archives (Stokke, 1991). For example, in Great Britain, researchers need the approval of DFID; in Denmark permission has to be given by the government receiving the aid and in France, the foreign office only published general summaries and not the full report.

The contribution of this paper to the accounting literature is in two folds. Firstly, the evaluation of donor-funded interventions is conducted in ways that most at times have donor bias where the attainment of targets and objectives takes precedence (Roberts & Hofmann, 2004). For this reason, the evaluations carried out by aid implementing agencies (operators) are empty and full of statistics that tend to stampede the actual issues and pretend that the intended objectives of programmes have been achieved (see, Telford *et al.*, 2006). This paper seeks to address this deficiency whereby a third party other than the donor or the implementing agency is examining the effect of donor intervention on a recipient institution in Ghana without the interference of the donor (i.e. IFAC) or implementing agency (i.e. ICAEW). It is believed that an evaluation by a

third party is more credible and independent, usually accompanied by a substantial analysis which the funder or operator lacks (Pérouse de Montclos, 2012).

Secondly, such evaluations often do not take into account wider stakeholder feedback (Lee, 2008). Such evaluations rely on interviews with the funding agencies and operators of the programmes and exclude important stakeholder groups such as those who are directly affected by the interventions (Nancy and Yontcheva, 2006). This study addresses this problem by examining the wider stakeholders from the beneficiary group. Using the stakeholder theory, this paper investigates the wider stakeholder perception of the outcomes of intervention in ICAG by IFAC. This intends to bring to bear the effects of IFAC interventions on ICAG performance from multi-dimensional perspectives. The outcome of this study will serve as an appraisal for IFAC in particular and other donor agencies, in general, to support and strengthen PAOs. Besides, the study will help PAOs and other operators to source for funds for subsequent and other projects.

The remainder of the paper is structured as follows. The next section discusses the relevant theoretical and empirical literature. The section three provides the research methodology. Section four presents the results, and section five concludes.

## **2. Literature review**

### *2.1 Theoretical review*

#### *2.1.1 Stakeholder theory*

Stakeholder theory was proffered by Freeman (1984). Over the years, Stakeholder theory has become increasingly popular, thus attracting attention from several authors. Key scholarly works

by Clarkson (1995), Donaldson and Preston (1995), Mitchell et al. (1997), Rowley (1997) and Freeman (1999) have helped in gaining greater theoretical insight and development (Mainardes, Alves & Raposo, 2011). Stakeholder theory focuses on the idea that organisations should concentrate on meeting a broader set of interests rather than focusing on shareholder value maximization (Miles, 2012). Put differently; organisations should not only pay attention to the organisation's financial performance but also social performance. Organisations should continuously make efforts to understand, respect, and meet the needs of all those who have interests in their actions and outcomes. Stakeholder involvement in organisational decisions is seen as an ethical requirement and a strategic resource, that give the organisations competitive advantages (Cennamo, Berrone, & Gomez-Mejia, 2009; Plaza-Ubeda, de Burgos-Jimenez, & Carmona-Moreno, 2010).

Freeman (1984, p.46) defined Stakeholder as “any group or individual who is affected by or can affect the achievement of an organisation's objectives”. According to Sirgy (2002), stakeholders can be classified into three categories: internal, external, and distal. Employees, executive staff, firm departments, and the board of directors are examples of internal stakeholders. Shareholders, suppliers, creditors, the local community, and the environment are included in external stakeholders. The third category, distal stakeholders, includes consumer, rival firms, advocacy groups, government agencies, voters, and labour unions. Clarkson (1995) provides another classification of stakeholders: primary and secondary stakeholders. Primary stakeholders are those with formal or official contractual relationships and have a direct and necessary economic impact upon the organisation. Secondary stakeholders, on the other hand, are those who influence or affect or are influenced or affected by, the organisation, but they are not engaged in transactions with the

organisation and are not essential for its survival. Donaldson and Preston (1995) also viewed the stakeholder theory from three perspectives: descriptive, instrumental, and normative. The descriptive view basically says that organisations have stakeholders, and they have the role of meeting the needs of all stakeholders. The instrumental perspective states that organisations that consider their stakeholders' interests will perform better than those that do not. In other words, organisations that practice stakeholder management will be more profitable, stable and experience better growth. The normative perspective, the most popular perspective (Donaldson & Preston, 1995), looks at the reasons why organisations give attention to their stakeholders.

The importance of stakeholder theory in soliciting the perceptions about donor-funded intervention outcome has mainly been to the pressures from various stakeholders who are considered as the main actors that motivate organisations to search for resources to improve on their capacities. The stakeholder's theory is used to examine the outcomes associated with IFAC's interventions aimed at building ICA Ghana's capacity as a professional accountancy organisation. The ICAG as social institution affect the Ghanaian society in several ways and vice-versa. The theory assists us to broaden our knowledge of how different interested parties can contribute to the success of ICA Ghana. This is because the perspective enables us to appreciate the value created by different stakeholders who willingly come together to assist ICA Ghana's activities. With enhanced capacity, certain aspects of its operations may result in better outcomes and impacts, such as better tuition and pass rate for its students, quality continuous professional development for its members, and quality examination by examiners. Following the stakeholder perspective (Freeman, 1984), a wider conception of ICA Ghana's performance after the IFAC's interventions is needed because

we cannot maximize the long term relevance, legitimacy and survival of ICA Ghana, as a PAO without maintaining good relation with its wider stakeholders

### ***2.1.2 The Sociology of Professions***

Sociology of professions which Abbot (1988) refers to as the system of professions can be used to further understand the role that training/education, examination and CPDs play in the accounting profession. The accounting profession has a unique role in preparing and examining financial statements submitted to various stakeholders, including investors, creditors, government agencies, analysts etc. These stakeholders then base their investment and other financial decisions on the information provided by the audited financial statements produced by the accountant. Thus, accountants are able to exert influence in both private and government organisations as the information they provide influences decision making at all levels of the organisation (Sikka, Wilmott and Lowe, 1989).

In the sociology of professions conceptual schema, members of a particular profession are accorded certain rights and privileges. For instance, members of a chosen profession are assumed to have a monopoly over specialised knowledge and techniques, have a high social standing and in most cases are self-regulated. Even though accountants have achieved professional status and are held in high esteem in society, there exists some skepticism over the professional legitimacy of the accountancy profession. This, according to West (2003), is as a result of the sometimes vague and inconsistent accounting practices employed by accountants in the preparation and examination of financial statements. These inappropriate accounting practices had resulted in the collapse of some major firms and loss of huge investment, especially in the early part of the 21st

Century. These unfortunate happenings in the accountancy profession, according to West (2003), have diminished public trust and confidence in accountants and hence hindering efforts aimed at retaining the accountants' professional status and legitimacy.

Elliott and Jacobson (2002) argue that education and training are the catalysts that will help advance the accounting profession's evolution. This explains why IFAC has over the years been providing funding for professional accountancy organisations across the world aimed at improving their capacities to offer more appropriate training and education to both students and members. The appropriate training, examination of students as well as the practical training of members will ensure the delivery of quality services to clients both in private and government organisations.

Understanding the necessity for training, examination and CPD through the lenses of the sociology of professions can be used to argue that the ongoing effort of IFAC to build the capacity of PAOs, in order that they offer quality education/training to students and members, is part of an agenda to claim societal acceptance and occupational dominance of the accountancy profession. According to Abbot (1988), both societal legitimacy and occupational dominance is revealed in the form of very skilled accounting professionals able to secure occupational dominance through the possession of very skilled technical knowledge. This knowledge of the accountant is then sold to decision-makers to help them meet the objectives of their businesses. Abbot further argues that a profession's dominance in the society is dynamic and therefore keeps on changing with time. The accountant's jurisdictional claim of the specialized knowledge must, therefore, be secured and renewed by continuous training and development of the knowledge base. Failure of the accountancy profession to train and develop the knowledge base of its students and members is to

invite ultimate loss of status, legitimacy and dominance. Hence, the training, examination and continuous professional development are essential aspects in ensuring a credible professional qualification.

## *2.2 Empirical review*

In recent years, there has been an increasing interest by donors who sponsor international projects or interventions in evaluating the long-term changes that such interventions bring to society. Similarly, there has been increasing expectation on implementers of donor-funded interventions to demonstrate and report the impact of the intervention (DFID, 2009; International Alert, 2009). This expectation of the public has resulted in an increased evaluation and reporting of project outcomes by donors. However, studies have shown that such evaluations and reports by donors fail to give a complete picture of the impact of interventions.

For instance, Crawford and Bryce (2003), argues that there exists ample guidance on donor intervention management and evaluation; however, practitioners are of the view that there remains a wide gap between actual results achieved by projects and the results that get reported (Julian, 2012). Furthermore, Ika (2012) found little success rate for international development projects. The author attributed the poor reported success rate of the development projects to the exclusion of local results from reports.

Julian (2016) analysed the causes of mismatch between actual and demonstrated outcome failures of development interventions involving nine projects. Specifically, the study investigated the causes of the conflicting interests of stakeholders through individual mental models, organisational, political and cultural systems. The author found that many development

interventions have not been able to achieve the intended results due to the failure of donors to present outcomes that are essential to the intended recipients. The study further finds that the failure to report unexpected consequences of development interventions leads to an extremely negative perception from outside evaluation by donors and agencies. The author attributed the failure to completely report on the intervention outcomes to the varying role of conflicting stakeholder interests, stakeholders conflicting views, differences in power that gives donors upper hand in misappropriating the role of clients and an over-simplified complex environment.

Gallhofer *et al.* (2011) explore how accountants in Syria perceive globalisation's actual and potential impact on the accountancy profession. In-depth, face-to-face interviews with the accountants suggest that they perceive globalization as Anglo-American and imperialistic in character. The study further highlighted challenges facing the Syrian profession as a result of globalization, and they found competition in accountancy from the Big 4 auditing firms negatively affect local employment, the need to adopt and enforce international accounting standards in Syria and related changes required in training to attain integration in the global order as the main challenges facing the Syrian accountancy profession.

Sugahara (2013) conducted a study on the perception of the globalisation of accounting education among scholars teaching in Japanese tertiary institutions. The sample size consisted of 300 randomly selected persons who are members of the Japanese Accounting Association who have teaching responsibilities at Japanese tertiary institutions. The study found that a large number of accounting academics' in Japan perceive that the International Education Standards had insignificant influence on accounting education. The study also found that although accounting

academics are aware of the impediment, they lack the requisite know-how to surmount the challenges in order to achieve global convergence.

Rezaee et al. (2010) compared the perceptions of academic scholars and practitioners on harmonization of a set of international accounting standards, including approaches to the adoption of IFRS. A sample size of 500 professors, specializing in international accounting and financial accounting were randomly selected for the study through an electronic survey. Results of the study indicate that majority of the accounting professors are of the view that convergence should be of benefit to standard setters, users, auditors, preparers, and analysts, and that there should be an agreement on a suitable framework for universal recognition and enforcement of IFRS.

Caramanis (2002) examined the changes that took place in the Greek accounting and auditing profession and the role played by major economic powers like the USA, politico-economic blocks like the EU, and other powerful international actors. The monopoly of a group of indigenous auditors who had the sole right to engage in the statutory audit was overpowered, and the market for statutory audit became open to the international auditing firms. The author further asserted that the politics of international accounting professionalism in the present era of globalisation are becoming more complex with nation-states becoming less powerful in the complex system of superimposition, overlapping and often competing national and international agencies of governance. Caramanis contends that though official commentary of these processes appears to portray them as unproblematic and neutral, there exist hidden tensions, contradictions, conflicts and political bargaining and threats in implementing such processes both at the national and international levels. According to Neufeldt (2008), international project evaluations are presented

from the viewpoint of the donor which mostly fails to capture the actual results on the ground and the associated unforeseen impacts on the locals or beneficiaries. Thus donors and beneficiaries have different perspectives on results and impacts emanating from the same input, activities and output.

It is therefore imperative that this study is conducted to view the perception of stakeholders on the outcomes of donor-funded intervention received by ICAG as well as to investigate the effect of CPDs, examination and training on a credible professional qualification.

### *2.3 Hypotheses development*

According to Elliott and Jacobson (2002), the revolution of the accounting profession hinges on education and training. This view of Elliott and Jacobson is further supported by the President of the Federation of Accountants, Olivia Kirtley, who in a keynote address during ICAG Presidential Luncheon in 2015 said that a robust education, training and continuous professional development are the key ingredients in sustaining the supply of highly qualified accounting professionals for all sectors of the Ghanaian economy. Furthermore, Abbot (1988) argues that the accounting profession's occupational dominance is dynamic and evolving and therefore, should be safeguarded. To Abbot, the protection and renewal of the professional dominance of the accountant can be achieved through the continuing expansion of the knowledge base. Kostadinovski, Dimitrova and Svrtinov (2013) also argue that for the accountancy profession to continue to meet the challenges facing the world economy, the profession must ensure that persons who become professional accountants attain a certain level of competence, which is then sustained. The authors further posit that the competence of the accountant is developed and maintained through initial

education, followed by continuing professional development. Thus, CPDs, education and examination are very important components of developing the knowledge base and also ensuring a credible professional qualification. A credible professional qualification will obviously lead to well-educated and highly skilled professionals capable of meeting the changing demands of stakeholders. From the foregoing discussion, the study proposes the following hypotheses.

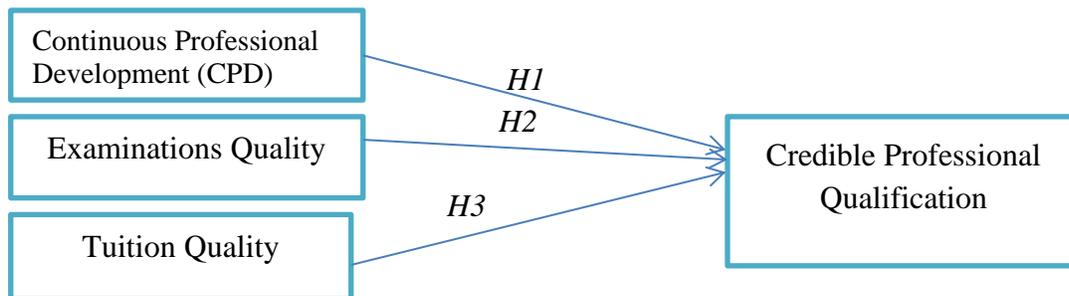
*H<sub>1</sub>: There is a positive relationship between quality continuous professional development and credible professional qualification.*

*H<sub>2</sub>: There is a positive relationship between examination quality and credible professional qualification.*

*H<sub>3</sub>: There is a positive relationship between tuition quality and credible professional qualification.*

The reviews indicate that education (tuition and examination) and continuous professional development could influence a credible professional qualification. The study integrates these factors to form a broader conceptual framework to guide the present study. Figure 3.1 illustrates the conceptual framework for a credible professional qualification.

**Figure 1: Conceptual framework for drivers of credible professional qualification**



Source: Researcher's construct

### **3. Methodology**

#### *3.1 Research design and strategy*

The paper employs a survey strategy to describe stakeholders' views about institutional intervention outcomes. This allows for generalisation from a sample to a population in order that inferences can be made about the characteristics or behaviour of the population. This strategy has the advantage of allowing for the collection of a large quantity of data from a sizable population in a cost-effective manner. In terms of the nature of the survey, the study utilised the cross-sectional survey as against the longitudinal survey. This is because data for the study were collected at two different point in time as against collecting data over time on the same object.

The population of the study consists of the examiners, members and students of the Institute of Chartered Accountants, Ghana. The choice of these three stakeholders is consistent with the popular definition of a stakeholder by Freeman in 1984. The achievement of the intended outcomes of the donor-funded interventions can have a direct consequence on examiners, members and students. As at the end of the 2017/2018 financial year, the Institute of Chartered Accountants, Ghana, has 246 examiners, 6300 members and 16,000 students (ICAG Annual Report, 2017).

The Morgan Probability Sampling table was used to determine the sample for each category of stakeholders. From the table, the sample size consisted of 361 members, 152 examiners and 375 students. The convenience sampling technique was used to select the sample for this study. The use of convenience sampling technique allowed the sample to be selected based on ease of accessibility and availability of respondents.

Data for the study was collected via administration of questionnaire to ICAG examiners, Chartered Accountants (members) and ICAG students. The main content of the questionnaire included the constructs: examination quality, tuition quality, CPD quality, intervention outcome, as well as a section on the demographic profile of respondents. Questionnaire responses were anchored on a five-point Likert scale ranging from 1-5, with 1 being strongly disagree and 5 being strongly agree with the respective statements. Before developing items for each of the constructs, an initial list of items was generated to gauge stakeholders' views about donor-funded intervention outcomes. Following the recommendations by Creswell (2013), a pilot test was carried out in order to establish the content validity of the items as well as to improve the questions, format and the scales used for the instrument. Firstly, the items generated were submitted to ten chartered accountants, who also happened to be examiners. Following the feedback from the expertise, several corrections were made to the initial list of items. Secondly, two researchers who are also examiners and members of the ICAG who did not see the initial instrument also made a comment on the items so that the instrument is free from any ambiguity and also presented appropriately. Again, likely wording and formulation consistency issues were identified and resolved. The study was conducted in two phases.

In the first phase, questionnaires for examiners were administered at the May 2018 examination's conference marking of the Institute of Chartered Accountants, Ghana. Data from members were collected at the 2018 annual general meeting of Chartered Accountants in Accra while views of ICAG students were collected from students enrolled in accredited tuition providers scattered around Ghana with the majority coming from Accra. To complete a questionnaire, a respondent should have been associated with ICAG for at least three years. This was done to ensure that the

questionnaires were appropriately completed by persons who are in the position to attest to the quality of examinations, tuition and continuous professional development over the period. In order to improve the response rate, questionnaires were personally handed over to respondents by the researcher and respondents were assured about the confidentiality and anonymity of their responses and that their personal information would not be disclosed. In addition, respondents were informed that participation in the study was voluntary. Of the questionnaires distributed, 226 were returned by members; 145 by examiners and 340 by students yielding response rates of 63%, 91% and 95% respectively.

In the second phase of the study, questionnaire for examiners was administered during the November 2019 examination's conference marking of the Institute of Chartered Accountants, Ghana. Data from members and students were gathered through the distribution of questionnaire through google forms. The on-line data collection process commenced on 23<sup>rd</sup> May, 2020 and ended on 29<sup>th</sup> June, 2020. The on-line data collection approach was informed by the outbreak of COVID-19 and the subsequent lock down of Tuition Centres and large gatherings including conferences. With the on-line administered questionnaire, 360 were returned by members and 192 by students. The self-administered questionnaire of examiners yielded 80 responses.

### *3.2 Measurement of variables*

The dependent variable is a credible professional qualification, and it is measured with eight-item scale adopted from IFAC's theory of change document. IFAC's Theory of Change gives descriptions of expected outputs and outcomes of IFAC's intervention programmes. The measurement items for examination quality and tuition quality are created by this study.

Examination quality and tuition quality are measured by nine items each. Moreover, continuous professional development is measured by twelve items and was culled from the literature (De Lange, Jackling & Suwardy, 2015). In this study, age, gender, level of education and residence are controlled for. Gender is a dummy variable (1 for male and 0 otherwise). Other dummy variables are residence and education. For residence, if a respondent is in an urban area, it was assigned a value of 1, and 0 otherwise. In the case of education, highly educated (above masters) was assigned a value of 1, and 0 otherwise. Age was measured by the natural age of respondents.

The problem of common method bias was addressed by following Podsakoff, Mackenzie, Lee and Podsakoff (2003). According to Podsakoff *et al.* (2003), Harman's one-factor (or single-factor) test is one of the most commonly used techniques employed to address the issue of common method bias. The test result for the study shows a single factor of 20.929, meaning that the single factor explains approximately 21% of the total variance explained. This clearly shows that common method bias did not affect the results of this study.

### *3.3 Empirical estimation strategy*

For purposes of analysis, an ordinary least squares (OLS) estimation strategy, which is the framework for testing the relationship of interest, was developed (Hair, Anderson & Tatham, 1987). A close observation of the correlation matrix confirms the non-existence of multicollinearity. The interventions are expected to improve the quality of examinations, quality of tuition and quality CPDs, which will in turn influence the credibility of ICAG professional qualification. The problem of heteroscedasticity was resolved by the use of robust standard errors to test the estimation model. The empirical model, which investigates this relationship, is:

$$CrePQ_i = \alpha_0 + \beta_1 ExamQty_i + \beta_2 TuitQty_i + \beta_3 CPDQty_i + \sum_j^K \beta_j X_j + \varepsilon_i \quad (1)$$

$$CrePQ_i = \alpha_0 + \alpha_1 ExamQty_i + \beta_2 TuitQty_i + \beta_3 CPDQty_i + \beta_4 (CPDQty * Education) + \sum_j^K \beta_j X_j + \varepsilon_i \quad (2)$$

$$CrePQ_i = \alpha_0 + \beta_1 ExamQty_i + \beta_2 TuitQty_i + \beta_3 CPDQty_i + \beta_4 (ExamsQty * Education) + \sum_j^K \beta_j X_j + \varepsilon_i \quad (3)$$

$$CrePQ_i = \alpha_0 + \beta_1 ExamQty_i + \beta_2 TuitQty_i + \beta_3 CPDQty_i + \beta_4 (TuitQty * Education) + \sum_j^K \beta_j X_j + \varepsilon_i \quad (4)$$

Where  $CrePQ_i$  is the credible professional qualification of unit  $i$ ,  $ExamQty_i$  is the examination quality,  $TuitQty_i$  is tuition quality,  $CPDQty_i$  is the continuous professional development quality,  $(CPDQty * Education)$  is the interaction between CPD quality and education,  $(ExamsQty * Education)$  is the interaction between exams quality and education,  $(TuitQty * Education)$  is the interaction between tuition quality and education, variable  $X_{i,j}$  are a set of  $\{k\}$  variables controlling for individual-specific characteristics,  $\alpha$ 's are the parameter vectors, and  $\varepsilon_i$  is the error term.

Descriptive statistics are used to analyse the perception of stakeholders with respect to CPD quality, examination quality and tuition quality. Also, the independent sample  $t$ -test was conducted to compare the mean values in phase 1 and phase 2 of the study.

## **4 Empirical Results**

### **Phase 1**

#### *4.1 Sample Characteristics*

Table 1 shows the sample characteristics of respondents. From the table, 74.8 per cent of members are males with 24.2 per cent females. With respect to age, a large number of members (71.4 per cent) are in the 36 to 60 years age bracket. None of the members falls below 19 years while 2.5 per cent of members are above 60 years. The ages of the respondents suggest that they are all adults who could respond appropriately to the questionnaires. Furthermore, the educational qualifications of members show that 0.4 per cent had secondary education, 12.9 per cent are degree holders, 48 per cent have masters while 2.2 per cent have PhDs. The remaining 36.4 per cent have other qualifications. Additionally, the majority (94.7 per cent) of the members are employees, and only 4.4 per cent are self-employed. Another interesting observation from Table 1 is the regional distribution of members. 90.3 per cent of the chartered accountants are resident in the urban cities, and 9.7 per cent are in the rural areas. The high number of accountants in the urban areas may be attributed to the lack of vibrant economic activities and the poor infrastructure in the rural areas.

With respect to the sample characteristics of the examiners, Table 1 shows that majority of them are males. Specifically, 88.6 per cent are males, and 11.4 per cent are females. It is evident from the analysis that majority of members, examiners and students are males suggesting that the accounting profession is a male-dominated profession. With regards to the age of the examiners, 71.5 per cent are within 36 to 60 age bracket, and 9.2 per cent are above 60 years. As with the members, the majority (97.8 per cent) of the examiners are urban dwellers with 2.2 per cent resident in the rural area.

Table 1 also shows the sample characteristics of student respondents. Out of total student number of 340, 247, representing 72.6 per cent are males, and the remaining 27.4 per cent are females. With respect to the ages of the students, a large number (82.7 per cent) of them are within 19 to 35 years bracket. Only 2.2 per cent of them are below 19 years, and none of the students is above 60 years. With respect to the educational background of student respondents, 17.5 have a secondary school certificate, 63.6 per cent are degree holders, 17.8 per cent have masters whiles 0.3 per cent are PhD holders. Furthermore, the majority (91.2 per cent) of student respondents are resident in urban cities. Additionally, 54.7 per cent are employees, 6.2 per cent are self-employed, 9.1 per cent are unemployed, and the remaining 30 per cent are full-time students.

**Table 1a: Sample characteristics**

Profile	Members		Examiners		Students	
	No.	%	No.	%	No.	%
<b>Gender</b>						
Male	169	74.8	124	88.6	247	72.6
Female	57	24.2	16	11.4	93	27.4
Total	226	100	140	100	340	100
<b>Age</b>						
Less than 19 years	0	0.0	0	0.0	7	2.2
19 to 35 years	52	26.1	20	18.3	258	82.7
36 to 60 years	152	71.4	82	71.5	47	15.1
Above 60 years	6	2.5	10	9.2	0	0.0
Total	210	100	112	100	312	100
<b>Marital status</b>						
Single/never married	42	18.6	13	9.3	253	74.6
Married	178	78.8	126	90.0	86	25.4
Separated/divorced	6	2.7	1	0.7	0	0.0
Total	226	100	140	100	339	100
<b>Regional distribution</b>						
Urban	204	90.3	135	97.8	309	91.2
Rural	22	9.7	3	2.2	30	8.8
Total	226	100	138	100	339	100
<b>Educational qualification</b>						
Secondary	1	0.4	0	0	59	17.5
Degree	29	12.9	4	2.9	215	63.6
Masters	108	48.0	77	55.0	60	17.8
PhD	5	2.2	44	4.1	1	0.3
Other	82	36.4	45	13.2	3	0.9
Total	225	100	140	100	338	100
<b>Employment status</b>						
Student	2	0.9	1	0.7	102	30.0
Unemployed	0	0.0	6	4.3	31	9.1
Self-employed	10	4.4	19	13.6	21	6.2
Employed	214	94.7	112	80.0	186	54.7
Total	226	100	138	100	340	100
<b>Religion</b>						
Christianity	209	92.5	131	93.6	313	92.9
Islamic	14	6.2	8	5.7	23	6.8
Traditional	1	0.4	1	0.7	0	0.0
Other	2	0.9	0	0.0	1	0.3
Total	226	100	140	100	337	100

Source: Researcher's computations

#### 4.2 Perceptions of CPD quality, exams quality and tuition quality

**Table 2: Perceptions towards CPD quality, exams quality and tuition quality**

Measurement Items	PHASE 1			PHASE 2		
	No.	Mean	SD	No.	Mean	SD
<b>CPD quality</b>						
CPDs have been good value in relation to their cost	189	3.841	0.755	243	3.604	0.895
CPDs have been offered at times of the year that fitted my schedule	189	3.396	0.920	243	3.189	0.951
CPDs have been of high quality	189	3.761	0.779	243	3.691	0.786
CPDs been practical	189	3.703	0.810	243	3.535	0.891
CPDs have covered complex and emerging issues in accounting and audit	189	3.925	0.821	243	3.674	0.916
CPDs have been delivered by facilitators of adequate practical experience	189	4.068	0.945	243	3.925	0.910
CPDs have been pitched at the right level for me	189	3.587	0.784	243	3.502	0.859
CPDs have been relevant to my professional development	189	4.005	0.788	243	3.856	0.876
CPDs have been of the right length of time for my needs	189	3.486	0.841	243	3.374	0.906
CPDs have enhanced my employability/marketability	189	3.687	0.839	243	3.382	0.952
CPDs have provided useful networking opportunities with my peers	189	3.783	0.779	243	3.612	0.878
CPDs have provided valuable contacts with experts	189	3.709	0.718	243	3.538	0.828
Overall, I am satisfied with my CPD experience in the last three years	189	3.883	0.755	243	3.751	0.806
Overall	189	3.168	0.750	243	3.587	0.881
<b>Exams quality</b>						
Quality of examination questions						
Structure of examination questions	140	3.900	0.859	80	3.725	1.043
Clarity of examination questions	140	3.871	0.888	80	3.650	0.969
Syllabus coverage in examination questions	140	3.657	0.879	80	3.587	0.837
Appropriate weighting of questions	140	3.828	0.889	80	3.637	1.058
Quality of scripts marking	140	3.728	0.871	80	3.500	1.018
Quality of moderating	140	3.921	0.873	80	3.800	1.023
Pass rates	140	3.885	0.960	80	3.850	1.091

Access to results	140	3.321	0.858	80	3.262	0.937
Overall	140	3.935	0.997	80	3.937	1.194
	140	3.783	0.897	80	3.661	1.019
<b>Tuition quality</b>						
Improvement in teaching and learning	340	3.597	0.930	192	3.656	0.890
Improvement in lecturer delivery	340	3.626	0.898	192	3.619	0.859
Increase coverage of syllabus	340	3.494	0.935	192	3.510	0.909
Increased enthusiasm of lecturers about teaching	340	3.620	0.889	192	3.645	0.868
Increased accessibility of lecturers to students	340	3.497	0.916	192	3.494	0.970
Increased participation of students in teaching	340	3.414	0.938	192	3.510	0.886
More practical illustration are used during teaching	340	3.461	0.939	192	3.214	1.000
Regular and timely feedback on assignments presented	340	3.388	0.906	192	3.195	0.994
Effective utilisation of lecture time by lecturers	340	3.741	0.970	192	3.713	0.841
Overall	340	3.537	0.925	192	3.506	0.913

Source: Researcher's computation

Respondents (members) were asked about their participation in CPDs activities over the past three years. The result indicates that 189 representing 84% of respondents participated in CPDs in the last three years, with 37, representing 16% of respondents responding in the negative. This finding shows that a large number of Chartered Accountants in Ghana participate in CPDs. The descriptive statistics of the level of CPD quality is shown in Table 2. Table 3a shows the reasons offered by respondents as to why they do not participate in CPDs. A large number of respondents who do not participate in CPDs activities cited the high cost of CPD activities as the reason for their non-participation. Following the cost of CPDs as the reason for non-participation is the flexibility of CPDs with respect to time.

**Table 3a: Reasons for non-participation in CPDs**

Reason	Number	Percentage (%)
CPDs are too costly	20	54
CPDs are not flexible (timing)	10	27
Location of CPDs is far from me	5	14
CPDs are not of high quality	1	3
Other	1	3
Total	37	100

Source: researcher's computations

Respondents who have been attending CPDs were asked to evaluate their satisfaction with the level of CPD quality over the past three years from a list of 13 items (comprising an overall evaluation of quality).

The results, as presented in Table 2, show that respondents generally perceive CPDs to be effective and of quality. The responses indicate a reasonable level of agreement to statements such as ‘CPDs have been delivered by facilitators of adequate practical experience and training’ (mean of 4.0688), ‘CPDs have been relevant to my professional development’ (mean of 4.0053), and ‘CPDs have covered complex and emerging issues in accounting and auditing’ (mean of 3.9259) and that ‘CPDs have been of high quality’ (mean of 3.7619). The lowest levels of agreement were noted for ‘CPDs have been offered at times of the year that fitted my schedule’ (mean of 3.3968), ‘CPDs have been of the right length of time for my needs’ (mean of 3.4868). Overall, respondents indicated a reasonable level of agreement that they were satisfied with the effectiveness of their CPD experience in the last three years (mean of 3.8836).

Again, Table 2 displays the means and standard deviations of the various items used to measure examinations quality. The findings show moderate to high mean values for the measurement items. The table shows high levels of agreement to statements such as ‘improvement to access to results’ (mean of 3.9357), ‘improvement in the quality of script marking’ (mean of 3.9214) and ‘improvement in the quality of examination questions’ (mean of 3.9000). The lowest mean value is 3.3214 (improvement in pass rates).

Over the years, the quality of tuition and the availability of teaching and learning materials have been a subject of concern to students of the Institute of Chartered Accountants, Ghana. For instance, Ghartey (1992) and Awayiga *et al.* (2010) attributed the high failure rate of students in the professional accountancy examinations to the lack of quality tuition and the absence of study manuals and materials. The study, therefore, sought to find out from respondents their views on

the quality of tuition over the period of the intervention. Table 2a provides the means and standard deviations of tuition quality measurement items which indicates moderate to high scores. From the table, the highest mean score is 3.7412 (effective utilisation of lecture time by lecturer), and the lowest mean score is 3.3882 (regular and timely feedback on assignments presented). The overall mean score appears to indicate a general agreement among respondents that there has been an improvement in tuition quality during the period of the intervention.

## **Phase 2**

Out of the 360 member respondents, 243 participate in CPDs and 117 do not participate in CPDs. Varied reasons were proffered by respondents for their inability to participate in CPD organised by the professional accountancy body. Key among the reasons cited by a large number of respondents, representing 34.2%, was high cost of CPD. This is followed by the lack of flexibility with respect to time. About 29.1% of the respondents cited time flexibility as the reason for non-attendance of CPDs. The third most popular reason given by respondents (18.8%) for not attending CPD activities was the fact that CPD locations were too far from them.

Table 3b presents the descriptive statistics of the respondents' views on CPD quality, examination quality and tuition quality. With respect to the CPD quality, the overall mean was 3.5876, an indication that members perceive the quality of CPDs to be high. Generally, all the indicators measuring the "CPD quality variable" are all higher than the average score of 2.5. The indicator "CPDs have been delivered by facilitators of adequate practical experience" had the highest score (Mean = 3.9259; SD = 0.91060). This was followed by the indicator "CPDs have been relevant to my

professional development” (Mean =3.8560; SD = 0.87660). The indicator with the least score was “CPDs have been offered at times of the year that fitted my schedule” (Mean =3.1893; SD = 0.95193).

Also shown in Table 2 are the mean scores and standard deviations of examiners perception of examination quality over the period of the study. Given that the study employed a five-point Likert scale, all the indicators used to measure examination quality are all above the middle level score of 3. This suggests that examiners generally view examination quality to be high. The highest levels of agreement were noted for “Access to results” (Mean = 3.9375; SD =1.19433), “Quality of moderating” (Mean = 3.8500; SD = 1.09197), “Quality of scripts marking” (Mean = 3.8000; SD = 1.02377), and “Quality of examination questions” (Mean = 3.7250, SD =1.04306). The indicator “Pass rates” had the lowest rating (Mean = 3.2625; SD = 0.93786). The overall mean of the “exams quality” variable was 3.6611. Thus, on the whole, examiners rate the examination quality on a higher scale.

With respect to students’ perception of tuition quality over the period of the intervention, Table 2 shows that all the indicator means were above the average of 2.5. This shows that on average, the respondents score each of the indicators as high. The indicator with the highest score was “Effective utilisation of lecture time by lecturer” (Mean = 3.735; SD = 0.84148) while the lowest score is reported for the indicator “More practical illustration are used during teaching” (Mean = 3.2147; SD =1.00052).

Differences in the mean value for CPD quality, exams quality and tuition quality were examined between the first and second phases of the study. An independent samples t-test was conducted to compare the scores for the two phases. The results from the test show that there was a significant

difference in CPD scores for first phase ( $M = 3.76$ ,  $SD = 0.194$ ) and second phase ( $M = 3.59$ ,  $SD = 0.202$ ;  $t = 2.178$ ,  $p = 0.039$ , two-tailed). This suggests that chartered accountants perception of CPD quality in the phase 1 was significantly higher than that of the phase 2. The fall in CPD quality in the phase 2 of the study may be attributed to the outbreak of COVID-19 pandemic which resulted in the organisation of virtual CPDs as oppose to the more familiar face-to-face sections. However, there was no significant difference in the scores for exams quality in phase 1 ( $M = 3.78$ ,  $SD = 0.196$ ) and phase 2 ( $M = 3.66$ ,  $SD = 0.202$ ;  $t = 1.301$ ,  $p = 0.212$ , two-tailed). Similarly, though the phase 1 mean score for tuition quality ( $M = 3.54$ ,  $SD = 0.115$ ) was higher than phase 2 ( $M = 3.51$ ,  $SD = 0.187$ ;  $t = 0.425$ ,  $p = 0.677$ ) the result shows that there was no significant difference.

**Table 2b: Reasons for non-participation in CPDs**

Reason	Number	Percentage (%)
CPDs are too costly	40	34.2
CPDs are not flexible (timing)	34	29.1
Location of CPDs is far from me	22	18.8
CPDs are not of high quality	2	1.7
Other	19	16.2
Total	117	100

Source: Researcher's computations

#### *4.3 Perceptions of credible professional qualification*

The support given by IFAC to the PAOs is aimed at building a credible professional qualification in member countries. The IFAC theory of change outlines the expected outcomes of any support given to member countries. For instance, it is expected that there would be an increased quality of financial management, reporting and audit in both public and private sectors after a PAO had received the support. The study sought to find out from the stakeholders their perceptions about

the outcomes of the IFAC support over the past three years. Table 3.4 captures the means and standard deviations of the measurement items of a credible professional qualification. From the table, the intervention outcome scores ranged from 1 to 5 with a mean 3.7331, 3.6509 and 3.6735 for members, examiners and students, respectively. Based on the mean results, the participants regarded the intervention outcomes to be moderately positive: between three (meaning neutral) but below four (meaning agree). In other words, the system of professional certification in Ghana has slightly become stronger as a result of the support from the donors.

From the members' perspective, the highest-ranked intervention outcome item was 'increased quality of financial reporting' with a mean value of 3.8238. The second-ranked intervention outcome item was 'more confidence in accountancy qualification' with a mean score of 3.8106. The lowest rank intervention outcome item was 'better professional representation of accountants' with a mean of 3.6211. This suggests that members of the Institute regard the increased financial reporting and more confidence in the accountancy qualification as the two most important outcome of the IFAC support.

With respect to the examiners, the responses indicate a reasonable level of agreement to statements such as 'more confidence in accountancy qualification' (mean: 3.8357), 'increased quality of financial reporting' (mean: 3.7500), 'adoption and enforcement of international standards' (mean 3.7429) and 'better professional representation of accountants' (mean: 3.6929). The lowest level of agreement with intervention outcomes was 'adequate capacity of accountancy advocates' (mean: 3.4714).

Student participants rated the highest ‘more confidence in accountancy qualification’ (mean: 3.7765) as the key outcome of the intervention. The second-highest ranked intervention outcome was ‘adoption and enforcement of international standards’ (3.7500), which was followed by ‘better professional representation of accountants (mean: 3.7353). The least ranked intervention outcome from the students’ perspective was ‘increased quality of auditing’ (mean: 3.5706).

It is of interest to know that all the three stakeholders rated ‘more confidence in the accountancy qualification’ as the highest item of intervention outcome over the past three years.

**Table 3a: Perceptions of a credible professional qualification**

Measurement items	Members		Examiners		Students	
	Mean	S.D.	Mean	S.D.	Mean	S.D.
more confidence in accountancy qualification	3.8106	0.89456	3.8357	0.99358	3.7765	0.98815
better professional representation of accountants	3.6211	0.82927	3.6929	0.91271	3.7353	0.89604
more financially literate experts	3.6960	0.72876	3.5714	0.85783	3.5794	0.92308
adequate capacity of accountancy advocates	3.6388	0.85284	3.4714	0.80861	3.6382	0.89328
adoption and enforcement of international standards	3.7401	0.79730	3.7429	0.96984	3.7500	0.88539
increased quality of financial reporting	3.8238	0.84913	3.7500	0.84073	3.7029	0.89739
increased quality of financial management	3.7181	0.81457	3.5429	0.77154	3.6353	0.92615
increased quality of auditing	3.8018	0.86239	3.6000	0.89932	3.5706	0.93963
Overall	3.7331	0.82860	3.6509	0.88177	3.6735	0.91863

Source: researcher’s computations

The perception of members, examiners and students on the credibility of the professional qualification during the second phase of the study is presented in Table 4b. Generally, all the indicators of credible professional qualification had scores above the middle level score of three. This suggests that the respondents to a large extent agree that the professional accountancy qualification in Ghana was credible. Interestingly, “adoption and enforcement of international standards” was rated the highest indicator by all the three stakeholders. The overall average scores for examiners and students were almost the same with a score of 3.6796 and 3.6907 respectively. The overall perception score for members stood at 3.5700. The results from the independent sample *t-test* show that perception of members on credible professional qualification in the phase 1 (M = 3.65, SD = 0.124) and phase 2 (M = 3.68, SD = 0.131;  $t = 2.530$ ,  $p = 0.024$ ) witnessed a significant difference. With respect to examiners and students perception of credible professional qualification, the results from the independent sample *t-test* indicate that there were no significant differences between the mean values of the two phases.

**Table 4b: Perceptions of a credible professional qualification**

Measurement items	Members		Examiners		Students	
	Mean	S.D.	Mean	S.D.	Mean	S.D.
more confidence in accountancy qualification	3.5906	0.96875	3.7500	1.06141	3.7316	0.96858
better professional representation of accountants	3.4483	0.94652	3.7000	0.86273	3.6931	0.93456
more financially literate experts	3.6076	0.83826	3.7125	0.85970	3.7181	0.8771
adequate capacity of accountancy advocates	3.3448	0.95836	3.5375	0.91325	3.5079	0.90283
adoption and enforcement of international standards	3.8469	0.86647	3.9000	1.00127	3.8783	0.93456
increased quality of financial reporting	3.7367	0.83153	3.7375	1.00308	3.7766	0.95519
increased quality of financial management	3.5219	0.82638	3.4875	0.94123	3.6489	0.92739
increased quality of auditing	3.4639	0.94059	3.6125	1.02493	3.5714	0.99007
Overall	3.5700	0.89710	3.6796	0.95845	3.6907	0.93628

#### *4.4 Principal component analysis*

The 29 items of continuous professional development quality, examination quality and tuition quality which measures a strong system of professional certification were subjected to principal component analysis (PCA). Prior to carrying out the PCA, data suitability for such an analysis was assessed. An examination of the correlation matrix shows the existence of a large number of coefficients 0.3 and above. The Bartlett's Test of Sphericity (Approx.: Chi-Square = 1692.340, df. 465, sig. 0.000) reached statistical significance, to support the application of factor analysis of the correlation matrix. The Kaiser-Meyer-Okin (KMO), which is used to measure sampling adequacy, was 0.835 exceeding the suggested value of 0.60 (Kaiser, 1974). The total variance explained show the presence of five components with eigenvalues above 1 after performing the PCA. The five components explained 20.929 per cent, 17.054 per cent, 13.951 per cent, 4.653 per cent and 3.834 per cent of the variance, respectively. An examination of the scree plot shows a clear break between the third and the fourth components. Employing Catelli's (1966) scree test, three components were retained for further analysis. Components 1, 2 and 3 capture much more of the variance as compared to the remaining components. In all, the three components explain satisfactory 51.934 per cent of the total variance.

To support the interpretation of the three components, the 29 items were rotated by employing varimax rotation. The rotated results showed that the variables loaded substantially on the three components with a number of strong loadings. Twelve variables loaded strongly on component 1 and were all related to continuous professional development. Component 2 also had nine variable loadings which were all related to examinations. The third component had eight variables loading strongly on it, and they related to tuition. The results of the analysis support the general acceptance

among the accounting professional fraternity that the quality of continuous professional development, examinations and tuition has an effect on the credibility of professional qualification in a country.

Regarding the reliability of the PCA, the Cronbach alpha coefficient is used to analyse the internal reliability of the three components. Only components that had Cronbach’s Alpha values of 0.7 and above (Hair et al., 2010) were used for further analysis. Appendix 1 shows the measurement items, loadings, eigenvalues, Cronbach’s Alpha values and the percentage variance for each component. Thus, the factors that define a credible professional qualification in Ghana are continuous professional development effectiveness, quality of examinations and quality of tuition. The measurement items for credible professional qualification were also checked for their internal reliability as well as their loadings. Findings show a Cronbach’s Alpha value of 0.900 and high loadings for the measurement items. The loadings range from 0.718 to 0.849, suggesting that items used to measure the variable are very valid in explaining the variable.

#### 4.5 Analysis of regression results

**Table 5: Relationship between drivers of CPQ and CPQ**

The dependent variable is credible professional qualification (CPQ). This is regressed against CPD quality measured as chartered accountants’ overall perception of quality of CPDs. Exams quality measured as examiners perception of examinations quality. Tuition quality is measured by students’ perception of quality of tuition. Age, gender, education and residence are control variables. Standard errors are reported in parentheses. \*\*\*, \*\*, and \* indicate statistical significance at the 1%, 5% and 10% levels, respectively.

Variable	Phase 1 Model 1	Phase 2 Model 1
CPD quality	0.343*** (0.063)	0.366*** (0.079)
Exams quality	0.405*** (0.054)	0.270*** (0.068)
Tuition quality	0.305***	0.171**

	(0.066)	(0.082)
Age	0.072	-0.009
	(0.008)	(0.021)
Gender	0.210**	0.191
	(0.158)	(0.158)
Education	-0.159	-0.209*
	(0.072)	(0.105)
Residence	-0.278**	0.614
	(0.245)	(0.583)
Constant	1.844***	0.643
	(0.637)	(0.998)
<hr/>		
Diagnostic test		
R Squared	0.438	0.561
Adjusted R Squared	0.369	0.489
F-statistic	6.356***	7.845***

Table 5 presents the regression results of the estimation model for phase 1 and phase 2 of the study. The results confirm all the three hypotheses proposed. As predicted, the continuous professional development quality, examination quality and the quality of tuition have positive coefficient with credible professional qualification suggesting that high-quality education and training indeed enhances the credibility of professional qualification in a country. Furthermore, the improvement in credible professional qualification is significant at 1% level of significance. This result demonstrates that with the right investment of resources in CPDs, exams and tuition, members and students alike will acquire the requisite skills, knowledge and competences. These skills and competencies are then applied in providing quality accounting and auditing services to the society at large. This will undoubtedly improve the quality of financial reporting, auditing and financial management in the country and thus the credibility of the professional qualification. Our findings are in line with extant literature as a number of studies have found that the quality of education and training has an effect on credible professional qualification (Kostadinovski *et al.*, 2013; West,

2003; Elliott and Jacobson, 2002; Abbot, 1988). The result is also consistent with the principal notion of the sociology of professions by Abbot (1988). According to Abbot, a profession strives to achieve societal legitimacy so that the profession continues to have a monopoly over a specialized body of knowledge. To sustain the profession's privileged position in society, there is the need to expand the knowledge base of the profession through quality tuition, examination and continuous professional development which in turn influences the system of certification in the society. This suggests that professional accountancy organisations must continuously endeavour to improve the quality of CPDs, examinations and tuition in achieving credible professional qualifications.

Regarding the control variables, credible professional qualification shows a positive relationship with age and gender, while it shows a negative relationship with education and residence. The relationship is significant with respect to gender and residence and insignificant to age and education. The evidence implies that males are more positive about the improvement in the credibility of the professional qualification over of the years of IFAC's intervention than females. This evidence may partly be explained by the fact that the accounting profession is a male-dominated profession (Fosu and Delle, 2015). With respect to the residence, respondents' resident in urban cities is less positive about the improvement in the credibility of the professional qualification as a result of IFAC's intervention than those in the rural areas. This may be due to the fact that those living in urban cities are more enlightened and exposed to the activities and operations of other more efficient and effective accountancy organisations across the world.

Finally, the credible professional qualification model shown in Table 5 reports a good fit for the regression model with an adjusted  $R^2$  of 36.9%, indicating that the variables may influence the dependent variable. The F-statistic for the model is significant at 1% level suggesting the joint significance of the independent variables for the dependent variable. In other words, the explanatory variables are important in explaining the variation in credible professional qualification.

#### 4.6 Sensitivity analysis

**Table 6a: The sensitivity analysis of drivers of CPQ and education to CPQ**

The dependent variable is credible professional qualification. This is regressed against CPD quality measured as chartered accountants overall perception of quality of CPDs. Exams quality measured as examiners perception of examinations quality. Tuition quality is measured by students' perception of quality of tuition. The drivers of credible professional qualification (CPD quality, Exams quality and Tuition quality) are interacted with education. Age, gender, education and residence are control variables. Standard errors are reported in parentheses. \*\*\*, \*\*, and \* indicate statistical significance at the 1%, 5% and 10% levels, respectively

Variable	Model 2	Model 3	Model 4
CPD quality	1.3428* (0.439)	0.345*** (0.063)	0.360*** (0.063)
Exams quality	0.414*** (0.053)	-0.157 (0.380)	0.417*** (0.054)
Tuition quality	0.265** (0.068)	0.313*** (0.067)	-0.584 (0.423)
CPD quality*Education	-1.597 (0.136)		
Exams quality*Education		0.848 (0.125)	
Tuition quality*Education			1.290 (0.134)
Age	0.048 (0.008)	0.065 (0.008)	0.060 (0.008)
Gender	0.213** (0.156)	0.199* (0.160)	0.224** (0.157)
Education	0.951 (0.527)	-0.730 (0.485)	-1.103 (0.471)
Residence	-0.314*** (0.250)	-0.282*** (0.246)	-0.255** (0.246)
Constant	-0.269 (1.627)	3.008* (1.607)	3.685** (1.509)
Diagnostic test			

R Squared	0.458	0.445	0.456
Adjusted R Squared	0.380	0.365	0.378
F-statistic	5.906***	5.603***	5.866***

In order to check the robustness of the results as reported in table 5, some variations are made. Education was interacted with the main variables, CPD quality, exams quality and tuition quality. Table 6 shows the results and aims at exploring the overall sensitivity of the association between the drivers of credible professional qualification and education to credible professional qualification. Model 1 examines the relationship between CPD quality, exams quality, tuition quality and credible professional qualification. With the introduction of the interaction between CPD quality and education, the relationship between the drivers of professional qualification and credible professional qualification remained positive and significant. The interaction between CPD quality and education has a negative influence on credible professional qualification. This suggests that people with higher academic qualifications are likely to assess the quality of CPDs low as well as the credibility of professional qualification. This may be explained by the experience and exposure of such people. Again, table 6 shows an analysis of the relationship between CPD quality, exams quality, tuition quality and credible professional qualification as well as the interaction between exams quality and education and then the interaction between tuition quality and education in models 3 and 4 respectively. The relationship between the interaction terms and credible professional qualification is positive in both models 3 and 4. The results imply that the level of education positively influences people's perception of the quality of exams and tuition as well as an improvement in credible professional qualification.

**Table 7b: The sensitivity analysis of drivers of CPQ and education to CPQ**

The dependent variable is credible professional qualification. This is regressed against CPD quality measured as chartered accountants overall perception of quality of CPDs. Exams quality measured as examiners perception of examinations quality. Tuition quality is measured by students' perception of quality of tuition. The drivers of credible professional qualification (CPD quality, Exams quality and Tuition quality) are interacted with education. Age, gender, education and residence are control variables. Standard errors are reported in parentheses. \*\*\*, \*\*, and \* indicate statistical significance at the 1%, 5% and 10% levels, respectively

Variable	Model 2	Model 3	Model 4
CPD quality	1.098** (0.472)	0.379*** (0.075)	0.369*** (0.080)
Exams quality	0.258*** (0.067)	-0.708 (0.431)	0.262*** (0.072)
Tuition quality	0.149* (0.082)	0.112 (0.082)	0.022 (0.447)
CPD quality*Education	-0.249 (0.158)		
Exams quality*Education		0.323** (0.140)	
Tuition quality*Education			0.050 (0.148)
Age	-0.012 (0.021)	-0.015 (0.020)	-0.010 (0.022)
Gender	0.176 (0.222)	0.230 (0.216)	0.192 (0.228)
Education	0.711 (0.595)	-1.392** (0.525)	-0.393 (0.554)
Residence	0.558 (0.574)	0.445 (0.561)	0.570 (0.603)
Constant	-1.843 (1.861)	4.601** (1.969)	1.259 (2.082)
<b>Diagnostic test</b>			
R Squared	0.585	0.610	0.562
Adjusted R Squared	0.506	0.536	0.479
F-statistic	7.408***	8.206***	6.737***

### 3.5 Conclusion

This paper aims at investigating stakeholders' perceptions of the outcomes of institutional intervention of a professional accountancy organisation and how the outcome influences the credibility of the accountancy professional qualification. The study employs principal component

analysis (PCA) and a regression to establish the relationship between CPD quality, exams quality, tuition quality and credible professional qualification.

The results are highly informative and useful to gauge how members, examiners and students, who are the key stakeholders of any PAO, perceive the outcome of the IFAC intervention on the activities of a professional accountancy organisation. For example, the results show that majority of members, examiners and students believed that the institutional intervention by IFAC to ICAG had improved the quality of continuous professional development, quality of examinations and quality of tuition provided by accredited tuition centres.

The results further reveal that the coefficients of CPD quality, examination quality and tuition quality are positive; confirming the hypothesis that CPD quality, examination quality and tuition quality will positively influence a credible professional qualification. Thus, the intervention by IFAC has indeed improved on the credibility of the professional accountancy qualification in Ghana.

Regarding policy implications, regulators of the accountancy profession can use the results of this study to improve the credibility of professional qualifications in their respective countries. This is because this study has empirically confirmed that CPD quality, exams quality and tuition quality significantly enhance the credibility of professional qualification in a country. In addition, donors and sponsors of capacity building projects aimed at improving the financial reporting and disclosure practices of developing countries can use the results of this study to help in the allocation of resources to achieve the required impact.

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