

Towards Convergence of International Education Standards: Implementation of IES 4 in Accounting Education

Rina Karlina
Department of Accounting
Faculty of Economics and Business
Universitas Indonesia
Depok, Indonesia
rinakarlina616@gmail.com

Elvia R. Shauki
Department of Accounting
Faculty of Economics and Business
Universitas Indonesia
Depok, Indonesia
elvia.shauki@icloud.com

Abstract— This study analyzes a phenomenon occurring in the Indonesian State College of Accountancy (PKN-STAN) regarding the school's readiness for implementing the Indonesian National Qualification Framework (KKNI), the Higher Education National Standards (SN-Dikti), and International Education Standard (IES) no. 4. The motivation for adopting these criteria is to codify professional values, ethics, and attitudes. This study examines the school's suitability to do so, the actors in the organization, and the learning design process. PKN-STAN is a national university that provides accounting education programs and graduates mostly government employees. This research uses case-study methodology, qualitative approaches, and institutional theory to analyze the research problem. The results show that PKN-STAN's learning program is compliant with KKNI and SN-Dikti. However, it has not yet implemented IES 4. Furthermore, PKN-STAN shows normative isomorphism and is nearly ready to apply the standard using the current education system.

Keywords—Ethics, Accounting education, Institutional theory, Institutional logics, Isomorphism.

I. INTRODUCTION

Today's business world is colored by accountancy scandals in the news. The rise of corruption cases in government, especially in state finance, brings scrutiny not just to the managers of state finances, but also to their alma maters. Nevertheless, the need for qualified graduates continues to increase [1]. Thus, institutions must meet these needs by preparing accounting professionals with technical competence and solid moral and ethical foundations. Ethics is one of the soft skills that becomes very important in accounting because it is clearly a vulnerability of many accounting graduates [2].

The International Education Standard (IES) was issued by the International Accounting Education Standards Board (IAESB)—International Federation of Accountants (IFAC) to regulate the competency areas and learning achievements that ascribe professional values, ethics, and attitudes, which must be possessed by all prospective accountants. IES applies to both private and public (i.e., government) accountants because they all serve the public interest [3]. The Indonesian Institute of Accountants (IAI) is an IFAC member. Thus, they have an obligation to comply with statement membership obligations (SMOs). One SMO deals with IES for accountants and other provisions issued by

IAESB. To implement IES, local standards must also be considered, namely the Indonesian National Qualification Framework (KKNI) and the Higher Education National Standards (SN-Dikti).

Institutional theory explains how institutionalizing a process affects the other processes taking place within an organization [4]. The convergence of international education standards delivers the challenge to institutions to set the direction for instilling ethics and values. This process involves institutional logic and study material (i.e., symbol carriers) in the organization [5], which, in turn, create coupled or decoupled conditions [6]. Thus, convergence leads to institutional homogenization, and is well-described by institutional theory via isomorphism.

The Indonesian State College of Accountancy (PKN-STAN) is a higher-learning institution that provides accountancy programs for the Ministry of Finance. Graduates are the most highly sought by government agencies, especially state finance. The government is faced with the issue of transparency and accountability related to financial reporting. Therefore, the importance of building a solid foundation of integrity and ethics is critical for a government employee. PKN-STAN has changed its organizational structure to prepare the Ministry of Finance for national and international specifications and to not be left behind in the world market. This study intends to review PKN-STAN readiness in facing the convergence of international education standards, particularly those of professional values, ethics, and attitudes, as contained in IES 4, using institutional theory.

This paper addresses the following research questions:

- What is PKN-STAN's readiness in implementing instructional design according to KKNI, SN-Dikti, and IES 4?
- What motivates PKN-STAN to adopt a curriculum of professional values, ethics, and attitudes?
- Will the professional values, ethics, and attitudes criteria become material carriers? What other regulations have a role in learning design at PKN-STAN?
- What actor roles are involved in the learning-design process of professional values, ethics, and attitudes?

II. LITERATURE REVIEW

A. Overview

This section describes prior research on ethical aspects of accounting education and the implementation of IES. This study uses institutional theory to analyze the responses and attitudes made by the organizers related to the implementation of regulations affecting the design of learning. The concept of isomorphism is used to frame the organizational response to influences and pressures outside the organization (e.g., IES 4).

B. Critical Evaluation of the Literature

The need for professional values, ethics, and attitudes for the professional accountant has emerged for several reasons. [7] revealed that accounting scandals triggered the inclusion of ethics in accounting education. [1,8] noted that incorporating ethics into the accounting education curricula was essential to improving the standards of practice for the profession.

The globalization of accounting professions has affected the development of international education standards [9,10], because each country has different standards and systems for educating students. The convergence of IES standards can help overcome these differences [11]. Global and local ethical standards influence IES strategy and international financial reporting standards [12,13]. Therefore, policymakers and other stakeholders should include college education in their strategies [12,14]

C. Critical Evaluation of the Theories

1) Institutional Theory

Institutional theory explains how institutionalization affects the processes that take place within the organization [4]. The authors of [15] argued that organizations vary both in approach and form. However, over time, there is an inevitable drive toward homogenization. Institutional theory shows how and why organizational actors become embedded by institutional structures, motivating them to make changes in those structures [4,15,16].

The author of [5] suggested that there were two frameworks in institutional theory: institutional logics and institutional work. Logics is an important part of institutional theory, because it helps explain relationships that create a sense of common purpose and unity in an organizational field [17]. These logics affect organizational actors. The author of [5] stated that institutional logics could be numerous, comprising material aspects (i.e., organizational structures and practices) and concepts or symbolic aspects (i.e., ideas, theories, and interpretation of actors). These, in turn, influence the translation process and adaptation within the organization. [5] also revealed that research on institutional logics ultimately uses archival materials because research drives the movement in the long run. The author of [6] suggested that many areas of the organization were fragmented or conflicted because of competing priorities that led to decoupling of structure and activity. Institutional work, according to [16] focused on activities implemented by the organization dedicated to creating, maintaining, and changing institutions. Institutional work includes practices and processes that lead to outcomes that challenge assumptions.

Isomorphism refers to the process of one organization aligning with others [15,18]. There are two types of isomorphism according to [18]: competitive and institutional. Institutional isomorphism considers factors outside competition, including politics, economics, and institutional reputation. There are three mechanisms that influence changes in institutional isomorphism: coercive (i.e., pressure imposed on the organization by others [4,15]); mimetic (i.e., imitation of other organizations, either conscious and unconscious [15,18]); and normative (i.e., professionalization [15]).

2) . Regulatory framework (Symbolic Carriers)

a) *IES 4. The purpose of IES 4 is to establish the professional values, ethics, and attitudes required to be developed and demonstrated by professional accountants at the end of their initial professional development (IPD).* A framework of values, ethics, and professional attitudes should be provided during professional accounting education programs for the public good. IES 4 establishes five basic principles of professional ethics for the accounting profession: integrity, objectivity, professional competence and prudence, confidentiality, and professional conduct. These are learning outcomes establishing the content and depth of knowledge, understanding, and application required for each area of competence. The areas of competence include professional skepticism and professional judgment, ethical principles, and commitment to the public interest. Professional accounting education programs designed to achieve IES-defined learning outcomes should be reviewed and updated on a regular basis. To achieve these learning outcomes, a mix of learning and development activities should compose structured learning programs, practical experiences, and participatory approaches, including formalized and documented reflection activities. Appropriate assessment activities should be used to assess the students.

b) *KKNI (INQF):* KKNI is a framework of competency qualification that can match, equalize, and integrate the fields of education, job training, and experience under a framework of job competencies. KKNI provides nine levels of competence qualification for graduates. Qualification levels for higher education include level 3 for Diploma 1, level 5 for Diploma 3, and level 6 for Bachelor/Diploma 4. KKNI's qualification description is expressed in the form of learning achievements (CP) comprising four elements: attitude and values, work ability, knowledge mastery, and authority and responsibility.

c) *SN-Dikti (HENS):* SN-Dikti, as stipulated in the Regulation of the Minister of Research, Technology, and Higher Education, No. 44, 2015, formulates graduate learning achievement as part of the national standard of education, which, in turn, must have equal qualification levels as KKNI [18]. The element of attitude in SN-Dikti's CPs reflects "attitude and values" from their descriptions in KKNI. Therefore, as with KKNI, the elements associated with professional values and ethics are also elements of attitude. The CPs are then used to develop the curriculum. Parameters of learning achievement for attitude elements include 10 values, determined by [18]. The IAI aligned the IES with the national education regulation framework via

cooperation with [18] and the Ministry of Finance. By 2015, the IAI revised the learning outcomes per KKNI and SN–Dikti, complying with the provisions of IES [19]. The goal is for the learning achievement to be used as best practices by Indonesian universities.

D. Actors in the Organization (Material Carriers)

In each organization, there are several competing logics [5,17] that lead to reactions from actors who manage them. Regarding the convergence of IES standards (e.g., IES 4) related to professional values, ethics, and attitudes, the logics in competition are IES 4, KKNI, and SN–Dikti. The actors involved in the implementation of IES 4 within an organization are institutional leaders [20], heads of departments or programs [14, [20], and teachers [1,14]. The actors use archival materials to assess logics in higher education (e.g., curricula or semester learning plans) [7,13].

III. RESEARCH METHODOLOGY

A. Overview

This section describes the methodology used to address the research problems described in the first section.

- What is PKN–STAN's readiness in implementing instructional design according to KKNI, SN–Dikti, and IES 4?
- What motivates PKN–STAN to adopt a curriculum of professional values, ethics, and attitudes?

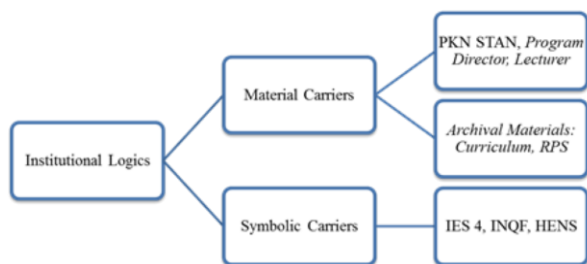


Fig. 1. INSTITUTIONAL LOGICS AND THE IMPLEMENTATION OF IES 4

- Will the professional values, ethics, and attitudes criteria become material carriers? What other regulations have a role in learning design at PKN–STAN?
- What actor roles are involved in the learning-design process of professional values, ethics, and attitudes?

B. Research Method

This research uses a qualitative approach and a single case study with multiple embedded unit analyses. This is an instrument research taking the form of interviews and documentation. Interviews are conducted with resource professionals to discover the ethics-learning program at PKN–STAN. Their views on the convergence of IES are also analyzed using institutional theory. Documentation is prepared after examining the content of semester learning plan (RPS) documents and curricula. Interviews are conducted with several parties:

- Director of PKN–STAN (Respondent 1)
- Head of Diploma 3 Accounting Program (Respondent 2); also a technical lecturer

- Head of Diploma Program 4 Accounting (Respondent 3); also a technical lecturer
- Head of Diploma 1 Taxation Program (Respondent 4); also a technical lecturer
- Head of Diploma 3 Taxation Program (Respondent 5); also a technical lecturer
- Head of Diploma Program 3 UN/Valuer (Respondent 6); also a technical lecturer
- Lecturer of Ethics Coordinator (Respondent 7); also a lecturer of ethics in the tax department
- Lecturer of Ethics in the Accounting Department (Respondent 8)

C. Data Analysis

The data collected in this study comprises complementary primary and secondary data obtained from interviews and documentation. Primary data is obtained from documentation (unpublished) and interviews. Secondary data is obtained from other documentation. Data analysis is derived from interviews. The data is then processed using descriptive and content analyses. Institutional logics, in this regard, is the application of IES 4 to the learning of professional values, ethics, and attitudes. Institutional logics comprises materials and symbolic carriers. Symbolic carriers are IES 4, KKNI, and SN–Dikti. Material carriers are PKN–STAN, including the Head of Program (Kaprodi) and lecturers. Additionally, the actors also use archival material when building curricula and RPSs. Fig. 1 shows institutional logics.

IV. RESULTS AND DISCUSSIONS

A. General Explanation of Professional Values, Ethics, and Attitudes Learning at PKN–STAN

After PKN–STAN transformed into a polytechnic, it determined its expected graduate profile (Respondent 1, 2017). Graduation targets are mapped to personality traits (part of professional ethics), religious subjects, anti-corruption education courses, and kapita selekta development (preparation for capstone). Ethics are paramount to PKN–STAN; it incorporates ethical content into all courses. Regarding institutional transformation, PKN–STAN has implemented SN–Dikti for learning design. Additionally, KKNI is the national regulatory framework, which is also a baseline to preparing SN–Dikti. Another prominent regulation is the IAI Public Accountant Compartment (IAI–KAP) (Respondent 1, 2017).

Regarding the implementation of international education standards for accounting education, it is necessary because it relates to the globalization of all areas, including educations and professions. Some respondents stated that ethics is directed at future civil servants. In fact, IES ethics are critical to the public interest. Therefore, this opinion is no barrier to IES 4 at PKN–STAN. A validation routine is necessary, perhaps by conducting periodic reviews of curricula, RPSs, and SN–Dikti.

B. Readiness of PKN–STAN to Implement Learning Design per KKNi, SN–Dikti, and IES 4

The accounting program had a Forum of Vocational Accounting Study (FPVA), formed at the Workshop of National Curriculum of Vocational Education of IES-based Accounting and Review of KKNi and SN Dikti, organized by the IAI Compartment of the Educator Accountant, IAI–KAP. PKN–STAN became a member, particularly for the accounting majors.

Regarding IES 4, all the respondents stated that they knew of IES 4, but they lacked clarity. Thus, PKN–STAN has not fully implemented the standard. Nevertheless, most of the respondents welcomed the existence of IES. Additionally, PKN–STAN applied the study of ethics exclusively to adjust to IES 4. Therefore, it can be concluded that most of the respondents are quite ready to implement IES 4, just not in the near-term.

C. Motivation Adopt Learning Professional Values, Ethics, and Attitudes

Ethics courseware is very important, particularly for graduates who will become government employees (Respondent 7, 2017). Moreover, soft-skill materials are necessary to complement technical skills and achieve the desired graduate profiles (Respondent 2, 2017). Learning professional values, ethics, and attitudes is part of the course outcomes (Respondent 3, 2017). However, instead of creating an ethics course, it has filaments in multiple courses (Respondent 3, 2017). IES 4 also provides an ideal graduate profile in accordance with industry requirements (Respondent 6, 2017). Therefore, it can be concluded that the learning motivation of professional values, ethics, and attitudes at PKN–STAN is designed to shape the quality of graduates. Similarly, there are normative reasons for implementation because graduates will be able to compete globally.

D. Implementation of Professional Values, Ethics, and Attitudes Learning

In addition to KKNi and SN–Dikti, PKN–STAN refers to the regulations of professional institutions, such as those issued by the Public Accountant Compartment in IAI, because of PKN–STANs alignment to the government (Respondent 1, 2017). Diploma 3 and 4 accounting programs refer to the provisions generated in the discussion of FPVA (Respondent 2, Respondent 3, 2017). Thus, there are competing logics at PKN–STAN (i.e., KKNi, SN–Dikti, IAI–KAP, FPVA). Thus, SN–Dikti is dominant. KKNi regulates the general outline of ethical behavior. Professional appraisers employ standards and ethical codes during their audits. Furthermore, there are internal regulations used in the preparation of learning materials (e.g., manual documents, quality procedures, and quality assurance metrics).

Each department has the same RPS charge. The RPS owned by Diploma 1 Taxation Program, Diploma 3 Taxation Program, Diploma 3 UN/Valuer shares their structure and content. However, the accounting and tax departments have different CPs. Ethics courses in the accounting and diploma 3 programs of the UN/Valuer are taught during Semester 5. Diploma 3 program on taxation is taught during Semester 4. Diploma 1 Program on Taxation is taught during Semester 2. In all cases, the ethics content of each program is provided at the end of the lecture period. Ethics teaching should be given in the first year of accounting education to obtain the benefits [20]. Based on the document RPS program of Diploma 3 and Diploma 4, there are eight CPs on the element of attitude.

CPs do not conform to the formulation of attitudes determined by SN–Dikti. Generally, after RPS alignment, attitude formulation fell in line; however, it did not provide any content regarding professional ethics. However, based on the level of qualification determined by KKNi, there should be differences in learning achievements for Diploma 3 and Diploma 4. Diploma 4 courses should be assessed level 6 so that mastery can be demonstrated. Diploma 3 is assessed at level 5, requiring only general theoretical concepts.

Based on the RPS of Diploma 1 in Taxation, Diploma 3 in Taxation, and Diploma 3 in UN/Appraisers, there are three CPs with an attitude element. CP formulation does not comply with the formulation of attitudes determined by SN–Dikti. Based on the level of qualification determined by KKNi, there should be differences in learning achievement for Diploma 1 and Diploma 3. The Diploma 1 Program should be level 3.

The subject matter in the ethics course at PKN–STAN consists of “Introduction to Ethics of Civil Society Profession,” “Ethics History and Ethical Theory,” “Professional and Business Ethics,” “Public Service Ethics,” “Work Ethics,” “Leadership Ethics,” “Corps Soul and Code of Ethics,” and “Code of Ethics and Value Ministry of Finance.” Codes of ethics and corruption eradication are taught, as well as current issues. The ethical learning materials taught in PKN–STAN largely fall in line with the learning achievements set by the IES on ethical principles and commitment to the public interest. Additionally, the material conforms to the integration of ethics courses into other subjects [13].

The design of learning in each program are in accordance with the provisions of IES 4, except for the following:

- Learning outcomes defined by the program do not fully agree with IES 4 (i.e., professional competence areas of skepticism and professional judgment).

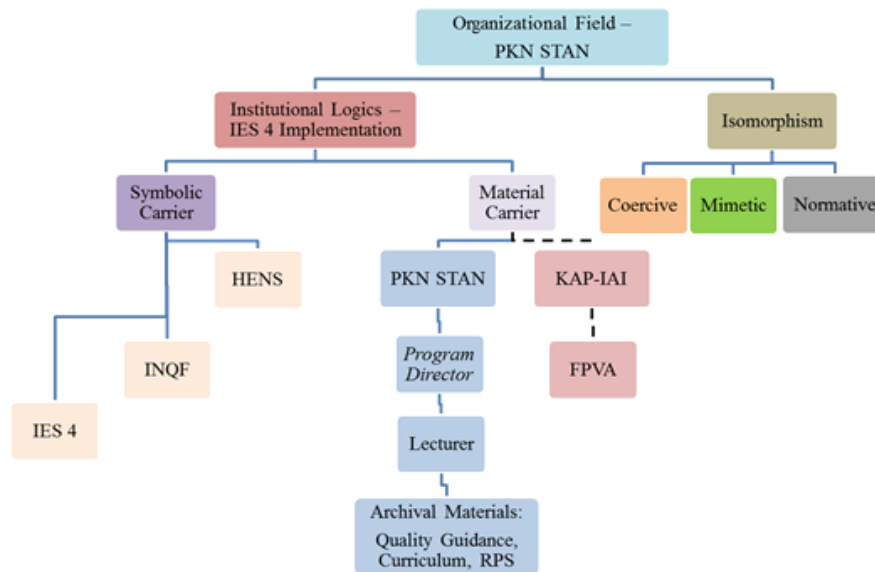


FIG. 2. INSTITUTIONAL LOGICS IMPLEMENTATION OF IES 4 in PKN STAN

- Practical ethical experience is not emphasized enough; learners should be better trained about ethics, attitudes, knowledge, and skills.
- IES 4 reflection activities are not implemented. IES 4 emphasizes documentation of student learning. Thus, everything related to the learning process, as reflection, should be well-captured.
- The workplace assessment specified in IES 4 calls for a tracer study, which is not yet routine.

E. The Role of Actors in the Learning Design Regarding Professional Values, Ethics, and Attitudes

The learning policy applied by all programs to students is learner oriented and not teacher oriented. Thus, there is more emphasis on the active participation of students. At the organizational unit level, PKN-STAN applies material on professional values, ethics, and attitudes when students undergo their initial orientation on campus and via capacity building from the institution. When preparing learning programs, all programs held a meeting with all related parties: lecturers, coordinators, and stakeholders/users. Feedback from the evaluation and improvements of quality and learning programs are captured well.

At the program level, each program director is bound by policies on the suitability of the learning process in the classroom, per RPS. To overcome the differences, a more assertive provision to maintain the lecturer's commitment in the learning process is needed, perhaps through positive attention. However, most lecturers who do not conform are non-permanent. Fig. 2 shows the relationship between symbolic carriers and logic carriers.

V. CONCLUSION

A. General

Material carriers described in Sections II and III changed after the data analysis phase. Additional material carriers are the IAI-KAP and the FPVA. Archival materials used by PKN-STAN were also added (e.g., quality manual for evaluation).

Isomorphisms emerging in PKN-STAN related to the implementation of IES 4 was normative, because of PKN-STAN's high motivation in adopting the regulation, based on needs and professionalization, as stated by Respondent 2 (2017) and Respondent 4 (2017). Meanwhile, the interaction between symbolic carriers and material carriers in the implementation of KKNi and SN-Dikti by the actors exposed a coupled condition. This means the actors within the organization accepted and enforced those provisions, whereas earlier they showed both coupled and decoupled conditions.

Professional values, ethics, and attitudes in PKN-STAN have been integrated into courseware, but not stand-alone. PKN STAN is almost ready to fully implement IES 4. However, because of obstacles and lead time, it will not happen soon. PKN-STAN applies professional values, ethics, and attitudes for professionalization rather than regulation pressure. PKN-STAN is still not in accordance with KKNi. Meanwhile, for IES 4, PKN-STAN conforms with the outline. However, learning outcomes matching areas of competence, designs for reflection activities, and workplace assessments are still needed. The actors in the organization are coupled to the learning-design process in accordance with KKNi and SN-Dikti. However, many non-permanent lecturers still do not conform to RPS.

B. Recommendations

Professional values, ethics, and attitudes should be taught during the first student lecture. PKN-STAN should prepare an integrated ethics learning framework and roadmap to obtain maximum results. First, it must socialize the idea to the faculty. In addition, PKN-STAN should adjust its learning expectations to match IES. A good documentation process is required for the learning process and student evaluation. The role of educational regulators is critical in this regard.

C. Limitations and Future Research

The number of respondents was limited because only two departments participated. Additionally, the research instruments were limited to documentation and interviews. Thus, there was no compelling data to analyze. Future

research should examine all the majors and programs at PKN–STAN to obtain more comprehensive results on this topic. Additionally, other research methods, such as mixed methods, could be used to enrich the research.

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