

## **Compatibility of Saudi Universities Accounting Education with the Saudi Labour Market Requirements Considering the implementation of IFRS**

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### **Abstract**

*This study aimed to identify the extent to which the outcomes of accounting education in Saudi universities are compatible with the requirements of the Saudi labour market considering the IFRS implementation. This was accomplished by collecting the data to identify the opinions and perceptions of the study sample by using The questionnaire, and then Descriptive and inferential statistical analysis was performed. some of the findings the study arrived at were that there was a weakness in the content of accounting curricula concerning IFRS, and in the response of these curricula to the use of IFRS. The study recommended periodically updating and developing accounting curricula, along with the need to involve relevant parties in the update process.*

**Keywords:** *Accounting education, Accounting curricula, IFRS implementation, Saudi Universities. Labour market.*

### **1- Introduction**

The Board of Directors of the Saudi Organization for Chartered and Professional Accountants (SOCPA) sought to develop the accounting practice in Saudi Arabia by applying and adopting international accounting standards after being approved by the authority. The application of these standards began on the first of January 2017, Deloitte (2021). The SOCPA's 2012 intention to implement IFRS by 2017 has highlighted the

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significance of reviewing accounting curricula and courses in Saudi Arabian higher education institutions to ensure IFRS compatibility, Albader (2015).

The current accounting education programs in most Saudi universities do not provide graduate students with the required knowledge of IFRS widely specified in the standard (2) of the International Accounting Education Standards, which established the main elements of the professional accounting education program (IFAC, 2021). This fact indicates the weak outputs of these programs and, thus, the inability of the accounting graduate to meet the modern business environment's requirements, especially considering the Kingdom's adoption of IFRS. That incapability appears in the gaps in professional skills, ethics, and values and in the training phase, Almotairy and Stainbank (2014). There is a lack of both personal skills and organisational and business management skills in Saudi Arabia's accounting education programmes before and after implementing IFRS, proving the existence of weaknesses in the output of these programmes at the level of higher education, Zureigat (2018). Albader (2015) revealed that future graduates of Saudi Arabia's accounting programmes will likely lack the necessary skills to effectively practice professional judgment in applying IFRS in real life. A low level of preparedness was noticed among education institutions to transition to IFRS in the accounting curricula. There was a lack of awareness regarding the implications of moving from the local standards to IFRS for education in Saudi Arabia.

Using IFRS necessitates significant changes in how financial accounting is taught and practiced since many students will need a solid foundation and basic knowledge of IFRS. Planning is required for accounting instructors to include IFRS in their accounting curricula, Larson and Thomas (2009).

Accounting educators in countries where IFRS is mandated (as in Saudi Arabia) are expected to develop and redesign their financial reporting courses and curricula around IFRS, Jackling et al. (2012).

Even though some of the Saudi universities are attempting to update their curricula and courses to prepare graduates for the change in systems, accounting education in Saudi higher education institutions is characterised as being out of date. This is attributed to a lack of cooperation between universities, SOCPA, and the private sector. To align the educational system with the transition plan, it was believed that its weaknesses needed to be addressed, Almansour (2019).

Considering the adoption of IFRS in Saudi Arabia, creating alignment between labour market needs and accounting education curricula had become necessary to bridge the gap even before SOCPA decided to compel Saudi companies to move to these standards. These facts prove the absence of a relationship between academics and professionals (SOCPA).

Indeed, any failure in the accounting education curricula to cope with the steady development in the business environment and the requirements of the accounting practice in Saudi Arabia will negatively affect achieving the Saudi universities' missions. Hence, it involves the steps to reach the goals of the Kingdom of Saudi Arabia 2030 vision. The vision seeks to facilitate capabilities to achieve the widest spread of education among citizens, which does not mean reducing the quality of outputs or knowledge of developments in standards. Moreover, it needs to focus more on improving the quality of outcomes through the vast enhancement of the educational process.

The findings of this study are expected to provide a clear idea about the current situation of IFRS accounting education in Saudi universities and whether it is in parallel with the accounting profession. Moreover, to accurately identify the current problem in the accounting curriculum and IFRS subjects to provide a recommendation that might lower the gap between academics and labour market requirements after adopting IFRS.

Also, this study paves the way for accounting bodies (SOCPA), and other accounting parties to combine and integrate their efforts to cooperate in preparing and equipping graduates and practitioners in a manner that leads to developing their competence to a level similar to the progress in the accounting profession in Saudi Arabia.

Additionally, the study's findings are expected to provide educators, practitioners, accounting bodies (SOCPA), and other accounting parties with a clear overview of the role that can be played by them in resolving the obstacles and problems that arise in the interrelationship between accounting education and the accounting profession in Saudi Arabia in light of the IFRS adoption.

## **2- Problem statement:**

Accounting and related knowledge provide the fundamental technical foundation required for a successful career as a professional accountant. The mix of subjects may vary depending on the industries or places where people work. The accounting curricula are changing and will keep doing so in response to rapid changes in market demands. The curriculum is expanding with new topics, and the relative emphasis on issues is changing. To adapt their programs to the needs of their specific environments, member bodies may wish to add points or change the program's structure. (IFEC, 2008)

Based on the rapid changes in the Saudi business and accounting environment following the adoption and implementation of IFRS, higher education institutions are expected to develop and redesign their education systems to ensure achieving the anticipated evolution of the cognitive awareness of these institutions' graduates. Hence, the problem of this study is to identify the response of Saudi universities' accounting curricula to the changes in accounting standards following the adoption of IFRS to ensure that these curricula comply with the requirements of the Saudi labour market. To do so, the study attempted:

- 1- To determine the extent to which Saudi universities incorporate IFRS into their accounting curricula and programmes.
- 2- To investigate whether these programmes' outcomes meet the labour market's actual needs and requirements after applying IFRS.
- 3- To explore the impact of education's non-correspondence (if any) with the environment's needs on the future, status, and readiness of the graduates in the work environment.

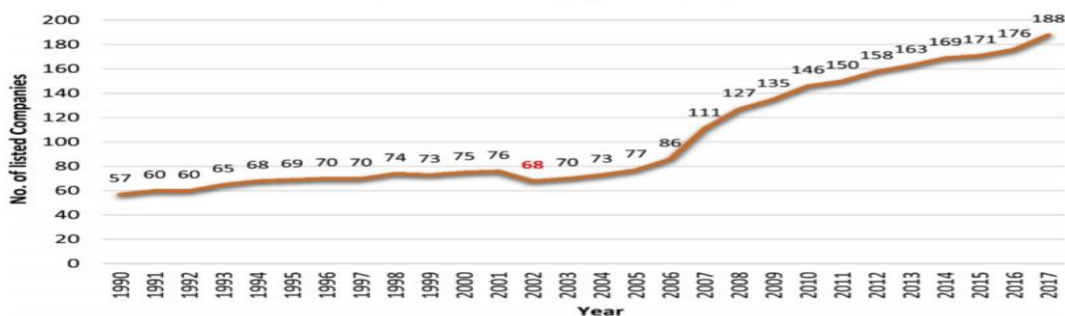
## **3- literature review:**

Implementing International Financial Reporting Standards (IFRS) in the Saudi economy has presented the higher education field with new challenges and opportunities. With the advancement of the country's business sector and its entrance into the global market, the new requirements guide the development of educational approaches. The preparation of students for the demands of the labour market must be aligned with the new standards. The present literature review examines contemporary scholarly publications and studies investigating the quality of Saudi accounting education and its ability to respond to the new standards to satisfy the labour market's expectations.

A significant number of scholarly publications pay particular attention to assessing the quality of Saudi accounting education against its ability to meet international standards and the labour market requirements inside the country. Overall, the importance of implementing and enforcing IFRS in the accounting workplace and education is validated by the growth of the business sector and the number of companies. As demonstrated in

Figure 1, the number of listed Saudi companies' recent growth is likely to attract more international investors if the country implements IFRS (Nurunnabi, 2018).

Figure 1. Number of companies listed on the Saudi stock exchange.



Source: Nurunnabi, 2018, p. 170.

Moreover, as Mah'd and Mardini (2020) found, the quality of accounting education in Middle Eastern and North African countries is insufficient when assessed against contemporary standards. Notably, these countries' universities do not employ international educational standards and fail to prepare competent and skilled accountants (Mah'd and Mardini, 2020). This study found that the representatives of these regions' academic settings anticipate future changes and improvements in educational systems to fill the gap and meet international requirements. Similar quality-related findings have been reported by Srdar (2017), who has identified the gap between learning and teaching in accounting education. In particular, the quality of knowledge and practical skills observed in the graduates of Saudi Arabian universities does not match the demand and overall expectations of the labour market. In addition, employers expect universities to train students appropriately to meet the expectation of the labour market. This can be read along with Almotairy's (2014) finding that Saudi Arabia does not entirely follow International Education Standards.

Along the same line, there was a weakness in students' knowledge of IFRS due to the weakness in embedding IFRS into the accounting curriculum content. The educational textbooks that were used for instruction are outdated and do not contain IFRS-compliant accounting treatments. Furthermore, instructors do not discuss IFRS when describing the topics covered in the accounting courses. It is apparent that there isn't a separate course on IFRS; if there is, it is an elective rather than a required course in the program of study, moreover, a low level of readiness and preparedness to deal with IFRS is also noticed among most academic institutions, Albader (2015), Almousa (2017) and Ebaid (2021).

As Lanre (2014) manifested, adopting IFRS will have adverse effects and cause issues like improper curriculum coordination and comprehension difficulties if there is insufficient representation in the curricula. Graduates and future accounting practitioners may struggle to meet global requirements due to inadequate training if university staff are not adequately trained to the level needed for adoption. As a result, the incorporation of IFRS into curricula and the readiness of accounting educators are crucial for adopting international standards.

Because their careers will frequently involve international transactions and interactions, accounting students must be familiar with IFRS and sensitive to the rapidly evolving accounting environment. Larson (2009)

Several attempts have been made to improve the quality of education by implementing alternative teaching methods. As Bilal and Abdelrahman (2021) reported, one such approach is a comprehensive implementation of E-learning. This method helped to increase the level of access to education and the overall quality of students' outcomes by bridging the gaps in learning capabilities and teaching offers and assisting students in

overcoming some obstacles to learning. However, no specific improvements have been identified concerning the quality of particular accounting outcomes. This tendency might be explained by the failure of universities to update the curricula following international standards in both education and accounting.

The findings of Senan (2019) might validate such an assumption, who identified that the demands for accountants' skills under the pressure of the recent updates in education and accounting are subject to continuous complications and improvement. According to Senan, "the skills required by accountants have changed drastically due to the present fiercely dynamic business environment and the adaptation of IFRS," which is why "they do more than keeping numbers and often serve as consultants to the top management".

Generally, some quality of accountants' skills had been satisfactory before IFRS had been implemented, although the overall development of accounting needed improvement. As researchers agree, the introduction of IFRS to the Saudi economy is cost-effective and provides multiple benefits in the long term (Albaradei, Almushaiqeh and Almalki, 2021; Herath and Alsulmi, 2017; Nurunnabi, 2017; Nurunnabi, 2018). Besides, an Arabic-based accounting program in Saudi universities may have an additional issue finding Arabic sources for IFRS that satisfy their needs. (Alzeban, 2016). When choosing whether to cover IFRS in their programmes, accounting academics might consider several factors. Saito et al. (2012)

Moreover, Saudi Arabia students are more willing to pursue accounting careers since this profession has become more advanced and demands guidance by international standards (Ebaid, 2020). Students also positively perceive modernised educational methods, which help them advance their skills (Trabulsi, 2018).

The current articles concerning improving Saudi Arabian universities' accounting education are based on evidence from other spheres, such as business schools and observing Saudi labour market specifics. As Zureigat et al. (2019) note, three aspects should be addressed by university authorities and administration to improve the quality of education: new content, new perspectives on existing content, and new teaching methods.

There was essentially no collaboration between universities and business organisations regarding IFRS training. In addition, as stated by Alshahrani (2021), Due to poor interaction and communication between three actors —the SOCPA, universities, and business organisations—the education and training related to IFRS were largely ineffective. In the same context, Ibraheem, Elawady, and Ragmoun (2018) suggest that there is a need "to find a kind of coordination and continuous development between universities and business owners to foster cooperation and provide the right type of graduates." (p. 77). In such a manner, the universities can adjust their curricula to the organisations' demands, thus providing them with skilled and competent graduates.

The literature review indicates that the overall state of Saudi accounting education before implementing IFRS does not meet the requirements of the local labour market. The implementation of IFRS aimed at improving the economy in the country becomes both an obstacle and an opportunity for Saudi Arabia universities to develop the accounting program. Through updating curricula, implementation of new learning content and teaching methods, and cooperation with the organisation, accounting educational institutions will be able to fill the gap and satisfy the students' desire and employers' need for high-standard accounting skills. Recently, academic researchers have moved to develop a united plan to improve the quality of accounting programs by selecting the most relevant standards that students should learn. This proposed plan was suggested in a workshop sponsored by SOCPA for its initiative to align learning outcomes with labour market requirements.

There are a limited number of studies that have covered the issue of the adoption of international financial reporting standards in the Kingdom of Saudi Arabia. A small

number of them have mainly discussed the accounting education associated with the application of these standards, Albader (2015), Almansour (2019), Almotairy (2014). Most of the previous studies that examined the accounting education alignment to the IFRS application were conducted in the early stages, after the decision to adopt these standards and before their actual implementation. However, the small number of studies conducted after the application focused on the students' perceptions, accounting academics, the sole academic accounting body in the Kingdom (Saudi Association of Accounting (SAA)), and financial report preparers. These studies either investigated the availability of required skills among graduates in response to the application of IFRS, the extent of the change and development in accounting curricula due to using these standards, or the degree of accounting education compliance with the international standards of accounting education. Therefore, what distinguishes this study from other studies is that it was conducted after a sufficient period since the implementation of the international standards to allow a reasonable assessment of the accounting curricula against IFRS application. It was also not only concerned with identifying the impact of the application on the education system but extended to exploring the degree to which these curricula are compatible with the demands of the labour market, as well as the impact on the reality of graduates in the work environment. This necessitated the study, unlike previous studies, to pay attention not only to the perceptions of students and academics but also to the perceptions of employers in the labour market on their satisfaction with the graduates' competencies. This allows the findings of this study to add new perspectives and dimensions to the existing literature on Saudi Arabia's adoption of IFRS.

#### **4- Methodology and Data Analysis:**

##### 4-1 Study design:

The present study adopted a cross-sectional survey design to evaluate the current situation of outcomes of accounting education in Saudi universities and its compatibility with the requirements of the Saudi labour market. The survey was conducted among accounting students in the final year, accounting graduates, academics in accounting departments, and accounting professionals. The cross-sectional survey was conducted among four sub-populations to examine the situation from different prospects.

##### 4-2 Questionnaires:

The questionnaire was adopted as a tool for data collection, and four different questionnaires were designed, prepared, and validated to collect data from the four groups of the study sample.

##### 4-3 Sampling:

A convenience non-probability sampling technique was used to collect data from different study groups. A total of 80 questionnaires were distributed to the group of accounting students in the final year; the total number of complete responses was 64 students. The total number of questionnaires distributed to the accounting graduates was 64, and the total number of complete responses was 48. The total number of questionnaires distributed to the academics was 62, and the total number of unqualified responses was 48. The total number of questionnaires distributed to the accounting professionals was 15, and the total number of complete responses was 30.

##### 4-4 Data analysis:

The study used SPSS version 25 software to analyse the data. The data collected was revised and prepared in excel sheets before the data analysis. Descriptive statistics included frequency and percentage tables, and means were conducted for data presentation. Inferential nonparametric methods included the Mann-Whitney test and the

Kruskal-Wallis test. The differences in perceptions of each sample were tested at the 5% significance level.

The features and characteristics of the study samples:

Table (1) The basic characteristics of the final-year student s sample

Variables		N = 64	Percentage
Gender	Male	41	64.1
	Female	23	39.9
University	Governmental	64	100.0
	Private	0	0.0
<u>The studied accounting curriculum did not include any courses fully specialised in IFRS:</u>			
Yes		37	57.8
No		27	42.2

Prepared from the field study by the researchers (2023)

Less than 42.2% of the study sample of final-year students indicated that the universities they studied included one or more specialised courses for IFRS. In comparison, 57.8% indicated that no courses were included in their curricula.

It is apparent from the previous that the shortcomings in the contents of the curricula that students in the final year studied in Saudi universities concerning the inclusion of IFRS within the curricula were found.

Table (2) The basic characteristics of graduates of accounting in Saudi universities

Variables		N = 48	Percentage
Students graduated after the IFRS implementation		40	83.3
Students graduated before the IFRS implementation		8	16.7
Work Sector	Governmental	6	12.5
	Private	42	87.5
No course related to IFRS is incorporated into the curriculum.	Yes	25	52.1
	No	23	47.9

Prepared from the field study by the researchers (2023)

Looking at the above Table, the researchers note that most of the graduates' sample (83.3%) included students who graduated after the application of IFRS (2017) and who, as assumed, had experienced the curricula after updating them in line with the implementation of IFRS. In contrast, the lowest percentage of the sample (16.7%) included students who graduated before applying to IFRS in Saudi Arabia. From the Table, we note that the distribution of graduates' employment sectors in the study shows that participants are represented by the private sector in a large percentage (87.5%), which is the sector that applies the IFRS. In comparison, the minority of the participants (12.5%) belong to the government sector, which does not involve the IFRS. From this, it

may be noted that the study participants' views are considered appropriate to a large extent to express the state's reality of the accounting curricula they studied in Saudi universities and their compatibility with the fact of applying IFRS.

Researchers found that 52.1% of the participants stated that their curricula do not include IFRS, while 47.9% indicated that their curricula do include IFRS.

Table (3) The characteristics of the sample of academics in the Saudi accounting departments

Variables		N = 62	Percentage
Work Sector	Governmental	60	96.8
	Private	2	3.2
<u>The most recent curriculum update</u>	After IFRS implementation	54	87.1
	Before IFRS implementation	8	12.9

Prepared from the field study by the researchers (2023)

It is evident from Table (3) that 12.9% of the academic respondents indicated that they began updating and developing their curricula before the beginning of applying IFRS in Saudi Arabia. In contrast, the most significant percentage (87.1%) indicated that updating and developing curricula had begun after applying IFRS. The researchers found that this high percentage signifies a negative aspect represented by the delay of universities in developing their curricula in line with IFRS, especially since the decision to transition to IFRS in Saudi Arabia was made in 2012. It means that universities, at the level of their curricula, have not been ready for the implementation of IFRS and to meet the requirements of the work environment.

On the other hand, the high percentage of delay in updating the curriculum (87.1%) explains the predominance of the percentage of those who stated that their curricula did not include an entirely specialized course in IFRS.

Table (4) The characteristics of the study sample of professionals in the accounting field

Variables		N = 15	Percentage
Occupation	Accounting	3	20.0
	Financial Management	7	46.7
	Auditing	5	33.3
Study Language	English	4	26.7
	Arabic	10	66.7
	Both	1	6.7

Prepared from the field study by the researchers (2023)

The total number of specialists in the financial aspect (professionals) included in the study was fifteen specialized people; seven were in financial management occupations, most of which were taught in Arabic.



Table (5) Students' perceptions of the accounting curriculum's sufficiency to meet the requirements of IFRS implementation

Variable	Scale means	% Of agreement
1. Incorporating topics entirely dedicated to IFRS into some regular courses in the curriculum.	3.68	73.6
2. During the study period, the entire curriculum was updated to include IFRS.	3.19	63.8
3. The study plan of the financial accounting courses contains topics related to IFRS.	3.82	76.4
4. Modifying the study plan contents of auditing courses to comply with IFRS.	3.27	65.4
5. On an ongoing basis, the accounting department's curricula respond to IFRS updates or developments within the context of the Saudi Arabian environment.	3.28	65.6

Prepared from the field study by the researchers (2023)

Table (5) indicates that final-year students gave medium or below average agreement for the variables that measure the extent of the compatibility of the approved curriculum in teaching accounting in Saudi universities with the changes that occurred in the Saudi work environment due to the application of IFRS.

In comparison to the other variables, the third variable received the highest percentage of agreement from students (76.4%), while the second variable received the lowest percentage (63.8%).

According to the participants' opinion, these average and below-average agreement percentages indicate a continued gap between the accounting curricula taught in Saudi Arabian universities and what these curricula should have been in light of adopting the IFRS in private sector companies.

Table (6) The perception of graduates concerning the Saudi university accounting curricula and the job market in light of the IFRS application

Statement	Scale means	% Of agreement
1. Developing or updating the entire curriculum to include IFRS during the study period	3.23	64.6
2. The financial accounting courses' study plans include IFRS-related topics.	2.71	54.2
3. During the study period, the study plan's contents of auditing courses were modified to align with IFRS.	3.25	65.0
4. On an ongoing basis, the accounting department's curricula respond to IFRS updates or developments within the context of the Saudi Arabian environment.	3.85	77.0
5. The graduates perform job tasks related to what they have studied in their field of specialisation.	2.25	45.0
6. The establishment where graduates work applies IFRS partially or fully.	3.97	79.4
7. The graduates found a difference between the studies they	4.25	85.0

received and the realities of professional practice.		
8. Some accounting methods and bases used by the employer were not included in the graduate's university studies.	3.47	69.4
9. The graduates needed additional qualifications or training to compensate for deficiencies associated with the curriculum they received during their university studies.	3.71	74.2
10 The graduates' employer is keen to keep them up to date on the most critical developments in the standards governing accounting practice.	3.75	75.0
11. If the graduates remain with or transfer to a business that applies IFRS, they must learn (study) it.	3.91	78.2
12. The requirement for Saudi companies to implement IFRS emphasises the importance of learning and becoming familiar with IFRS in obtaining a job opportunity.	4.04	80.8
13. The low percentage (or the lack) of incorporating IFRS into accounting curricula reduces the opportunity of employing accounting graduates in companies.	4.21	84.2
14. Accounting graduates with IFRS have more opportunities for employment in companies.	3.54	70.8
15. Accounting students can learn IFRS concepts and practices after graduation and enter the labour market without focusing on IFRS during their undergraduate studies.	2.79	55.8

Prepared from the field study by the researchers (2023)

Table (6) shows that the first four variables dealt with the participants' perspectives on how the curriculum they studied in Saudi universities aligns with the changes in the Saudi work environment brought about by the implementation of IFRS. These variables received an agreement percentage that ranged between medium and low. Although the graduates gave an average agreement percentage for the fourth variable, the rest of the variables (first, second, and third) received a lower agreement percentage. That shows the graduates agree with the final year students that the curricula they have studied in the accounting departments in Saudi universities do not meet the work environment requirements, considering the application of IFRS in this environment.

The graduates gave a high agreement (79.4%) to the variable of applying IFRS in whole or in part by the establishments where they work. However, they confirmed that professional engagement in accounting is different from what they received from accounting studies, with an agreement of 85.0%. The remaining variables in Table (6) illustrate the graduates' perspective on their experiences after joining the labour market in light of the IFRS application.

The graduates gave a medium agreement percentage (69.4%), stating that some accounting methods followed by their employers were not included in their university studies in the accounting field.

That explains the considerable percentage of their agreement (74.2%) regarding their need for additional qualifications and training to fill the shortfall related to the curriculum they received during their university studies. It also explains their approval (75.0%) of their employer's endeavor to keep them coping with the updates in the accounting standards that govern work.

Additionally, Table (6) shows the graduates' high average agreement percentage regarding their study of IFRS, whether they continue to work as employees or move to an employer that applies IFRS. Other graduates report, with a high average agreement percentage (80.5%), that studying these standards, considering the application of such measures and the commitment of companies in the Saudi environment to acknowledge them, is necessary to obtain job opportunities in the profession. Moreover, the graduates indicated, with a high agreement percentage (84.2%), that the low rate of incorporating IFRS into the accounting curricula they receive, considering the adoption of these standards in the Saudi work environment, could negatively affect employment opportunities for accounting graduates from Saudi universities in companies that apply these standards.

It was also found, with an average agreement percentage of 70.8%, that accounting graduates who had previously studied IFRS have more significant opportunities for employment in the field. That means learning the concepts and applications of IFRS at the university level and before entering the labour market is necessary. This is evidenced by the average low agreement percentage (55.8%) granted to the variable of students' possibility to learn these concepts and applications after graduating and joining the labour market.

Table (7) Academics' Perceptions of accounting curriculum, academic competencies, and References in Saudi Universities in light of IFRS Application

Statement	Scale means	% Of agreement
1. The curriculum is evaluated by an advisory committee that offers ongoing suggestions for improvement.	3.53	70.6
2. The accounting departments receive comments and suggestions from graduates.	3.73	74.5
3. The accounting departments adopted a modified curriculum after the decision to implement IFRS in KSA	3.82	76.5
4. The accounting departments have a basis that considers the materiality of IFRS being included in their curriculum.	3.77	75.5
5. The accounting curriculum taught in the accounting departments copes with essential IFRS developments.	3.97	79.4
6. The accounting departments adopt a specific mechanism that automatically updates the curriculum.	3.84	76.8
7. The current accounting curriculum needs to be updated and developed to cope with the IFRS application.	3.69	73.9
8. The academics used a documented means to obtain the opinions and observations of specialists in the business sector on the curriculum's requirements considering IFRS adoption.	3.58	71.6
9. The academics received specialised training courses or workshops on IFRS through their self-funded efforts.	3.73	74.5
10. The university provides training opportunities to study IFRS.	3.06	61.3
11. The academics rely on self-learning to develop their scientific background on IFRS.	4.10	81.9
12. The accounting departments heavily rely on the updated books and references issued by the (SOCPA) to teach accounting courses.	4.05	81.0
13. The accounting departments heavily rely on the updated books and	4.00	80.0

references issued by the SOCPA to teach auditing courses.		
14. Teaching accounting courses in Arabic while providing students with the most critical accounting terminology in English is appropriate for preparing them for career progression	4.10	81.9
15. There is no need to focus on IFRS during undergraduate studies.	2.98	59.7

Prepared from the field study by the researchers (2023)

Table (7) shows that the academics, as representatives of the body responsible for presenting and developing the accounting curricula, reported an average agreement percentage of 70.6% that their curricula are evaluated by an advisory committee (with the membership of professionals outside the university).

On an ongoing basis, this committee submits suggestions for improving the curriculum. The academics also resort to receiving opinions and observations from professionals and specialists in the business sector on the curriculum requirements following the IFRS application (with an average agreement percentage of 71.6%). At the same time, an average approval rate of 74.5% was given to their method of developing the curriculum by gathering notes and suggestions from graduates to guide any updates.

The academic participants who responded to the decision to transition to the application of IFRS reported that they modified their curricula (with an average agreement percentage of 76.5%). They added that this modification is based on a formula that considers the relative importance of the IFRS included in the curriculum (with an average agreement percentage of 75.5 %). Another average agreement percentage of 76.8% was given to the department's adoption of a mechanism that automatically updates the curriculum to keep up with the development of accounting concepts, laws, and practices in the Saudi business sector. However, with an average agreement percentage of 73.9%, the curricula still need to be updated to deal with changes in the economic and legal environment related to the IFRS application. Accordingly, with a high agreement percentage of 79.4%, the participants believe that the accounting curriculum adopted in their departments copes with the most important developments at the level of IFRS.

Through table (7), regarding the adequacy and qualification of academics in the departments to teach courses and topics related to IFRS, the participants stated, with an average agreement percentage (74.5), that they received specialized studies on IFRS in the form of courses or training workshops by self-funded. Some participants (with a low agreement percentage of 61.3%) received training opportunities on IFRS through their universities. Nonetheless, the majority (81.9%) rely on self-learning to develop their scientific background in IFRS, indicating the readiness of faculty members to adapt to the IFRS application.

Regarding the use of scientific resources that suit the needs and requirements of students to prepare them to deal with the consequences of IFRS application, the participants, with a high agreement percentage (81.0%), state that accounting departments depend on modern books and references issued by the SOCPA (which are updated books that consider IFRS application) in teaching accounting courses. The departments also depend on the SOCPA's books when teaching auditing courses, with a high agreement percentage of 80.0%. This shows that they are not faced with any problems related to the availability of appropriate scientific resources for the requirements of qualifying students to adapt to the consequences of IFRS application.

The participants also believe that teaching accounting courses in Arabic while clarifying the basic accounting terms in English is considered appropriate to prepare the students for career progression, with a high agreement percentage (81.9%). On the other hand, other participants gave a low agreement percentage (59.7%) to the possibility that accounting students might learn the concepts and applications related to IFRS after graduation and

entering the labour market. This might suggest that university-level instruction is necessary to prepare students rather than wait for them to learn these concepts and practices after entering the work environment.

Table (8) The professionals' perceptions regarding accounting curricula in Saudi universities and graduates of these curricula in light of the IFRS application

Statement	Scale means	% Of agreement
1. The accounting graduates following the implementation of IFRS lacked sufficient accounting knowledge.	3.00	60.0
2. The accounting graduates following the implementation of IFRS lacked sufficient accounting skills.	3.87	77.3
3 The accounting graduates need training in commonly used accounting practices to compensate for the deficiencies in their curricula.	3.67	73.3
4. Recent accounting graduates have a lack of knowledge of English accounting terminology.	4.60	92.0
5. Applying IFRS in the KSA requires updating the accounting curricula in Saudi universities.	3.13	62.7
6. The accounting curricula do not cope with the economic and legal developments.	4.40	88.0
7. The accounting curriculum will better meet the requirements if accounting specialists from the business sector are involved in the curriculum's preparation.	4.47	89.3
8. The accounting curriculum will better meet the requirements if SOCPA is involved in curriculum preparation.	4.27	85.3
9. The non-inclusion of IFRS in accounting curricula increases the effort, cost, and time required to prepare graduates.	3.60	72.0
10. The non-incorporating of IFRS into accounting curricula reduces the opportunities for employing accounting graduates.	4.13	82.7

Prepared from the field study by the researchers (2023)

According to the perspectives of professionals specialized in accounting and financial work based on their experience with graduates, accounting graduates in Saudi universities did not encounter any obstacles after the IFRS application regarding obtaining adequate accounting knowledge. They gave a low agreement percentage (60%) for variable No. 1, but they supported variable No. 2. This was evident from the high agreement percentage (77.3%) they gave to the variable. Therefore, in their opinion, these graduates lack practical training on the practices commonly used in accounting to compensate for the deficiency in the curricula they received and intensify and increase their knowledge of accounting terms in English, as they highly approved (92%) the variable showing the lack of English accounting terms seen in recent accounting graduates.

The weakness in accounting skills and the knowledge of English accounting terminology, along with the clear need to subject these graduates to practical training, indicates not only that there is a gap between what accounting students learn according to curricula approved by accounting departments in Saudi universities and what the labour market requires, but there is also a more profound gap between the perceptions of academics responsible for preparing students for labour market requirements, those who believe that their accounting curricula are updated, perfect, and coping with the environment, and the

perceptions of professionals representing the labour market, those who are considered the first recipients of the outputs of accounting education. These professionals highlight the weaknesses of such curricula, which are demonstrated by the graduates' deficiencies in more than one aspect and by their need for practical training in accounting practices based on the usage of IFRS. Accounting professionals also explicitly pointed out that the accounting curricula do not cope with the economic and legal developments in the Saudi business sector, with a very high agreement percentage (88%). Accordingly, to reform the accounting curricula better to fulfil the requirements of the Saudi labour market, these professionals see a need to involve both accounting specialists in the business sector, with a very high percentage of agreement (89.3%), and SOCPA, with a very high percentage of agreement (85.3%). With this situation, these professionals believe that the failure to incorporate IFRS into the accounting curricula in Saudi universities will increase the effort, cost, and time required to prepare recently graduated students for jobs and reduce their employment opportunities.

Table (9) The difference in the students' opinions on the sufficiency of accounting curricula in Saudi universities

Variable	Course included		None		P-value
	Scale mean	% Of agreement	Scale means	% Of agreement	
1. Incorporating topics entirely dedicated to IFRS into some regular courses in the curriculum.	4.00	80.0	3.41	68.2	0.049
2. During the study period, the entire curriculum was updated to include IFRS.	4.13	82.6	2.35	47.0	0.001
3. The study plan of the financial accounting courses contains topics related to IFRS.	4.33	86.6	3.38	67.6	0.001
4. Modifying the study plan contents of auditing courses to comply with IFRS.	3.93	78.6	2.67	53.4	0.001
5. On an ongoing basis, the accounting department's curricula respond to IFRS updates or developments within the context of the Saudi Arabian environment.	3.93	78.6	2.71	54.2	0.001

Prepared from the field study by the researchers (2023)

The students' responses to the scale's statements about the Saudi University accounting curriculum's sufficiency in providing the students with the required knowledge and skills to deal with the implementation of IFRS were analysed by the extent of including courses and topics related to IFRS. The results showed a significant difference in the percentage of agreement on the scale depending on whether or not IFRS courses and topics were included. Students who had courses and topics related to IFRS in their curriculums were more likely to agree with the scale statements than the other students.

Table (10) The difference in the graduates' opinions on the Saudi universities' accounting curriculum and the job market in light of IFRS

Variables	Scale mean	% Of agreement	P-value
<u>Work Sector</u>			
Governmental	3.31	66.2	0.139
Private	3.54	70.8	
Other	2.87	56.8	
<u>The curriculum studied at the university included one course entirely dedicated to IFRS</u>			
Yes	3.86	77.2	0.002
No	3.24	64.8	

Prepared from the field stud by the researchers (2023)

According to the work sector of graduates and the status of having at least one IFRS-related course, graduates' overall percentage of agreement on the statements on the scale of accounting curricula in Saudi universities and the labour market in the shadow of IFRS were analysed. The results showed a significant difference in the percentages of agreement depending on whether or not graduates had taken at least one IFRS-related course, with a higher percentage of agreement among graduates who had. According to the work sector, no significant difference was identified in graduates' agreement percentages.

Table (11) The difference in the academics' opinions on accounting curricula, academics' competencies, and references in Saudi universities in light of the IFRS implementation

Duration since last (update) development of curriculum	Scale means	% Of agreement	P-value
1 Year	3.94	78.9	0.003
2 Years	3.73	74.5	
3 Years	4.03	80.5	
4 Years	3.78	75.6	
>4 years	3.12	62.4	

Prepared from the field stud by the researchers (2023)

According to the duration since the last development of the curriculum, the analysis of academics' perceptions on the scale's statements about accounting curriculums, academic competencies, and references following the implementation of IFRS showed a significant difference with a P-value of 0.003. The academics who have updated their curriculums within four years of IFRS implementation tend to express a more vital agreement than those who did it before IFRS implementation.

Table (12) The difference in the professionals' opinions on Saudi universities' accounting curricula and graduates in light of the IFRS application

Occupation	Scale means	% Of agreement	P-value
Accounting	3.50	70.0	0.243
Financial	3.87	77.4	
Auditing	3.90	78.0	

Prepared from the field stud by the researchers (2023)

The scales' statements concerning accounting curriculums in Saudi universities and graduates of these curriculums following the IFRS application were analysed depending on the accounting professionals' perceptions. The analysis revealed a difference in the agreement levels provided by professionals based on the type of occupation they practised (a P-value of 0.243).

## **7- Conclusion:**

The findings of this study reflect a weakness in the content of the accounting curriculum currently being taught in Saudi universities in terms of including IFRS in the courses. Despite the actual start of Saudi Arabia's adoption of IFRS in 2017, the curricula contents most accounting graduates received did not meet the requirements of using IFRS and did not match the actual demands of the Saudi labour market. Furthermore, the academics at Saudi universities exhibited a delay in responding to developing the accounting curriculum, resulting in a gap between the development of the accounting curricula and what these curricula should have been under the IFRS application. Because of the low percentage of IFRS inclusion in accounting curricula in Saudi universities, graduates of these universities have fewer job opportunities in the Saudi labour market, whilst accounting graduates who have intensively studied IFRS, on the other hand, have a better chance of finding work. Not only that but to fill the curriculum gap, recently recruited Saudi university graduates showed a need for additional training when entering jobs, which they have already received from their employers. This need indicates that they are weak in accounting knowledge to a lesser degree than they are weak in acquiring sufficient accounting skills. In another context, there are no issues providing accounting academics and knowledge sources on IFRS. SOCPA provides accounting departments with updated (and sometimes translated) references and books required to qualify students in response to IFRS application. Also, most accounting academics have developed their competencies to teach IFRS as a part of the curriculum. But if the accounting study were in Arabic, there would be a need to present the basic accounting terms in English to provide a reasonable basis for preparing accounting graduates for career progression. All these imply that the Saudi universities' accounting curricula cannot cope with economic and legal developments in the Saudi business sector.

## **8- Limitations of the findings:**

The study's conclusions may be limited due to the small number of participants representing the private universities, either in the sample of students in the final year (none of them gave a response) or in the sample of academics (a meagre response rate was given). In contrast, the government university participants had a very high response rate. Hence, the findings cannot be generalised to express the response of education in all types of universities to labour market needs under the use of IFRS. To complete the picture, more studies must be conducted to investigate the perspectives of students and academics from private universities. Also, the study focused on one aspect of accounting education which was a curriculum, and did discuss the other elements, such as the teaching approach and the facilities needed for universities; more studies are needed in this area.

## **9- Recommendations:**

The researchers suggest the following recommendations:

A- Saudi universities' actions that are required:



- 1- They must update and develop the accounting curricula periodically every five years, considering the most critical developments and requirements of the Saudi labour market.
- 2- They must enhance the involvement of professionals representing the labour market and SOCPA in updating and developing the accounting curricula.
- 3- They must provide adequate training to accounting faculty members on teaching IFRS.
- 4- They must incorporate basic accounting English terms into the accounting curricula taught in the Arabic language.

B- The SOCPA actions that are required

- 1-Continuing and strengthening its prominent role in supporting the development and modernization of accounting curricula.
- 2-Providing workshops and training courses for accounting faculty members.
- 3-Offering workshops and training courses to accounting students and recent graduates.

C- Graduates' and employers' actions that are required:

- 1- Graduates should strive to develop their knowledge and accounting skills related to IFRS rather than being satisfied with what is included in the regular curricula.
- 2-Employers in the Saudi environment must provide those who have recently joined the business sector with appropriate preparation and training programs that may bridge the gap in the academic curricula. The training programs should be ongoing and updated.

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