

**UNIVERSITY OF GHANA**  
**(College of Humanities)**



**ESSAYS IN DONOR FUNDED INTERVENTIONS AND THE  
ACTIVITIES OF A PROFESSIONAL ACCOUNTANCY  
ORGANISATION IN GHANA**

**BY**

**RICHARD AMANKWA FOSU**  
**(10107758)**

**THIS THESIS IS SUBMITTED TO THE UNIVERSITY OF GHANA,  
LEGON IN PARTIAL FULFILLMENT OF THE REQUIREMENT  
FOR THE AWARD OF PHD IN ACCOUNTING DEGREE.**

**JULY, 2019**

**DECLARATION**

I, the undersigned, do hereby declare that this thesis is the result of my own original research and has not been submitted by me or any other person for the award of a degree in any university. All references cited in this thesis have been duly acknowledged. I bear the responsibility for any errors, omissions and lapses that might appear in this thesis.



1<sup>st</sup> June, 2020

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**RICHARD AMANKWA FOSU**

**DATE**

(10107758)

**CERTIFICATION**

I, the undersigned, do hereby certify that this thesis was supervised in accordance with the guidelines laid down by the University.



1<sup>st</sup> June, 2020

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**DR. WILLIAM COFFIE**

**DATE**

SUPERVISOR



1<sup>st</sup> June, 2020

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.....

**PROF. MOHAMMED AMIDU**

**DATE**

SUPERVISOR

## ABSTRACT

The effect of donor-funded interventions has been a subject of long standing debate over several years of donor support. This thesis focuses on donor-funded interventions and the activities of a professional accountancy organisation in Ghana. Specifically, the thesis explores and analyses how donor-funded interventions have influence the activities of a professional accountancy organisation in Ghana as well as soliciting the perceptions of stakeholders about the outcomes of the interventions. The present thesis adopts a mix of qualitative and quantitative approaches; conducted interviews with key actors in the implementation of the interventions and administered questionnaires to selected stakeholders of the professional accountancy organisation. Thematic analysis was used in the analysis of the data collected through interviews with the respondents, while regression and structural equation modelling technique were used to analyse the quantitative data. The empirical results show a general acknowledgement among the respondents of the positive effect of the intervention on the activities of the professional accountancy organisation (PAO). However, the biggest challenge encountered in the implementation of the funded intervention is the counterpart funding provided by the PAO. Furthermore, continual professional development (CPD) quality, exams quality and tuition quality are key drivers of a credible professional qualification. Thus, an improvement in these drivers leads to an enhancement of the credibility of a professional qualification. This result is novel because to the best of the author's knowledge; this is the first time a study has empirically tested this construct. Third, donor funded training interventions improved the competencies and organisational commitment of the respondents.

The thesis makes several contributions to the accounting literature: First, the thesis enriches the accounting literature by providing a drive for a renewed attention by scholars on the activities of professional accountancy organisations which hitherto has overly

focused on international accounting firms. Second, soliciting the perceptions of key stakeholders is important at addressing the long held view by scholars that evaluations of donor interventions often do not take into account wider stakeholder feedback. Furthermore, the findings from the thesis are relevant in shaping future donor policies aimed at improving the effectiveness of funded interventions.

In conclusion, this thesis generates important public policy considerations. Donors and implementing agencies of intervention programmes should take into account the financial state of local accountancy bodies in future donor projects. This is because counterpart funding places a lot of stress on the finances of these bodies which sometimes leads to difficulties in programme execution. Also, the information communication technology (ICT) infrastructure of most developing countries is not well developed to support such interventions which are mostly ICT based. This poses a challenge to the successful implementation of donor projects. Furthermore, project designs should be sensitive to local circumstances of PAOs, as projects may fail to achieve the intended outcomes if the local circumstances are ignored.

## **DEDICATION**

I dedicate this thesis to my parents, Kwaku Amankwa Fosu (of blessed memory) and Florence Afia Nsiah and also to Kofi Agyei Baffour (of blessed memory) and my lovely wife, Deborah Adefowope who have been extremely supportive throughout all the stages of my academic life.

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### **LIST OF ABBREVIATIONS**

ACCA	Association of Certified Chartered Accountants
CPD	Continual Professional Development
CPQ	Credible Professional Qualification
DFID	Department of International Development
ICAEW	Institute of Chartered Accountants, England and Wales
ICAG	Institute of Chartered Accountants, Ghana
IFAC	International Federation of Accountants
PAO	Professional Accountancy Organisation
PCA	Principal Component Analysis
RDT	Resource Dependence Theory
ROSC	Observance of Standards and Codes
SET	Social Exchange Theory

## **CHAPTER ONE**

### **INTRODUCTION**

## **1.1 Background of the study**

Over the past two decades, there has been heightened attention on the activities of professional associations as well as professional services firms in supporting public value worldwide. Arguably, the keen interest has been attributed to the global financial crises which left in its wake the collapse of some major firms (i.e. Enron, WorldCom etc.) and one of the big five auditing firms (i.e. Arthur Anderson) in the early part of the 21<sup>st</sup> Century. Following the wave of accounting and auditing fraud at Enron and other large US companies, the US Congress passed the Sarbanes-Oxley Act (SOX) in 2002 in an effort to restore public trust in the accounting profession. The SOX established the Public Companies Accounting Oversight Board (PCAOB) “to protect the interests of investors and further the public interest in the preparation of informative, accurate and independent audit reports” (SOX section 101(a)). More recently, the banking industry in Ghana witnessed some major reforms. These reforms led to seven universal banks been placed under receivership and the subsequent revocation of their licence by the Bank of Ghana (Bank of Ghana, 2019). An investigation by the Institute of Chartered Accountants, Ghana (ICAG) revealed that four audit firms (i.e. Deloitte & Touche, Morrison & Associates, J. Mills Lamptey & Co., and PKF Chartered Accountant) responsible for the audit of these banks failed to comply with appropriate standards as prescribed by the International Standards on Auditing. These audit firms were subsequently sanctioned by the ICAG (ICAG, 2019). These scandals, undoubtedly, eroded public trust and confidence in accountants, thereby threatening the profession’s social legitimacy and occupational dominance (De Lange, Jackling & Suwardy, 2015). The efficiency and effectiveness of the accountancy profession depend largely on the quality of services provided by its members in meeting the ever-changing demands and aspirations of the society (IFAC, 2011). The quality service delivery by the profession

will ensure the sustenance of the financial and capital markets by the provision of more reliable information. This information is then relied upon by investors in taking economic decisions which eventually supports the development of the economy of countries (IFAC, 2011; Atuilik & Salia, 2018).

For the accountancy profession to be able to meet the ever-evolving expectations and aspirations placed on it by society will require a well-resourced, effective and efficient professional accountancy organisation (PAO). An effective PAO will ensure that rules and standards governing financial reporting and auditing are complied with by players in the financial reporting architecture. In order to ensure greater transparency, improved financial reporting and disclosure practices, especially in developing countries, requires well-resourced PAOs. PAOs in developing countries are seen to be lacking the capacity to regulate the accountancy profession effectively. Largely, PAOs in developed economies seem to be more effective and efficient in regulating the accountancy profession and providing relevant training, examinations and experience for students. PAOs in developed countries are better resourced and effectively directed and controlled by their governing boards as compared to those in developing countries (World Bank Report, 2005; Awayiga *et al.* 2010). These factors may explain their effectiveness. It is against this backdrop that the International Federation of Accountants (IFAC) at the meeting of the G20 nations in 2009 called for the need to build a robust worldwide collaboration with adequate means to establish the required competence in the accountancy profession in emerging economies. The accountancy profession in emerging and developing countries are saddled with a myriad of challenges which militate against the proper and efficient functioning of PAOs (World Bank Report, 2004, 2014). For instance, the World Bank Report indicates a lack of financial resources, operational



inefficiencies and unavailability of reliable databases as some of the key constraints facing the accountancy organisations in Africa and other emerging economies.

IFAC through the World Bank, DFID and other donors have been providing funding to the PAOs in emerging economies for capacity building (Assenso-Okofu *et al.* 2011; IFAC, 2013). This support from IFAC is expected to lead to quality training, examination, enforcement of practical training as well as a general improvement in the financial reporting environment in beneficiary countries. The success and evaluation of donor funded intervention has been a subject of raging controversy (Burfeind, 2014). 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). This empirical study aims at investigating the effect of the donor funded interventions on the activities of PAOs in Ghana.

The accountancy organisation in Ghana is an ideal organisation for researching donor-funded interventions and activities of professional accountancy organisations as it has benefited from two different support programs from donors. Again, the Institute of Chartered Accountants, Ghana (ICAG) was the first accountancy organisation to be selected by the International Federation of Accountants (IFAC) under its Professional Accountancy Organisation Capacity Building (PAOCB) programme funded by UK's Department for International Development (DFID). The first programme aimed at strengthening the accounting profession in Ghana through the Institute of Chartered Accountants, Ghana (ICAG), to enable it to operate more effectively and reform the ICAG professional qualification. This project was funded by the World Bank and

delivered through a twinning agreement between ICAG and the Institute of Chartered Accountants in England and Wales (ICAEW). The project commenced in 2011. In 2015, Ghana was selected by IFAC for another capacity building program funded by DFID. IFAC developed terms of reference to support ICAG using the 2014 World Bank Report on the Observance of Standards and Codes (ROSC, Accounting & Auditing). The World Bank Report (2014) was issued to assess the degree to which the policy recommendations of the 2004 World Bank Report have been implemented. The 2014 Report noted some progress but concluded that more needs to be done to strengthen the pillars of financial reporting in Ghana. These support programmes to the Institute were necessitated primarily by the lack of adequate financial resources and the lack of adequate capacity to monitor, investigate and sanction members who fail to comply with the Institute's code of ethics (Assenso-Okofu, Ali & Ahmed, 2011; Awayiga, Onumah & Tsamenyi, 2010). These support programmes were aimed at positioning the ICAG to play its role in ensuring quality financial reporting and disclosure practices in the country requires a huge amount of financial resources. Subscriptions from members and students have been the main source of income to the Institute since the Government of Ghana ceased its financial support to the Institute in the early 1990s. This decision of the Government limited the financial resources available to the Institute, and this invariably affected the ability of the Institute to deliver on its core mandate.

## **1.2 Problem statement**

Many capacity building projects in developing countries have not yielded the expected results (Anorld & Sikka, 2001; Poullaos & Uche, 2012; Samsonova-Taddei & Humphrey, 2014). According to Arnolds and Sikka (2001), even though such projects are beneficial to emerging countries with weak accounting institutions, the motivations

of Northern accounting industry may be self-serving rather than been altruistic. Their quest for global expansion and harmonisation of accounting knowledge brings along dangers to emerging economies (Samsonova-Taddei & Humphrey, 2014). For instance, Poullaos and Uche (2012) argue that such projects do not pay attention to issues relevant to beneficiary countries but rather replicate Northern systems, priorities and values. Another study by Andrews (2013) found that prescriptions offered to developing countries usually neglect differences in culture, context and needs of local accountancy organisations.

The foregoing supports the claim by Lee (2008) that aid interventions are not adequately evaluated. The evaluation of such interventions is conducted in ways that most at times have donor bias where the attainment of objectives and targets takes precedence over their social impact (Hofmann et al., 2004). Furthermore, such evaluations often do not take into account wider stakeholder feedback (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 programs 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 programs compulsory (Pérouse de Montclos, 2012). 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.

According to Telford *et al.* (2006) evaluations carried out by aid implementing agencies are empty and full of statistics that tend to cover the actual issues and pretend that the intended targets of programs have been achieved. Furthermore, such evaluations rely on interviews with the funding agencies and operators of the program instead of the wider stakeholders who are impacted positively or negatively by the interventions (Nancy and Yontcheva, 2006). An evaluation by a third party other than the funder or the implementing agency, therefore, becomes very imperative in assessing the real impact of donor intervention on receiving institutions. According to Pérouse de Montclos (2012), an evaluation by a third party is more credible and independent usually accompanied by a substantial analysis which is lacked by that of the funder or operator. Thus, this study investigates the effect of donor-funded interventions on the activities of the professional accountancy organisation in Ghana.

### **1.3 The aim and objectives of the study**

Employing the resource dependence theory, the stakeholder's theory and the social exchange theory, the aim of this study is to investigate donor funded interventions and activities of the professional accountancy organisation in Ghana. Specifically, the study seeks to:

- i. examine how donor funded interventions have influence the activities and processes of the professional accountancy organisation in Ghana
- ii. evaluate stakeholder views about the outcomes of donor-funded interventions in Ghana
- iii. investigate the effect of donor-funded training intervention on the effectiveness of organisations in Ghana

#### **1.4 Significance of the study**

The study gives rise to some public policy implications. First, extant literature has over the years paid much attention to international accounting firms as the key agent of professionalisation to the relative neglect of the activities of other actors including national accountancy bodies (Samsonova-Taddei and Humphrey, 2014). This thesis enriches the accounting literature by providing a drive for a renewed scholarly interest in the activities of other professional actors such as PAOs.

Secondly, a wider stakeholder's feedback on the activities that accountancy organisations undertake provides accountancy organisations with the basis of strengthening any weaknesses identified by stakeholders or reinforces any strengths identified. The perception of members, examiners and students, as the primary stakeholders, is critical in properly positioning PAOs to deliver on their mandates. Again, the result that CPD quality, exams quality and tuition quality drives credible professional qualification is insightful for regulators of the accountancy profession, donors and indeed the general public.

Thirdly, this thesis is novel in that it provides valuable insight into the effect of donor-funded interventions on the competencies and organisational commitment of individual beneficiaries as well as the effectiveness of the organisation. The result of donor-funded training intervention has far-reaching implications for training consultants and sponsors of capacity building interventions in emerging countries.

### **1.5. Structure of this thesis**

This thesis consists of chapters of three distinct papers. Chapter one introduces the thesis by presenting the background of the study, statement of the problem, the objective of the thesis, the significant of the study and the structure of the thesis concluded the chapter.

Chapter two is the first paper that is devoted to assessing the effect of donor-funded interventions on professional accountancy organisations. Specifically, the chapter describes how the intervention has influenced the activities and operations of the professional accountancy organisations in Ghana. This was gauged from the perspective of some key actors in the implementation of the intervention. The result in this chapter shows a general agreement among respondents about the positive impact that intervention has had on the professional accountancy organisation.

Chapter three builds on chapter II by viewing the effect of the intervention from the perspective of stakeholders of the professional accountancy organisation. Here, views of members (chartered accountants), examiners and students were solicited to evaluate how the intervention has influenced the quality of CPDs, quality of examinations and quality of tuition respectively. The results show an overall improvement in CPD quality, examination quality and tuition quality of the period of the intervention. Furthermore, the results suggest that the quality of CPDs, quality of examinations and the quality of tuition indeed has an influence on how credible a professional qualification is.

Chapter four looks at the effect of the donor-funded intervention on organisational effectiveness. The focus of this chapter is to examine the effect of training, which was part of the intervention programme, on the competencies and commitment of the

beneficiaries as well as how the beneficiaries have used the newly acquired competencies and commitment influences the effectiveness of their organisations. It is evident from the result that the training intervention has significantly improved on the competencies and organisational commitment of beneficiaries.

The overall summary of this thesis is contained in Chapter Five. The Chapter provides the policy implications of the findings in Chapters two, three and four. In addition, it covers the inherent limitations of this thesis as well as avenues for future research.

**CHAPTER TWO**

**DOES INSTITUTIONAL INTERVENTION ACHIEVE INTENDED  
OUTCOMES? THE CASE OF A PROFESSIONAL ACCOUNTANCY  
ORGANISATION**



**Does Institutional Intervention Achieve Intended Outcomes? The case of a professional accountancy organisation<sup>1</sup>**

**Abstract**

The impact of donor-funded interventions has been a subject of a raging controversy over the many years of donor support. This paper assesses, through the lens of Resource Dependence Theory (RDT), the effect of donor-funded interventions on a Professional Accountancy Organisation (PAO) and to describe how the intervention has influenced the PAO operations and activities. A qualitative research design was adopted where data were collected through a semi-structured interview with the key principal officers of the PAO. The empirical results show a general acknowledgement among the interviewees of the positive impact of the intervention on the activities of the PAO. However, the major challenge encountered in the implementation of the funded intervention is the counterpart funding provided by the PAO. Moreover, the level of participation by the PAO in the determination of program deliverables was not as expected. The findings of the paper have implications for future donor support to professional accountancy organisations in other developing countries.

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## **2.1 Introduction**

In recent years, interests in professional organisations, especially accountancy, in supporting public value have undoubtedly been on the ascendency (Gillis et al., 2014; (Association of Certified Chartered Accountants (ACCA), 2011). The heightened interest has been attributed to the global financial crises and the collapse of some major firms (e.g. Enron, WorldCom etc.) and one of the big five auditing firms (i.e. Arthur Anderson) in the early part of the 21st Century. The professional accountant is therefore expected to be equipped with the right skills and competencies in the efficient allocation and management of resources, the preparation and presentation of quality financial reports which is relied upon by investors in taking economic decisions. This ensures the sustenance of the financial and capital markets and ultimately aids the development of the economy of countries. The efficiency and effectiveness of the accountancy profession depend largely on the quality of services delivered by its members in meeting the ever-changing demands and aspirations of the society (IFAC, 2011).

To ensure that the accounting profession delivers quality services to the society, there must be a well-resourced, efficient and effective Professional Accountancy Organisation (PAO) which ensures that rules and standards governing financial reporting and auditing are complied with. As argued by Lovell and MacKenzie (2011) that PAOs are positioning themselves to play leading roles on global challenges by influencing accountants through training, examination, workshops, continuous development programmes and funded research. A lot of resources are required in positioning the PAO in order to undertake these roles, especially those in developing countries which are seen to be lacking the capacity to regulate the accountancy profession effectively. Largely, PAOs in developed economies seem to be more effective and efficient in regulating the

accountancy profession and providing relevant training, examinations and experience for students. Adequate resources and effective governance are some of the factors that could explain the effectiveness of PAO in developed countries (World Bank Report, 2005; Awayiga *et al.* (2010); Appiah *et al.* 2016)

It was therefore not surprising that the IFAC in its proposals to the meeting of the G20 countries in 2009, called for support to build a strong collaboration with adequate means to establish the required capability in the accountancy profession in developing countries. The accountancy profession in the developing and emerging countries is saddled with a myriad of challenges which militate against the proper and efficient functioning of these bodies (World Bank Report, 2004, 2014). The World Bank Report (2004, 2014) on the Observance of Standards and Codes (ROSC) shows a weak regulatory environment for regulators in Africa. For instance, the Report indicates a lack of financial resources, operational inefficiencies and unavailability of reliable databases as some of the key constraints facing the accountancy organisations in Africa and other emerging economies. The Report further indicated that the PAOs have woefully failed to ensure strict compliance with accounting, auditing and professional standards. Also, the accountancy organisations have failed in their oversight roles resulting in low audit quality which in turn affects the decisions made by investors who rely on financial reports emanating from such low-quality audit.

The inability of the PAOs in Africa to resolve the aforementioned bottlenecks have been attributed to inadequate financial resources and lack of capacity. It is in response to these challenges that the IFAC through the World Bank provided funding to the PAOs for capacity building to help resolve some of the above challenges. The promotion, adequate

funding and capacity of PAOs is expected to lead to quality training, examination, enforcement of practical training and CPD requirements. Furthermore, this would improve the regulation of the industry through audit quality reviews, sanctions, dissemination of standards and capacity building training for members of the profession. The overall aim of building the capacity of PAOs is to increase financial transparency, incentivize investment, improve business confidence and support growth (ICAEW, 2014).

The success or otherwise of donor-funded interventions on institutional capacity, especially in developing countries, has been a subject of raging controversy (Burfeind, 2014). While leading developmental institutions such as the International Monetary Fund (IMF), World Bank and IFAC have been reporting on the successes of such interventions on the capacity of institutions in developing countries, others (mainly academic scholars and practitioners) have found grounds to doubt the success of such interventions (Hopper et al., 2017; Van Helden & Uddin, 2016; Samsonova-Taddei & Humphrey, 2014; Gallhofer et al., 2011). For instance, Gallhofer et al. (2011) contend that international institutions like the International Monetary Fund, the World Bank, and the International Trade Organisation play a pivotal role in promoting and imposing Anglo-American accountings and the interest of Western accounting associations. This, according to Gallhofer et al. has resulted in intense competition in accountancy from large western firms which threaten the very survival of indigenous accounting firms with its attendant job losses.

Apart from the above, scholarly attention over the years has treated the big international accounting firms as key agents of professionalization (Malsch & Gendron, 2011; Robson

et al., 2007; Suddaby et al., 2007; Greenwood & Suddaby, 2006). Undoubtedly, such increased attention to the big accounting firms has resulted in a relative neglect of accounting research investigating the operations and activities of other actors in the accountancy profession, such as national accountancy organisations (Samsonova-Taddei and Humphrey, 2014). Thus, there is the need to enrich the accounting regulation literature by providing the drive for renewed scholarly attention on PAOs. The purpose of this study is to assess the effect of donor-funded interventions on PAOs and to describe how the intervention has influenced the PAOs operations and processes. The study invokes the resource dependence theory (RDT) in explaining the impact of the donor support on the governance of the PAO. From the foregoing, this paper attempts to address the following research questions:

*RQ1.* What is the rationale for the granting and receiving the intervention?

*RQ2.* To what extent has the intervention influence PAOs strategy and governance?

*RQ3.* What impacts do these interventions have on the activities of the PAOs?

*RQ4.* What are the challenges in the implementation of the intervention?

This study contributes to the accounting literature in three ways. First of all, it gives an objective assessment of the impact of donor-funded interventions on PAOs that the accounting regulation literature appears to be lacking. Secondly, the study is a response to a call for renewed attention on national professional accountancy organisations as a way of throwing more light on the workings of the international accounting profession (Samsonova-Taddei & Humphrey, 2014). Finally, it adds to the body of literature on accounting regulation from a developing nation perspective.

The remainder of the paper is structured as follows. The next section discusses the relevant literature. The third section provides the research methodology with the fourth and fifth sections discussing the results and conclusion of the study, respectively.

## **2.2 Literature review**

### *2.2.1 Theoretical review*

#### **Resource Dependence Theory (RDT)**

In this paper, the resource dependence theory (RDT) is employed to explain the phenomenon of donor-funded intervention and activities of PAOs. The resource dependence theory originates from the open-systems proposition, which states that organisations are not able to raise all the resources necessary to achieve their goals. Thus, in order to acquire the resources needed, organisations depend on one another for survival and must continuously interact with each other with their own interest. Organisations exist and operate within the environment and must go into transactions and relations with elements in the environment that can supply the resources needed (Pfeffer & Salancik, 1978). The significance of the environment within which entities operates cannot be overemphasized in that the environment is the provider of critical resources needed by the organisation. The environment is the major source of uncertainty, and the degree of uncertainty differs contingent on the distribution of crucial resources in the environment. Pfeffer and Salancik (1978) view uncertainty and those environmental dimensions, causing it as being limited resources and their low concentration in the environment. This uncertainty in the environment results in varying relationships of dependency between actors who control resources and other actors who need these resources. Organisations that possess required resources are in a power position with those depending on others for resources are vulnerable to control (Malatesta & Smith, 2014). To put it succinctly, there is an inverse relationship between

power and resource dependence: entity A's power over entity B is equal to entity B's dependence on entity A's resources (Emerson, 1962; Pfeffer & Salancik, 1978). According to the RDT, various strategies may be employed for obtaining resources: joining an association, forming alliances, contracting, co-opting, merging, etc. These strategies may result in different levels of coordination and degrees of dependence.

A critical proposition of the RDT is that organisations that are in need of essential resources to achieve their desired organisational outcomes will seek to build relationships with others to obtain the required resources (Emerson, 1962; Pfeffer & Salancik, 1978). The PAOs lacked the needed financial resources to carry out their mandate of promoting, enhancing and representing the global accountancy profession in their respective countries (World Bank Report 2004, 2014). In order to overcome this challenge, PAOs in Africa and other emerging countries linked up with IFAC which through the World Bank provided the needed resources in order to build the capacity of the PAOs. Funding PAOs should improve the quality training, examination, enforcement of practical training and providing the required oversight role of the accountancy profession. It is expected that the PAOs after the intervention by IFAC will have the needed resources and capacity to chug out more fully trained qualified accountants, increased membership fees and good student pass rates.

### *2.2.2 Empirical review*

For several years much attention has been devoted to the study of the impact of donor-funded interventions or foreign aid on recipient countries and organisations (Hopper *et al.*, 2017; Van Helden & Uddin, 2016; Gillanders, 2016; Askarov & Doucouliagos, 2014). Empirical results on the effect of foreign aid on the activities of receiving

countries have been mixed. The literature has found donor intervention or foreign aid to be “effective, ineffective, or even harmful” (Doucouliagos & Paldam, 2006, p. 228).

There exists a large literature on foreign aid effectiveness in developing and transition countries (Askarov & Doucouliagos, 2014; Brückner, 2013; Clemens, Radelet, Bhavnani & Bazzi, 2012; Gyimah-Brempong & Asiedu, 2008; Hansen & Tarp, 2001). Hensen and Tarp (2001) point out that foreign aid leads to an increase in economic growth by augmenting local capital formation. Chenery and Strout (1966) note that foreign assistance increases income levels and investment rate in the beneficiary country by augmenting its existing resources. Foreign aid can also lead to an improvement in public sector infrastructural facilities (Feyzioglu, Swaroop & Zhu, 1998) and an enhancement of human resource capacity in beneficiary countries (Gyimah-Brempong & Asiedu, 2008). In a similar study on aid effectiveness, Ang (2010) finds that the gains from foreign aid flows are positively related to a receiving country’s financial liberalization. Heckelman and Knack (2008) presents evidence to suggest that foreign aid contributes to improvements in economic freedom, governance and democracy.

Furthermore, Gomanee, Girma and Morrisse (2005) studied the effect of Aid on growth in some African countries. Specifically, they examined the transmission mechanism through which aid should affect growth. Using residual generated regressors for a sample of 24 African countries over a 29 year period, the authors found that there is a significant positive association between foreign aid and growth. On average, a percentage point in Aid/GNP leads to a one-third of a percentage point in growth rate. Gomanee et al. conclude that Africa’s experiences of poor growth rates over the years should not be attributed to the ineffectiveness of foreign aid.



Gillanders (2016) examined the effects of foreign aid on economic development and human development in Sub-Saharan Africa Using a vector autoregression model to a panel of Sub-Saharan African countries; he found that foreign aid does contribute to economic growth though not to the extent that can be described as transformative. Gillanders further found that aid has a positive effect on human development which was measured by growth rate of life expectancy at birth. Similarly, Doeven and Nunnenkamp (2007) find that more aid is related to a small but significant increase in the probability of a growth acceleration event.

Osei et al. (2005) examined the effect of foreign-aid on fiscal behaviour in Ghana using yearly data from 1966 to 1998. Applying vector autoregressive methods, the results show that aid in Ghana has led to a reduced domestic borrowing and an enhanced tax effort, which in turn results increase public spending. The authors' further finds evidence of the effect that aid has been used judiciously in Ghana and has resulted in improved fiscal performance.

On the contrary, several studies have found the dysfunctional or the non-effectiveness of foreign aid on the activities of organisations and countries (Easterly & Williamson, 2011; Rajan & Subramanian, 2008; Barro & Lee, 2005; Roodman, 2007; Collier & Dollar, 2004). Knack (2001) argues that reliance on foreign assistance can weaken the quality of institutions, results in weak accountability, encouragement of rent-seeking and public sector corruption as well as alleviating pressure in reforming ineffective institutions and policies. Svensson (2000) reported similar results of increased corruption as a direct consequence of foreign aid in countries which are ethnically heterogeneous.

One of the most prominent studies on the effectiveness of aid is the paper by Rajan and Subramanian (2008). Specifically, the study examined the relationship between foreign aid and growth using cross-sectional and panel data. The authors find no significant effect of foreign aid on growth. They find no empirical evidence to suggest that foreign aid works effectively in a better geographical or policy environment than countries without such an environment. Rajan and Subramanian's conclusions contradict the findings of Burnside and Dollar (2004) who find that foreign aid performs well in good policy countries. Jensen and Paldam (2006) and Easterly *et al.* (2004) reported similar findings to the study by Rajan and Subramanian but criticised the paper by Burnside and Dollar (2004) describing the results as fragile and fickle.

Ehrenfeld (2004) explained that donor nations are responsible for the ineffectiveness of aid in many beneficiary economies. Ehrenfeld attributes this phenomenon to the conditionality attached to aid which results in donor countries benefiting at the expense of receiving countries. Similarly, Van Helden and Uddin (2016) argues that donor support to developing countries have not achieved the intended results and has left in its wake weak and corrupted auditing profession; improved accounting information and financial transparency has not been actualised; policies, responsibilities and service delivery has become fragmented; regulations and accounting systems adopted to satisfy international bodies are often ignored after such policy interventions.

Another study about the negative effects of donor-funded interventions on activities of organisations and countries at large is the study of Hopper *et al.* (2017). They found that accounting knowledge and practices championed by international accounting institutions (IASB, IFAC) with the World Bank and other donors as mediating consultants together

replicate Northern Systems and ideology alike and often promote Northern commercial interests where international auditing firms and Northern accounting professional bodies pursue international expansion. This has resulted in international accounting firms dominating the local accounting and auditing practices in developing economies (Afolabi, 2016). Chang (2007) also documented that much foreign assistance is channelled back to the developed nations by way of fees, and the acquisition of technology from suppliers from donor nations and the intention of donor nations is more of self-driven rather than being a Good Samaritan.

Burnside and Dollar (2004) find that foreign aid has no relationship when other determinants of growth are controlled for, and aid has a positive effect on growth in countries where the policy indicator is high. In other words, aid is ineffective in countries which have poor policies. This phenomenon is explained by the tendency of recipient countries with poor policies to divert aid meant for growth-inducing investment to government consumption. On the contrary, Hansen and Tarp (2001) arrived at entirely different results when they used the same data and sample, but with entirely different specifications and estimators, they documented that aid does have a positive relationship with growth and that the result does depend on policy as found by Burnside and Dollar.

Kim (2015) examined the questions of why and how foreign aid was used effectively in South Korea than in Ghana, especially when both countries shared similar levels of GDP on independence. The study examined the effect of foreign assistance on politics and on the state sector. Using the comparative historical approach, Kim documents that foreign aid has been unsuccessful at ensuring an effective state sector and has further slowed political reforms in Ghana. The situation in South Korea was, however different as its

heavy dependence on aid did not affect the legitimacy and capacity of the state. Kim attributes the difference in the success of foreign assistance in the two nations to the effect of the intervention in the domestic policy-making process, which was more dominant in Ghana than in South Korea. The author further argues that aid intervention in the domestic policy-making process in Ghana did not allow the government to control the use of the funds, as was the case in South Korea. Kim recommends that donors should be mindful of the fact that an effective state sector can only be achieved via dynamic internal political processes and not through an external force.

Riddell (2008) suggests that the effect of foreign assistance on the development and capacity of beneficiary countries may well have been affected negatively. This, according to the author, is the result of the short-term focus of many aid programmes. Riddell further argues that most official aid projects not evaluated and that only less than 1% of projects are the focus of in-depth evaluation. Interestingly, the few aid projects evaluated consistently reveal an extremely positive picture of aid effectiveness, most donors recording success rates in excess of 75%. A possible explanation of the high success rates of these aid programmes may be the bias nature of the assessment. Many of the assessments are done internally by staff members of donors who are seen as lacking the independence to do an objective assessment of the success or otherwise of aid projects.

After a rigorous search of the aid literature, it became apparent that several studies have been undertaken on the effectiveness or otherwise of official development aid. These studies have largely concentrated on the relationship between foreign assistance and growth, poverty, government spending, tax efforts etc. and the analysis has been

narrowed to sectorial and country level to the neglect of organisational level aid effectiveness. The heightened attention paid by scholars to the effectiveness of official aid has also led to the neglect of studies on other forms of aid such as technical assistance and capacity building. It is therefore important for a study to be carried out on the impact of donor-funded intervention on the operations and processes of PAOs in a developing country which has been found to be under-researched (Hopper *et al.* 2017).

## **2.3 Context and Methodology**

### *2.3.1 The context*

Ghana gained independence from the British in 1957, and after going through a number of turbulent times with military coups, it finally became politically stable in 1992 to date. The stable political environment has resulted in six successive peaceful elections since 1992. The stability of the country has led to increased investor confidence which has resulted in the expansion and flow of foreign investment into the country. According to Assenso-Okofu *et al.* (2011) increased globalization of capital markets requires better transparency, improved disclosure practices and quality accounting practices across the globe. According to the authors, in order for emerging countries to compete favourably for capital which has been described as a scarce commodity, countries need to strengthen the institutions that regulate financial reporting. The strengthening of these institutions will result in the adoption or promulgation of more rigorous accounting standards which can ensure reliable financial reporting practices in a country. The provision of quality accounting information is important to Ghana for so many reasons. Ghana depends heavily on the IMF, World Bank, African Development bank and other financial institutions to finance its budget deficit. These bodies usually demand transparency and quality disclosure of accounting practices. For Ghana to continue to access the financial

support it is currently receiving from these donor bodies; the country has no choice but to ensure adherence to proper accounting and disclosure practices. Furthermore, the majority of entities listed on the Ghana Stock Exchange are audited by the big international auditing firm which places considerable pressure on Ghana to have a good financial reporting and disclosure environment.

A report by the World Bank in 2004 and 2014 suggests that accountancy education and training in Ghana is saddled with lots of challenges. The report cites lack of financial resources, operational inefficiencies and unavailability of reliable databases as some of the major bottle-necks confronting the accountancy body (i.e. Institute of Chartered Accountants, Ghana (ICAG)) in Ghana.

The Institute of Chartered Accountants, Ghana (ICAG) was established in 1963 by the Chartered Accountants Act, Act 170. The body charged with the responsibility of managing and administering the Institute is the Council. Act 170 confers the following responsibilities on the Council:

- i. to conduct or arrange for the conduct of the qualifying professional examinations for membership in the Institute and to determine or approve courses of study for such examinations;
- ii. to oversee and regulate the appointment, training, and transfer of articled clerks;
- iii. to specify the class of persons who shall have the right to train articled clerks and to specify the circumstances in which any person of that class may be deprived of that right;

- iv. to keep and publish a register of chartered accountants and of practising accountants;
- v. to secure the maintenance of ethical standards among members of the Institute;
- vi. to keep a library of periodicals and books on accountancy and to encourage the publication of such periodicals and books; and
- vii. to boost accountancy research and generally to preserve the well-being and development of the profession of accountants

Despite the authority conferred on the Institute to regulate accounting practice and disclosure in the country, the ICAG is confronted with a number of challenges, including inadequate financial resources, inability to do proper monitoring, investigations and discipline members who go against existing standards and code of ethics. Moreover, the shortage of qualified accountants has resulted in the reliance of persons without the requisite qualifications to occupy accounting positions which negatively affect the financial reporting quality and disclosure practices in the country (Ghartey, 1992; Assenso-Okofu *et al.* 2011)

Over the years, there have been calls to strengthen ICAG to carry out its core mandate under the Chartered Accountants Act ((Ghartey, 1992; Awayiga *et al.* 2010; Assenso-Okofu *et al.* 2011; Appiah *et al.* 2016; Atuilik & Salia, 2018). The provision of financial resources and logistical support is expected to result in the effective and efficient functioning of the Institute. This could be argued as the major reason the IFAC through the World Bank, and the DFID provided funding to the ICAG for capacity building to help address the aforementioned challenges facing the Institute.

### *2.3.2 Methodology*

The paper employs a case study strategy within the qualitative design to explore how institutional interventions lead to the realization of intended outcomes at the Institute of Chartered Accountants Ghana (ICAG). The case study strategy is deemed useful because it allows for in-depth probing of responses by researchers. Further, it allows for the co-creation of knowledge based on the experiences of interviewees and researchers (Creswell, 2013). Undoubtedly, there is much to benefit from a study of this nature because viewing reality as subjective allows the researcher to explore and describe what motivate the informed positions of respondents. Creswell (2013) argues that qualitative study has the advantage of allowing for flexibility and creating the opportunity for achieving deeper insight and analytical richness beyond shallow responses. Thus, the use of qualitative design shows how things happen in ‘real-life’ setting rather than just providing a snapshot of events. Gray (2016) also contends that qualitative design integrates people’s motivations, their reasons, their emotions, conflict and the personal prejudices of respondents that the quantitative design does not consider.

Semi-structured interview guide which assures a healthy interaction between the researcher and the interviewee (Denzin & Lincoln, 1994) was designed and used to solicit the views of interviewees. The semi-structured interview guide was organised into three main sections. The first section sought to obtain information on the rationale for the intervention. The next section made enquires about how the intervention has influenced the strategy and governance of the Institute as well as on the core activities of the Institute. The final section sought to find out the challenges faced by the Institute in the implementation of the intervention.



The interviews focused on key actors at ICA Ghana. Thus, the purposive sampling strategy was used to identify and seek the consent of such actors to voluntarily participate in the study. The data gathering process began by sending a letter to the Institute of Chartered Accountants, Ghana seeking permission to interview some of its directors. Contacts were subsequently made to the interested directors through phone calls to arrange a convenient time for the interviews. During these initial contacts, interviewees were briefed on the research objective and later, copies of the interview guide were made available to them to ensure that they are familiar with the information required. Individual-based interview approach was used in which each interviewee had his/her session in an office.

In particular, the researchers solicited views from the Vice-President of the ICA Ghana Council, the Chief Executive Officer, the Technical Director, ICAG College Director, Director of Member Services, Director of Student Services and a Manager at the Quality Assurance Monitoring Unit. The target group for the interviews is better positioned to offer rich information for this case study as they represent the technical core, initiated, and implemented any intervention at the ICA Ghana. Also interviewed were two consultants from the Institute of Chartered Accountants, England and Wales (ICAEW) who were involved in delivering the capacity building training and other structural reforms. The collection of data for the study lasted for three months, that is, from February to April 2018. Each interview lasted around 45 minutes and took place in the interviewees' offices.

Ethical protocols governing the conduct of human research was strictly followed. Thus, approval for this study was sought from the head office of ICA Ghana. In addition,

respondents were assured of utmost confidentiality before each interview. Participation in the study was voluntary, and interviewees were at liberty to withdraw from the study at any point in time without suffering any consequence. All interviews were taped with the express consent of the respondents and later transcribed into word processor files. Each interviewee was given an identifiable code for the purpose of the analysis.

For the purpose of the analysis, the data collected through the interviews was analysed in order to reveal themes and sub-themes from the interview. These made it possible for a summarisation of the common views of the interviewees. Consequently, thematic areas relating to the research questions were derived from the interviews.

The study employed member checking, peer debriefing and use of external auditors as forms of validation (Creswell, 2014). The researcher made available to the respondents the transcribed copies of the interviews for authentication and accuracy of data collected. Two faculty members and a colleague PhD student in the department who have an interest in qualitative research served as external auditors. Consequently, codes developed with themes and sub-themes were submitted to the external auditors for review. Feedback received from the reviewers helped in modifying some of the themes and sub-themes for analysis. The study employed this number of validation procedures to ensure the accuracy of empirical results and conclusions drawn.

## **2.4 Empirical Results**

This section analyses and discusses the raw data collected from the professional accountancy organisation. The first part looks at the rationale for the intervention. The second part examines the influence of the intervention on the strategy and governance structure of the organisations. The impact of the intervention on the activities of the

organisations has been examined in part three. The last task in this section looks at the challenges faced in the execution of the intervention. The results are then related to prior research to establish the consistency or otherwise with existing literature.

#### *2.4.1 Rationale for the intervention*

The rationale behind the support from the World Bank/IMF and DFID was for the development and implementation of a robust standards regime to regulate accounting practice in developing countries. There is general acceptance that the adoption and implementation of robust standards contribute to the functioning of a country's economic institutions as well as its financial stability. Eventually, such standards enhance countries' resilience to shocks, improve transparency and ensure improved risk assessment and investment decisions. The achievement of the foregoing rationale meant prioritising stronger regulation by local accounting professionals and hence the support. An interviewee from ICAEW who happens to be a consultant for the capacity building training workshops encapsulates this:

So the World Bank often requires countries to reform their financial institutions, including accounting, to make the capital market more transparent through better accounting practices and so on... So the agencies want more transparency and better financial systems in the country they are dealing with, and it helps the economy once that purpose is gone through  
(C7)

Another interviewee was of the view that upon the publication of the World Bank ROSC Accounting & Auditing in 2014, IFAC selected Ghana among ten other countries under its Professional Accountancy Organisation Capacity Building Programme. The Programme aimed at building the institutional capacities of the selected accountancy organisations to ensure transparent and quality financial reporting by accounting

professionals in emerging countries. According to the interviewee, Ghana was selected because it was seen that Ghana was in a better position to help build the capacities of other PAOs in the West Africa sub-region. He noted:

So if Ghana is able to stand on her feet, then other PAOs will benefit...IFAC wanted to build the capacity of ICAG so ICAG can, in turn, build the capacities of others...(C3)

The interviewee continued by stating that the capacity of the Institute has improved so much that the Institute is now in the position to mentor other PAOs in the sub-region. For instance, the Institute mentored the Liberian Accountancy Organisation, and students from Liberia are now writing the Institute's professional examinations. The interviewee further observed that the Ghana-Liberia twinning arrangement had been hailed as one of the best in the sub-region considering the fact that Liberia Accountancy Organisation was virtually weakened and rendered ineffective in the wake of the war. The Institute is billed to mentor the Gambian Institute of Chartered Accountant in September 2018.

Another interviewee was of the view that the rationale for the intervention was not just to improve the systems and processes of the Institute but also to ensure that the Institute collaborates with ICAEW so that at the end of about 4 years or a maximum of 5 years, all of the Institute's members can have a membership of ICAEW.

So to achieve that aim brought about this whole intervention to ensure that we bring changes in our students' training, examination processes..... so we are trying to align our syllabus to suit that of England and Wales. That is the major component of these interventions...(C6)

This view appears supportive of Hopper *et al.* (2017) and Chang's (2007) fear that accounting knowledge and practices promoted by international accounting organisations with the World Bank and other donors as mediating consultants together promote

developed nations commercial interests where developed nations accounting associations seek global expansion and the re-channel of aid back to their countries through membership fees.

This finding also seems consistent with one of the tenets of resource dependence theory which proposes that organisations engage with their environment by adjusting to the environment or changing the environment to suit their situation or doing both. Here, the alignment of ICAG's student training, examination processes and syllabus to that of ICAEW is evidence of an organisation adapting to the environment in order that it will continue to access resources from the environment. Thus, ICAG reduces the environmental uncertainties it faces by adaptation.

#### ***2.4.1.1 Source and forms of the intervention***

According to one of the interviewees (C2), the institute has received two streams of financial support for the past 10 years. The first support was received in the year 2010 and was given by the World Bank. The second project was funded by the DFID through IFAC. The Institute received four hundred and ninety-three dollars (\$493,000) from the World Bank with respect to the first project. The project had three components. The first component was to enhance the knowledge base of members in International Financial Reporting Standards (IFRS). Secondly, the support was aimed at enhancing the knowledge base of members in International Auditing Standards and lastly the World Bank project was to enhance the Information Communication Technology (ICT) capacity of the Institute and this component covered:

1. Upgrade of the Institute's website
2. ICT platform for online registration of members and students
3. A component for e-library

Turning to the 2014 financial support received from DFID through IFAC, the interviewee (C2) stated that the support was basically for training arrangement with personnel from ICAEW serving as consultants. The idea was for ICAEW to mentor ICAG to achieve the needed capacity in certain key areas. According to the interviewee, the mentoring process covered four areas:

1. To improve upon the tuition houses, teaching and learning of students
2. To help improve the examination processes and procedure
3. To help build the capacity of examiners
4. To help enrich the Continuous Professional Development programme

The interviewee further observed that the second support (IFAC, DFID) was slightly different from the World Bank support in terms of how the support was structured and managed. With regards to the second support, the funds were directly paid to ICAEW, so they send consultants to help the Institute in the mentoring process. The Institute did not receive any amount from the support but rather training by the personnel of ICAEW.

#### ***2.4.1.2 Extent of Participation***

Prior to granting the support to the professional accountancy organisations, the World Bank had instituted a survey into the state of the accountancy profession in developing economies. The World Bank Report (2004,2014) on the Observance of Standards and Codes (ROSC) revealed lack of financial resources, operational inefficiencies and unavailability of reliable databases, lack of capacity among others as the key constraints facing the professional accountancy bodies. What was intriguing about the survey undertaken by the World Bank was the fact that the professional accountancy organisations were not involved in the initial stages. They only got involved when they needed to respond to the content of the report. One of the interviewees recalled:

When I assume duty (as CEO) two weeks later, I was in the office when we had some visitors from the World Bank. One was a resident employee in Ghana who was in charge of the professional bodies and the other guy from Washington they came to my office one Wednesday, and they said that they had conducted some kind of survey on professional bodies in 2004. So they were presenting their report, it was on the Wednesday before Good Friday, and they were presenting the report to a group of people the following Tuesday at La Palm Royal Beach Hotel in Accra (C1)

In terms of the level of involvement of the PAOs in the determination of the deliverables of the intervention, the interviewees were unanimous in their responses. The level of involvement was not as expected. There were discussions on the deliverables between PAOs and the twinning partner (ICAEW), but the interviewees saw these engagements as mere communication of the deliverables to them and not aimed at determining the deliverables to be achieved. One of the interviewees from ICAEW noted:

The deliverables are determined by the sponsoring organisation.... (here the World Bank and DFID). We don't have a say....we are just implementers of the intervention (C7)

A similar viewpoint was expressed by another interviewee regarding the level of involvement of the PAO in the whole support program. The interviewee noted:

In future, we should have extensive consultation before the project is decided upon. It shouldn't be like I think this is what you people will need based on the experiences of this and that country, we think that this is how it should be done. It should be discussed extensively so that it will be give and take compromises before the project is designed (C3)

Another interviewee in charge of student services gave a specific situation of imposition of the interest of the donor over that of the receiving organisation when a scholarship was to be given to students on the professional programme:

For instance, the scholarship like this, we have been told that many of the people should come from the final level. We had thought that it should rather be at first

and the second levels, but they think that it should be two models at level two and then the others at the final level. Because we were of the opinion that those at the final level are already going out so if you want to sponsor people to come up, then we should rather sponsor those at the lower level, but the person who is providing the funding is saying I will fund that high level. They have their reasons..... (C5)

The foregoing observations suggest lack of active participation of PAOs in determining the deliverables of donor-funded projects, and this seems to strengthen the argument of literature that accounting reforms in developing countries usually fail to achieve the intended results because a large number of the reforms are imposed on the developing countries without taking into account the local circumstances and needs (Hopper et al. 2017).

The level of participation by the PAO can be explained with the degree of dependence which is at the core of the resource dependence theory. Emerson (1962) specifies the link between power and dependence across all facets of social relations. Specifically, Emerson proposed that the power of party A over party B is based upon the dependence of party B on party A. Due to the criticality of resources needed by ICAG for the achievement of its vision, it became highly dependent on the donors, and this resulted in the loss of some level of autonomy and the subsequent domination by the donors.

#### *2.4.2 Effect of intervention on PAO's Strategy and Governance*

The donor-funded support has resulted in the enhancement of the strategies of the PAOs regarding the technical, oversight and research capacities. One of the interviewees is of the view that the support has enhanced the question setting and capacity of the examiners as well as smoothen the examination procedures.



Again, the quality of tuition has also improved tremendously. This has been made possible through the registration, accreditation and supervision of tuition providers in the country. These tuition houses are guided by the PAO in an attempt to provide the right atmosphere and resources for teaching and learning. The Partners in Learning unit has been established as part of the strategies to continue to enhance the collaboration between tuition providers and the Institute. This unit has as one of its tasks to regularly organise training sessions for directors and tutors of accredited tuition houses. These training sessions are aimed at equipping the directors with the relevant managerial skills and also improving the teaching skills of the tutors so that they can deliver quality tuition to students writing the professional programme.

Apart from the Partners in Learning Scheme, the Quality Assurance Monitoring Unit has also enhanced the oversight strategy of the institute according to some interviewees. One of them noted:

Yeah... the institute oversight strategy has also improved because with these interventions, it has helped us establish a quality assurance unit, and that has very much strengthened the institute to regulate its audit practice. In fact, that was what we were looking for, but we didn't have the technical know-how with that to build up, but with the ICAEW mentorship, we have been able to establish the quality assurance monitoring whereby we've got the consultant who ... who was a former country manager for PWC so he has been recruited as the consultant with 3 other managers to support him and now we have been able to register all the audit firms about 290 in number and they have been to make an initial visit to them, and they have done, and a full assessment of about 120 and those who are not performing in terms of documentation, in terms of their ethics, in terms of other quality control issues have been able to improve and once it has helped the institute to regulate audit practice in Ghana.... and it has also helped the auditing firms and other accountants to respect the institute....So likely, it has really improved the oversight position of the Institute (C2)

This interviewee has been quoted at length as he gives a vivid description of how the intervention has affected the oversight role of the Institute. A similar viewpoint was expressed by another interviewee (C1), who indicated that the establishment of the Quality Assurance Monitoring Unit has improved monitoring of the audit firms and this has resulted in quality financial reporting in the country. Overall, therefore, there was a belief by many of the interviewees that the donor-funded intervention has actually improved the strategy and governance of the institute. Other governance related issues such as the appointment and vacation of principal officers of the Institute did not witness any change as these are largely determined by the Institute of Chartered Accountants, Act 170 (1963).

The above observations, among others, resonate with one of the basic assumptions underpinning the Resource Dependence Theory (Pfeffer and Salancik, 1978), that those who control scarce resources do have power, and power influences behaviour. In other words, organisations (here the PAOs) tend to be influenced by those (World Bank, DFID, IFAC) who control the resources they require. The changes in the governance structure (i.e. Partner in Learning Unit and Quality Assurance Monitoring Unit) of the Institute give credence to this basic assumption of RDT.

#### *2.4.3 Impact of intervention on the Institute's activities*

With regard to the impact of the intervention on the core activities of the Institute, all the interviewees concur that the intervention has had a positive impact on the institute. The views of the interviewees on each of the core activities of the institute are as follows.

#### **2.4.3.1 Technical**

The Technical Directorate is in charge of the technical and research direction of the Institute. The Directorate has the role of collaborating with international accountancy bodies, such as IFAC, for updates on accounting standards and apprising members accordingly for compliance through regular CPDs. Additionally, the technical outfit is responsible for the conduct of examinations in the Institute. Thus, the unit has responsibility for the conduct of both the technicians and professional examinations.

According to one of the interviewees, the support received from the donors has actually helped improve on the technical, research and examination capabilities of the institute. He further noted that with the training received by examiners and the personnel at the examination department, the processes and procedures involved in examinations had improved tremendously. He opined that:

Through the support, our examiners were trained on how to set questions and mark scripts. Indeed the quality of our questions and marking has improved so much that the feedback we get have been very good and encouraging (C3)

Regarding research, the technical unit has been empowered and capacitated to do a lot of research according to the interviewee. Apart from the internal research conducted by the unit, it also collaborates with the universities interested in accountancy research. So far, the Institute has established accountancy chair in two universities (i.e. University of Ghana and Kwame Nkrumah University of Science and Technology) for the purpose of conducting and supporting accountancy research. The interviewee commented:

Currently, as I speak, we are about to launch research we conducted with the University of Ghana Business School on the operations and challenges of small and medium practitioners. We couldn't have done this without the support of the donors (C3)

#### *2.4.3.2 Student Services*

The student services directorate has benefited from four different support from donors aimed at ensuring quality service delivery and support for students writing the Institute examinations. The first support received by the directorate was in the area of library services. The aim of this intervention was to establish on-line library services so that regardless of one's location having access to examinations, materials and textbook will no longer be a challenge. Another area of support has been in the area of on-line registration of students. This support was aimed at eliminating manual registration of students which the Institute has been using over the past many years of existence. The third intervention received by the student service directorate is the scholarship received from ICAEW for eleven students on the professional programme. This is aimed at ensuring that brilliant but needy students received the needed financial support to complete the professional programme. Accra, which has the highest number of students, will have two scholarship slots with the remaining nine regions receiving one each. According to an interviewee, though the scholarship is not adequate in terms of numbers, it is better than having none.

According to Ghartey (1992), one of the key reasons for candidates' failure in the professional examinations over the years is the absence of relevant study manuals and materials. The author further argues that the candidates heavily rely on obsolete foreign textbooks for the examinations. More so, the foreign materials the candidates' study for the professional examinations are not well adapted to suit local laws and circumstances. One of the interventions received by the student services directorate was the provision of textbooks and other relevant study materials for the Institute. Through the collaboration with ICAEW, the Institute took delivery of textbooks for all the courses on the

professional programme apart from the country-specific courses from BPP. Even though the Institute paid for the cost of the textbooks, it was done at a subsidised cost. One of the interviewees commented:

To state that the lack of study materials was discouraging people from registering with ICAG would amount to an understatement (C5)

With the manuals, it has reduced the burden of learners, increased student numbers and improved the pass rates of students. Table 2.1 provides the number of students who have registered for the ICAG examinations over the period of the intervention. A careful observation of the results shows a steady increase in student numbers over the period of the intervention. An interviewee attributed the increased student numbers to the support received which has projected the ICAG as one of the most credible professional organisations in West African and Africa at large.

**Table 2.1: ICAG student population over the years of intervention**

Year	2011	2012	2013	2014	2015	2016	2017
Number of students	1672	2329	2656	3648	3371	3746	3400
% increase	-	39.3	14.0	37.3	-0.08	11.12	-0.09

Source: Institute of Chartered Accountants, Ghana, 2018

#### ***2.4.2.3 Member Services***

According to one of the interviewees, members of the Institute have greatly benefited from the support from the donors. For instance, financial reporting experts were brought from South Africa to train members in international financial reporting standards and the international auditing standards. The interviewee noted that these training programmes in IFRS had a tremendous impact on a lot of the members who received the training. Another interviewee commented:

Even though Ghana had adopted IFRS in 2007, there were no programmes in place to ensure the members were abreast with the new standards. With the help of the donors, we were able to enhance the capacity of our members in IFRS (C1)

With the enhanced capacity of members who benefited from the training programmes, they, in turn, helped with the training of other members through the organisation of regular CPDs across the country. Some of these CPDs were residential in nature and came at no cost to the beneficiaries or at a minimal cost. The costs were absorbed or subsidised by the donors. A cursory look at Table 2.2 suggests an improvement in membership numbers over the years of the intervention.

**Table 2.2: ICAG membership over years of intervention**

Year	2011	2012	2013	2014	2015	2016	2017
Number of members	3117	3409	3663	4091	4679	5327	5834
% Increase	-	9.4	7.5	11.7	14.4	13.8	9.5

Source: Institute of Chartered Accountants, Ghana, 2018

#### ***2.4.3.4 Public Image and Collaboration with Stakeholders***

The interviewees were in agreement regarding the effect of the intervention on the public image of the Institute. The stakeholder consultations, which were part of the intervention programme, brought all major stakeholders closer to the Institute. The interactions with the stakeholders have provoked general interest and respect for the role of the institute in the economic development of the Country, which hitherto was lacking. One of the interviewees commented:

In the past Bank of Ghana wouldn't see anything to do with ICA Ghana. Ghana Revenue Authority wouldn't see anything to do with ICA Ghana but when the project started, we are regularly invited to make input into their policies and programmes (C2)

Another interviewee gave specific instances where the institute was consulted to make input to economic policies of government and other institutions organisations. This, according to the interviewee, was as a result of the confidence that government and other state institutions have in the institute which previously was not as high as in recent times.

The following quotes sum up the view of the interviewee.

I must say that the 2018 budget, for instance, we actually had an input, was sent to the ministry, the Ministry of Finance calls a meeting on the inputs that we sent, and two of our proposals went into the budget.... that was not all, with the Public Financial Management bill, for instance, we had an input into that where we had a workshop to look into the bill and make our suggestions. It was forwarded to the Minister of Finance, and they had a meeting on that, and then some of the issues that we raised went inside the bill.....And then also Ghana Revenue Authority... we had a very close collaboration with GRA, especially with the 2016 tax law. There again we also met, and they made proposals, and they held a whole workshop on our proposals and then from time to time whenever they need any inputs they send us letters. For example, the letter that I have here is requesting our comment on transfer pricing ...(C3)

The collaboration has gone as far as to the development of a new syllabus for the professional programme, an interviewee observed. He intimated that a draft copy of the syllabus was given to the Controller and Accountant General's Department for comment on the public sector accounting course. Similarly, copies of the draft syllabus have been made available to some auditing firms and universities to provide input to the auditing and corporate reporting courses respectively.

From the above, it can be seen that through the donor-funded intervention, hitherto, not so close stakeholders have been brought nearer to the Institute. This concurs with Pfeffer and Salancik (1978) who reason that:

....because organisations are only components of a larger social system and depend upon that system's support for continuing existence, organisational goals and activities must be legitimate or of worth to that larger society (p.193).

The capacity-building support received by ICAG from the donors has enhanced the legitimacy of ICAG as a regulator of the financial reporting and disclosure environment in Ghana. Evidence of this legitimacy to society is shown or provided by the increased collaboration between the Institute and other key actors in the country such as the Controller and Accountant General's Department, Ghana Revenue Authority, Bank of Ghana and the Universities.

#### *2.4.4 Implementation challenges*

##### ***2.4.4.1 Counterpart Funding***

According to one of the interviewees, the biggest challenge encountered with the implementation of the funded intervention is the counterpart funding provided by the Institute. The Institute usually bears the cost of the internal arrangement such as securing facilities used for the engagement, transportation, feeding and hosting the trainees and other stakeholders. This counterpart funding has had dire consequences on the finances of the Institute, especially the intervention sponsored by IFAC. Another interviewee expressed a similar opinion on the counterpart funding when he noted:

Seriously we would have wished that they had given us some money to make the internal arrangement, but this is not coming (C2)

The interviewee continued by stating that it costs the Institute GHS30,000 (\$6,978) on the average to organise a training seminar for tutors of the Institute's School. This, according to the interviewee, is negatively affecting the school's finances.



A dimension of RDT is evidenced in the observation by the respondent. The degree of dependence is directly proportional to the availability of alternative sources for critical resources. As can be observed, the alternative resource for the Institute is the internally generated funds and if this fund generated internally is not adequate for the internal arrangement, then one can imagine how dependent the institute is on the donors.

#### ***2.4.4.2 Time and Human Resource Constraints***

One interviewee (C2) was of the view that meeting the strict deadlines of providing documents and responding to queries from the consultants was also a challenge. The interviewee further said that sometimes there is the need to go beyond what is available to the institute to provide evidence of other documentations and this takes a lot of time and human effort. Coupled with the time constraint is the fact that any time the consultants are in Ghana, the institute has to assemble some workers to be with them throughout their stay and consultations. These workers ordinarily would have been undertaking their normal duties at the Institute. This, according to the interviewee, brings a lot of pressure on the limited existing staff.

#### ***2.4.4.3 ICT infrastructure and expertise***

Many of donor-funded interventions are based on technology and for the intended benefit to be fully derived; the receiving country should be technologically advanced. Apart from the major cities in Ghana, the ICT infrastructure is not very well developed in other parts of the country. An interviewee, for instance, gave a vivid description of this challenge:

I was in Bolgatanga (the capital town of one of the regions in Ghana), for example, we tried opening the Institute's website....it took us almost one hour to access the institute's website, I called them in Accra, and they said the server is

working, everything is working so try and access it there...We could not access it in Bolgatanga (C5)

The interviewee added:

A future donor-funded project should make room for a consultant with an IT background who will spearhead the IT component of the project (C5)

#### ***2.4.4.4 Local Content***

One of the interviewees (C3) expressed disappointment at the involvement of locals in the execution of the project. He explained that a number of local authors and website developers were contracted to write the local specific textbooks and also develop a well-functioning website for the institute, but they failed to live up to expectation. For instance, the website was due for completion in 2013, but it is still in progress and this according to the interviewee was due to the fact that some aspects of the project was not well thought out and implemented. Then when it came to the textbooks, a large number was outsourced from BPP with the exception of some local specific subjects like Public Sector Accounting, Business Law and Taxation and Fiscal policy. These local specific subjects were awarded to some local authors to write but three years on, the books, apart from Public Sector Accounting, are yet to be completed and submitted to the Institute. The interviewee explained that the reluctant posture of the authors might be as a result of fear of competition since they are the best authors in the course area and they have their own books which they fear a book for the institute will compete with.

## **2.5 Conclusions**

This paper has one broad objective: To assess the effect of donor-funded interventions on Professional Accountancy Organisations (PAOs) and to analyse, through the lens of the resource dependence theory, how the intervention has influenced the PAOs governance

structure and activities. To achieve this broad objective of the paper, a qualitative design was used. Further, through the purposive sampling strategy, seven key principal officers of the Institute and two consultants from ICAEW were interviewed. The following are the summary results.

Firstly, the results of the study show that donor-funded interventions are given to build the capacity of accountancy organisations in the developing world. In fact, the interviewees' responses show that this singular rationale of the donor support has largely been achieved as ICAG's capacity has been enhanced to the extent that it is now in a position to mentor other professional accountancy organisations in the West African Sub-region. The fact that ICAG has witnessed an improved capacity and is also mentoring other professional organisations suggests that its legitimacy and acceptance by the society has been enhanced and this is consistent with RDT.

Secondly, on the influence of the intervention on the strategy and governance structure, the responses indicate that the intervention has very improved the strategy of the Institute with respect to technical, research, examination and oversight roles of the Institute. Regarding the governance structure of the Institute, two units, namely; the Quality Assurance Monitoring Unit and the Partners in Learning Unit has been added to the structure of the Institute. According to the interviewees, the additions are to ensure improved monitoring of professional accounting and auditing firms and also to ensure high-quality teaching and learning of professional students by accredited tuition providers across the country.

Thirdly, with regards to the impact of the intervention on the activities of the Institute, results show that the intervention has significantly improved the core activities of the Institute. For instance, the technical activities of the Institute have seen major improvements. According to the interviewees, the quality of examination questions and marking has been enhanced. Also, the research activity of the Institute and its collaboration with other research institutions such as the universities have seen a major improvement of the years of the intervention. Similarly, membership and students numbers have witnessed astronomical increases during the period of the interventions.

Finally, the interviewees were unanimous that the execution of the intervention has stretched the finances of the Institute to the limit. This, according to them, is the result of the counterpart funding required for the internal arrangement which the funding agencies do not sponsor. Again, the involvement of the Institute in the determination of the deliverables of the project was not encouraging as many of the interviewees saw this as an imposition of another body's interests. This clearly shows the high degree of dependence on the donor, making them more powerful and domineering. This did not allow the Institute's priorities to be factored into the deliverables. An interview from one of the directors confirms this:

In future, we should have extensive consultation before a project is decided. It shouldn't be like I think this is what you people will need based on the experienced of these and that and that country, we don't think that is how to implement it. No! It should be discussed extensively so that it should be given and take compromises before the project is designed.

Despite the foregoing challenges involved with the execution of the intervention, there appears to be general agreement among the interviewees of the positive impact of the intervention on the activities of the Institute. However, the interviewees observed that the

impact on the activities of the Institute would have been very great if the Institute was involved in the design and execution of the project from the outset. It is recommended that future donor support should consider the active participation of the beneficiary PAOs so as to reap the full benefit of the intervention.

Even though the world is a global village and that programmes in other parts of the world are expected to work in other jurisdictions, one cannot discount the fact that developing countries have their peculiar circumstances. Therefore, if project designs are not sensitive to the local circumstances of PAOs, projects may not achieve the intended outcomes. It is therefore recommended that future projects should be sensitive to the local environment. One of the interviewees confirmed this when he stated:

In the 2015 syllabus review, Public Sector Accounting became a contentious issue because we are among the few professional accountancy organisations that actually has public sector accounting as part of its syllabus and so it became a bit of issue because the consultants wanted to remove it from the syllabus, but we insisted that in Ghana public sector is huge, even in Africa the public sector employs many people including accountants so you cannot just wash it away...  
(C3)

### *2.5.1 Limitations and future studies*

Although the study involves one professional accountancy organisation in one developing country, the findings complement the aid literature which is dominated by research on official development aid to the neglect of other forms of aid such as technical and capacity building aid. Another limitation of the study is that the findings are purely based on the views of a few directors and consultants. Future research may increase the scope of work by expanding the sample size to include the views of the many stakeholders who are affected one way or the other by the activities of the Institute.

These may include members, examiners, students, practitioners, tuition providers, academia and government. Further work is also needed to evaluate the effect of the training carried out by the consultants on the competence of the beneficiaries and by extension the effectiveness of the PAO.

### **CHAPTER THREE**

#### **STAKEHOLDER PERCEPTIONS OF THE OUTCOMES OF DONOR FUNDED INTERVENTION ON A PROFESSIONAL ACCOUNTANCY ORGANISATION IN GHANA**

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

**Abstract**

Evaluations of many donor-funded interventions fail to take into account wider stakeholder feedback. This paper examines stakeholder's perceptions of institutional intervention outcomes and how the outcomes influence 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 empirical 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. Further, the study finds a positive and significant relationship between CPD quality, exams quality, tuition quality and credible professional qualification. Regarding policy implications, regulators of the accountancy profession can utilise the results of this study to improve the credibility of professional qualifications in their respective countries.



### **3.1 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 depending 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, IFAC through the 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.

This paper contributes to the accounting literature in two different ways. 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 these reasons, 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 study 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 is lacked by that of the funder or operator (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 third section provides the research methodology. Section four presents the results, and section five concludes.

## **3.2 Literature review**

### *3.2.1 Theoretical review*

#### *3.2.1.1 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

### ***3.2.1.2 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.

### *3.2.2 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 has 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 contend 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.

### *2.2.3 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.

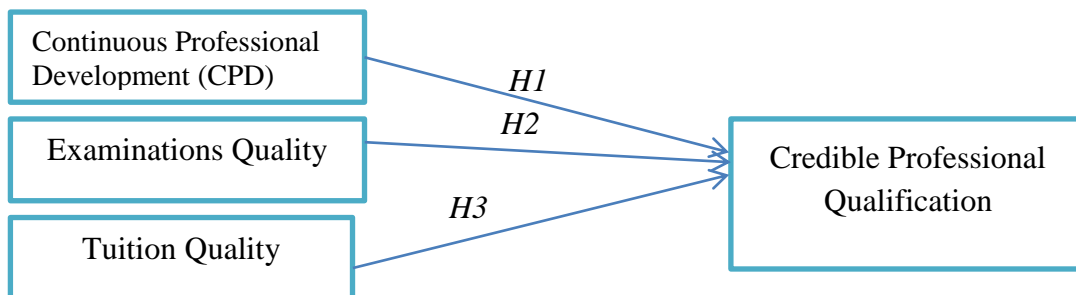
*H<sub>1</sub>: There is a positive relationship between quality continuous professional development and credible professional qualification.*

*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 3.1: Conceptual framework for drivers of credible professional qualification**



Source: Researcher's construct

### **3.3 Methodology**

#### *3.3.1 Research design and strategy*

The paper employs a survey strategy within the quantitative design 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 a point in time as against collecting data over time.

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 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 a self-administered 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.

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.

### *3.3.2 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 is 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.

### 3.3.3 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. OLS regression analysis is useful for analyzing relationships between a dependent variable and many independent variables (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  $CrePQ$  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.

### **3.4 Empirical Results**

#### *3.4.1 Sample Characteristics*

Table 3.1 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 3.1 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 in the rural areas and the poor infrastructure in the rural areas.

With respect to the sample characteristics of the examiners, Table 3.1 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 3.1 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 3.1: 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

3.4.2 Perceptions of CPD quality, exams quality and tuition quality

**Table 3.2: Perceptions towards CPD quality, exams quality and tuition quality**

Measurements Items	No.	Mean	Std. Dev.
<b>CPD quality</b>			
CPDs have been good value in relation to their cost	189	3.8413	0.75526
CPDs have been offered at times of the year that fitted my schedule	189	3.3968	0.92033
CPDs have been of high quality	189	3.7619	0.77968
CPDs been practical	189	3.7037	0.81020
CPDs have covered complex and emerging issues in accounting and audit	189	3.9259	0.82179
CPDs have been delivered by facilitators of adequate practical experience	189	4.0688	0.94561
CPDs have been pitched at the right level for me	189	3.5873	0.78486
CPDs have been relevant to my professional development	189	4.0053	0.78887
CPDs have been of the right length of time for my needs	189	3.4868	0.84178
CPDs have enhanced my employability/marketability	189	3.6878	0.83978
CPDs have provided useful networking opportunities with my peers	189	3.7831	0.77907
CPDs have provided valuable contacts with experts	189	3.7090	0.71828
Overall, I am satisfied with my CPD experience in the last three years	189	3.8836	0.75597
Overall	189	3.1681	0.75051
<b>Exams quality</b>			
Quality of examination questions	140	3.9000	0.85914
Structure of examination questions	140	3.8714	0.88832
Clarity of examination questions	140	3.6571	0.87960
Syllabus coverage in examination questions	140	3.8286	0.88913
Appropriate weighting of questions	140	3.7286	0.87197
Quality of scripts marking	140	3.9214	0.87382
Quality of moderating	140	3.8857	0.96026
Pass rates	140	3.3214	0.85888
Access to results	140	3.9357	0.99792
Overall	140	3.7833	0.89767
<b>Tuition quality</b>			
Improvement in teaching and learning	340	3.5971	0.93094
Improvement in lecturer delivery	340	3.6265	0.89831
Increase coverage of syllabus	340	3.4941	0.93599
Increased enthusiasm of lecturers about teaching	340	3.6206	0.88923
Increased accessibility of lecturers to students	340	3.4971	0.91690
Increased participation of students in teaching	340	3.4147	0.93841
More practical illustration are used during teaching	340	3.4618	0.93893
Regular and timely feedback on assignments presented	340	3.3882	0.90680
Effective utilisation of lecture time by lecturer	340	3.7412	0.97039
Overall	340	3.5379	0.92510

Source: Researcher's computations

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 3.2. Table 3.3 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 3.3: 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 3.2, 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 3.2 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 3.2 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.

### *3.4.3 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: 0.8357), '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 3.4: 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

#### 3.4.4 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-Oklin (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.

### 3.4.5 Analysis of regression results

**Table 3.5: 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	Model 1
CPD quality	0.343*** (0.063)
Exams quality	0.405*** (0.054)
Tuition quality	0.305*** (0.066)
Age	0.072 (0.008)
Gender	0.210** (0.158)
Education	-0.159 (0.072)
Residence	-0.278** (0.245)
Constant	1.844*** (0.637)
<b>Diagnostic test</b>	
R Squared	0.438
Adjusted R Squared	0.369
F-statistic	6.356***

Table 3.5 presents the regression results of the estimation model. 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 3.5 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.

## 3.4.6 Sensitivity analysis

**Table 3.6: 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)
<b>Diagnostic test</b>			
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 3.5, some variations are made. Education was interacted with the main variables, CPD quality, exams quality and tuition quality. Table 3.6 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 3.6 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.

### **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.

## **CHAPTER FOUR**

### **THE EFFECT OF DONOR-FUNDED TRAINING INTERVENTION ON ORGANISATIONAL EFFECTIVENESS**

## **The effect of Donor-Funded Training Intervention on Organisational Effectiveness**

### **Abstract**

The effect of donor-funded capacity building training interventions on beneficiaries as well as their organisations appears to be lacking in the literature. The present study was conducted to address this lacuna in the literature. Specifically, the study investigates the relationship among training, competence, organisational commitment and organisational effectiveness. A quantitative research design was adopted where data were collected through surveys of beneficiaries of the training intervention. Structural equation modelling (SEM) technique was used to analyse the data gathered. The empirical results show that donor-funded training intervention positively and significantly influences trainees' competencies and organisational commitment. However, though, the relationship between donor-funded training intervention and organisational effectiveness was positive, it was not significant. The findings of the present study have implications for future donor-funded training interventions in other jurisdictions across the globe.

#### **4.1 Introduction**

The call for increased transparency, improved disclosure and quality accounting practices globally has been on the ascendency. This, according to Assenso-Okofu *et al.* (2011) is in response to the increased globalization of capital markets. The author further argues that there is intense competition for capital, which has become a global commodity, and a country's ability to attract adequate capital investment requires the country to strengthen its financial reporting and disclosure environment. Thus, a favourable financial reporting and disclosure environment is essential for providers of capital to continue to supply resources for businesses to expand and create much-needed employment, especially in emerging economies. Over the years, emerging economies, especially those in Africa, have not been able to attract the needed capital investment as expected even though much effort has been made in that direction (Assenso-Okofu *et al.* .2011; Appiah *et al.* 2016; Atuilik & Salia, 2018). This has been attributed to the absence of proper accountability caused by a lack of reliable information on how managers have utilised the resources entrusted in their care. This brings to the fore the vital role played by the accountant in ensuring the sustenance of the financial and capital markets by providing more reliable information which is then relied upon by investors in taking economic decisions. According to IFAC (2011), the effectiveness and efficiency of the accountancy profession depend largely on the quality of services rendered by its members in meeting the ever dynamic and evolving demands of society. The achievement of these aspirations placed on the accountancy profession by society has been saddled with a myriad of challenges (World Bank Report, 2004, 2014).

The World Bank and other donor agencies have concluded through several years of diagnostic reviews including, Reports on the Observance of Standards and Codes

(ROSC), that there is weak capacity within the accountancy profession (ICAEW, 2014). The World Bank Report (2004, 2014) shows that the accountancy profession in Africa lacks the capacity to ensure high-quality financial management, reporting and auditing. Thus, there is a weak regulatory environment for regulators in Africa. The Report further indicates a lack of financial resources, operational inefficiencies and unavailability of reliable databases as some of the key constraints facing the accountancy profession in Africa and other emerging economies. Furthermore, the report shows that the accountancy profession has woefully failed to ensure compliance with accounting, auditing and professional standards. Also, the accountancy organisations have failed in their oversight roles leading to low audit quality which in turn affects the decisions made by investors who rely on financial reports emanating from such low-quality audit.

To address these challenges of the accountancy profession in Africa and other emerging economies, IFAC collaborated with DFID to provide the professional body in Ghana (i.e. ICAG) and nine other countries including Zimbabwe, Rwanda, Uganda, Nigeria etc. with a US\$8m funding (DFID, 2016). It is expected that the provision of the funding to ICAG will position the Institute to carry out its mandate with efficiency (Assesso-Okofu *et al.* 2011). Thus, improve the training, examinations and their oversight role. According to Hopper (2012), most of the donor support is spent on capacity building projects in order to ensure a better enabling environment for stronger accounting systems and practice. The capacity-building project often includes the organisation of training workshops for stakeholders in the financial reporting architecture. The beneficiaries of the training workshops are to in turn train other professional accountants through continuous professional development, seminars and workshops with the singular aim of closing the capacity gap.

The beneficiaries of the training programmes are expected to apply the knowledge, skills and modified behaviour acquired to the performance of their jobs as professional accountants which in turn is expected to influence the effectiveness of their individual organisations as well as improve the overall quality of financial management, reporting and auditing in the country. The effect of training on organisational effectiveness has been widely researched with mixed findings (Abd Rahman *et al.*, 2013). While some studies have reported a positive and significant influence of training on organisational effectiveness (Kareem, 2019; Otoo & Mishra, 2018; Shoo, 2016), others found no effect and some negative effect on the training-organisational effectiveness nexus (Dirani, 2012; Haines *et al.*, 2010; Hitt *et al.*, 2001). Against this backdrop, the key question this paper attempts to address is: How can the donor-funded training intervention given to the various stakeholders of the financial reporting architecture improve organisational effectiveness? Specifically, the paper discusses the direct effect of training intervention on organisational effectiveness and the mediating role of employee competencies and organisational commitment to improving the relationship between training intervention and organisational effectiveness. The study employs the Social Exchange Theory (SET) in explaining the effect of donor-funded training intervention on organisational effectiveness.

The study of the training and organisational effectiveness nexus in the context of ICAG is important for several reasons. Over the years, ICAG has competed for students with other professional accountancy organisations including the Association of Certified Chartered Accountants (ACCA), UK; the Chartered Institute of Management Accountants (CIMA), UK; the Institute of Financial Accountants (IFA), UK, and the Institute of Commercial Management (ICM), UK (Awayiga *et al.* 2010; Owusu *et al.*,

2018). These foreign professional accounting bodies attract many accounting students to pursue their qualifications. For instance, Owusu *et al.* (2018) examined the factors explaining business students' intention to pursue a certified professional accounting qualification in a traditional Ghanaian university. The authors found that the majority (47.9 per cent) of business students surveyed preferred ACCA to ICAG (27.2 per cent). With this level of competition for prospective students by these professional organisations, ICAG must position itself to attract prospective students to pursue its qualification. Again, the fast-changing business environment demands that managers of organisations are conscious of the need to improve on the competencies of the workforce to help achieve organisational goals (Sahinidis & Bouris, 2008). Harrison (2000) identifies training as a critical element in the achievement of the objectives of organisations. Through training, employees are equipped with the right knowledge and skills to carry out their jobs more effectively.

To the extent that employers and the wider public rely on the services provided by ICAG members for decision making, ICAG must ensure that its members attain and retain high levels of integrity, professional competence and ethical behaviour. To achieve this, regular training of those at the forefront of delivering tuition, examinations and practice becomes inevitable. These training programmes are expected to equip them to handle current and future challenges effectively as well as to keep them abreast with new skills and knowledge required for their jobs. This type of training can lead to improved competencies and commitment by the trainees. These trainees being mindful of the investment their organisation is making in them will, in turn, reciprocate by working hard and becoming more committed to the course of their organisations (Meyer & Allen, 1991; Sahinidis & Bouris, 2008). With the new competencies and commitment acquired,

the trainees are expected to apply to their jobs to ensure the effectiveness of their organisations. Training, then, is likely to lead to improved competence and organisational commitment as well as organisational effectiveness

This paper contributes to the accounting literature in the following ways. First, the assessment 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). This is because the assessments are conducted by donors or the implementing agencies which are viewed as lacking the independence to objectively assess their own performance. This study attempts to address this deficiency whereby a third party other than the donor or the implementing agency is empirically evaluating the impact of donor-funded training on organisational effectiveness without the involvement of the donor (i.e. IFAC) or implementing agency (i.e. ICAEW). It is believed that an assessment by a third party is more credible and independent (Pérouse de Montclos, 2012).

Secondly, this study is conducted in a Ghanaian context, where this kind of study is unexplored; though, donor support for capacity building training programmes is a common feature. This study intends to bring to bear the effects of donor-funded training programmes on individual beneficiaries and their organisations. The result of this study will be helpful in evaluating the performance of IFAC and ICAEW (i.e. implementing agency)



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

## **4.2 Literature review**

Research in training and organisation effectiveness has for long attracted the attention of research scholars. This section presents the theoretical and empirical review on training, employee competencies, organisational commitment and organisational effectiveness. These reviews are undertaken to provide both the theoretical and empirical basis for the study. The section starts with the definition and explanation of key constructs, followed by the theoretical review and finally the empirical and hypotheses development.

### *4.2.1 Definition of constructs*

#### **Employee Training**

Training of employees is vital in keeping pace with the changing and dynamic global economic environment and it aims at equipping employees with the skills required to do their work. Evans and Davis (2005) described training as the “extensiveness of formalized programmes to develop knowledge, skills and abilities” (p. 760). Armstrong (2006) defined training as the modification of employee conduct through, transfer of skills, knowledge and experience from those who possess such skills and knowledge to those who do not have them. Jun *et al.* (2006) stated that training offers chances to individuals in order to improve their knowledge and skills for effective career growth. Therefore, by attending training programmes, employees develop the necessary skills, knowledge and commitment which when apply to their job leads an effective organisation.

### **Employee competencies**

Employee competencies are concerned with those characteristics that are acquired by employees, such as knowledge, skills, ability and personality, that distinguish them from average performers (Turner & Crawford, 1994). According to Lee (2010), the development of competence and its management are very crucial elements to enhance organisational effectiveness. In order to ensure improvement in the performance and effectiveness of an organisation, a number of competencies are vital (Naquin & Holton, 2006). Hellriegel and Slocum (2011) describe seven competencies that can influence the behaviour of employees and organisational effectiveness. The seven competencies are ethical, self, diversity, across cultures, communication, team and change competencies.

### **Organisational commitment**

Pool and Pool (2007) defined organisational commitment as "... the relative strength of an individual's identification and involvement in a particular organisation" (p. 353). A committed employee is the one prepared to be with the organisation in both good and bad times, goes to work regularly and on time, safeguard company assets, and who shares in the beliefs of the organisation (Meyer & Allen, 1997). Meyer *et al.* (1993) identified and defined three components of organisational commitment, i.e. Affective, Continuance and Normative. Affective organisation commitment concerns an individual's identification with, involvement in, and emotional attachment to the organisation. Hence, an individual with strong affective organisational commitment remain an employee of their organisation because they want to do so. Continuance organisational commitment refers to commitment based on the individual's recognition of the costs associated with leaving their organisation. Individuals with strong continuance commitment stay with their organisation because of the cost of leaving. In

other word, the cost of leaving outweighs the benefit and therefore, such individuals will choose to stay in their organisation. Normative commitment is about commitment based on a sense of obligation to the organisation. Individuals with strong normative commitment remain employees of their organisation because they feel indebted to their organisation.

### **Organisational effectiveness**

The definition and explanation of organisational effectiveness has been a subject of controversy in the literature (Potnuru & Sahoo, 2016). Georgopoulos and Tannenbaum (1957) defined it as "...the extent to which an organisation as a social system, given certain resources and means, fulfills its objectives without incapacitating its means and resources and without placing undue strain upon its members" (p. 534). Erkutlu (2008) explained organisational effectiveness as the extent to which an organisation elucidates its purposes using a specific resource without excessive waste and disregard of its stakeholders, including its members and the society as a whole. Whereas Yand and Maxwell (2011) have focused on the realisation of the organisation's goals. Similarly, Gaertner and Ramnarayan (1983) understand effectiveness to mean focusing on measures such as profitability, survival and goal attainment. Potnuru and Sahoo (2016) summarise the various conceptual explanations of organisational effectiveness as "...that organisation which can adapt to change, compete with rivalries, optimize the resources, bring quality products at the right time to the right market, make the right decision in critical times and attract potential personnel, in short, the organisation which has the capability to achieve desired goals and objectives of the stakeholders...." (p. 348). The effectiveness of the organisation can be attained if employees, who are

competent and committed enough, work together to achieve the desired goals of the organization

#### *4.2.2 Theoretical literature*

##### **Social Exchange Theory (SET)**

This paper employs the Social Exchange Theory (SET) to explain the phenomenon of donor-funded training intervention and organisational effectiveness. The SET attempts to understand the basis of relationships between parties. These relationships are viewed as interdependent and contingent on the behaviours of another person (Blau, 1964). Again, SET emphasizes that these interdependent exchanges are likely to result in high-quality relationships. According to Emerson (1976), SET relies on the assumption that some set of norms and rules exist that governs behaviour, regardless of the power dynamics. Thus, these rules and norms frame the exchange processes. Even though there are other exchange rules outlined in SET (Cropanzano and Mitchell, 2005), reciprocity or repayment in kind is the most common exchange rule (Gouldner, 1960).

Reciprocity is defined to include only interdependence. Hence, it does not apply to relationships where a party is fully independent of or fully dependent on another party. According to Molm (1994), there cannot be social exchange if parties are fully independent of or fully dependent on other parties. Blau (1964) states that mutual reciprocation is one of the fundamental forms of human interaction and that individuals react in a manner similar to the way acted upon them (Gergen, 1969). According to Lerner (1980), reciprocity is centred on philosophical ideals and abstract moral virtues (Cropanzano, Byrne, Bobocel and Rupp, 2001). Essentially, the principle of reciprocity is about the fact that positive actions bring about positive actions and negative actions

that result in negative actions (Fehr and Gächter, 2000). Simply put, people get what they deserve (Gouldner, 1960) and are penalized for going contrary to the cultural norms (Mauss, 1967). However, Cropanzano and Mitchell (2005) argue that individuals vary in the extent to which they embody these norms, some have strong exchange ideology and other weak exchange ideology.

Relating SET to the present study, the training received by the beneficiaries is expected to improve on their competencies and commitment to their individual organisations. The transfer of the newly acquired knowledge, skills and modified behaviour is expected to lead to an improvement in individual employee performance which will, in turn, result in the effectiveness of the organisation. For selecting and supporting them for the training, the employees will perceive the organisation as valuing their contribution and also caring about their well-being and career progression. They will, in turn, respond in a similar manner by becoming more committed and integrating the new knowledge and skill acquired into their present job in an attempt to improve the effectiveness of the organisation.

For supporting their employees to attend the training interventions organised by ICAEW through ICAG, individual organisations would expect that the employees will, in turn, help them to achieve their objectives. The employees are expected to utilise the knowledge, skills and behaviour change acquired through the training to improve their job performances which will impact positively on the effectiveness of the organisations.

#### 4.2.3 Empirical literature and hypotheses development

##### **Training and Organisational effectiveness**

There exists large literature on the effect of training on organisational effectiveness (Kareem, 2019; Otoo and Mishra, 2018; Shoo 2016; Hitt et al., 2001; Agnew et al., 1997). For instance, Kareem (2019) investigated the relationships between the practices of human resource development and organizational effectiveness in public universities in Iraq. Using structural equation modelling as an analytical tool, he finds that human resource practices which include training, have a positive and significant relationship with organisational effectiveness. Agnew *et al.* (1997) argue that training and development are important ingredients in promoting organisational performance and industry competitiveness. Furthermore, the author posits that training needs are essential to businesses in order to maintain employee skills and competency, which will, in turn, lead to better organisational performance. Biswas (2012) states that training is essential for the improved performance of employees, enhancement of employees' ability to adapt to the constantly changing and challenging global economic environment for improved performance, improve workers' knowledge and ability to design innovative and problem-solving skills.

Other authors have argued that investment in training does not automatically result in positive effects on the organisation. For example, Hitt *et al.* (2001) state that training alone is not adequate to promote organisational effectiveness to a larger level. The author further argues that not all the skills, knowledge and behaviour acquired through training are effectively transferred for the benefit of the organisation. This view of Hitt *et al.* finds support in the work of Dirani (2012). Dirani argues that for the organisation to derive the full benefits of knowledge acquired through training, the transfer of knowledge must

effectively take place. Haines *et al.* (2010) have argued that training is one of the HR designs that relate to turnover. In other words, when employees acquired new skills and knowledge through training, they tend to leave the organisation. Thus, the organisation loses out on the benefits of the training. According to Trevor (2001), training has an unintended effect by enhancing a trainee's external marketability and the possibility of leaving the organisation. From the foregoing arguments, the first hypothesis is as follows:

*H<sub>1</sub>: There is a positive relationship between training and organisational effectiveness*

### **Training and employee competencies**

Human resources development designs in an organization play a major role in enhancing employees' competencies (Nilsson & Ellstrom, 2012). Potnuru and Sahoo (2016) examined the impact of human resource development interventions on organisational effectiveness through employee competences. Applying the structural equation modelling approach to test the study hypotheses, the results show that training, which is one of the HRD intervention studied, is significant and positively relates to employees' competencies. According to Zumrah *et al.* (2013), employees who take part in training workshops transfer their newly acquired skills, attitude, behaviour and knowledge to their daily role and display enhanced capabilities and competencies in carrying out their job. Garavan *et al.* (2012) state that process training is very effective at imparting technical competencies in a traditional talent development setting. Training does not only focus on the acquisition of knowledge and skills but also function as an avenue for socialization and developing relationships at the organisation (Hassi and Storti, 2011). Based on prior literature, the second hypothesis is as follows:

*H<sub>2</sub>: there is a positive relationship between training and employee competencies.*

### **Training and employee commitment**

The effect of training on employee commitment has been widely researched (Ashar *et al.*, 2013; Jehanzeb *et al.*, 2013; Benson, 2006; Allen & Meyer, 1991). For instance, Ashar *et al.* (2013) examined the impact of training on employee commitment and turnover intention in Pakistan. The results show a positive relationship between training and employee commitment. The authors attributed the positive contribution to the fact that training shows how important employees are to the organisation. Using the theory of reciprocity, Cropanzano and Mitchell (2005) find that training has a significant positive relationship with employee commitment. The authors further related training to the different types of commitment and find a positive association between training and affective and normative commitments but a negative relationship with continuance commitment. The negative relationship between training and continuance commitment has been explained to mean that training leads to more improved employee skill and knowledge which makes employees tend to leave the organisation because of the insignificance of the cost related to leaving (Verhees, 2012). Mincer (1988) finds a positive and significant relationship between training and an employee staying in the organisation. Similarly, Benson (2006) finds training to be significant and positively related to employee commitment. Another study by Bulut and Culha's (2010) examined the effect of different dimensions of training on employee commitment, and they found that all the selected training dimensions relate positively to employee commitment. However, Smith (2000) reports that training does not result in an improvement in employee commitment even though the study finds other human resource practices to have an effect on employee commitment. From the above discussions, the third hypothesis is as follows:

*H<sub>3</sub>: there is a positive relationship between training and individual trainee's commitment*



### **Employee Competencies and organisational effectiveness**

When an organisation develops and operates the right strategy and employee competencies that adapt to the dynamic and evolving business environment, that organisation is seen as being an effective organisation (Lawler and Ledford, 1997). According to Cartwright and Baron (2002), the attainment of the expected strategic outcomes is dependent on factors such as commitment, improvement of the right competencies, coordination, communication and employee's cohesion. A number of studies have supported the suggestion that the design of suitable human resource development strategies serves as an opportunity for employees to improve on their competencies which in turn leads to the effectiveness of the organisation (Nilsson and Ellstrom, 2012; Tarique and Schuler, 2010; Lewis and Heckman, 2016). For instance, Potnuru and Sahoo (2016) examined the effect of human resource practices on employee competences and also the relationship between employee competencies and organisational effectiveness. The results show that HR practices have significant and positive effect on employee competencies which in turn has significant and positive relationship with organisational effectiveness. Collings and Mellahi (2009) also report similar results indicating that the selection of the appropriate candidate, coupled with the development and enhancement of employee competencies is key to organisational effectiveness. This can result in enhanced employee performance, increased yield and help in developing core competence for the firm. From the foregoing discussions, the fourth hypothesis is as follows:

*H<sub>4</sub>: there is a positive relationship between employee competencies and organisational effectiveness.*

### **Organisational commitment and organisational effectiveness**

Organizational commitment is an important adjunct to organizational effectiveness (Srithongrun, 2011). When employees are committed to their work organisations, it enhances their desire to stay in the organization, improves their performance, and gives their maximum efforts to achieve the organization's goals (Morrison et al., 2007; Abbasi and Hollman, 2000; Harter et al., 2002; Mathieu and Zajac, 1990; Mowday et al., 1979). Davinder (2016) examined the association between organisational commitment and organisational effectiveness among public and private sector employees. The results show a significant and positive relationship between the three subscales and aggregated organisational commitment and organisational effectiveness. Similarly, Rahman and Karan (2011) conducted a study to examine whether the organisational commitment is related to job performance. The authors found that organisational commitment is positively correlated with job performance. Another important study on the commitment and performance nexus was conducted by Meyer, Paunonen, Gellatly, Goffin and Jackson in 1989. The results demonstrated that affective commitment associated positively and continuance commitment associated negatively with all measures of performance.

Other authors have found empirical evidence to suggest that organisational commitment does not necessarily lead to organisational effectiveness. For instance, Angle and Perry (1981) examined the systematic relationships between employees' commitment to their work organisations and some indices of organizational effectiveness. The results show that the overall employee commitment and effectiveness nexus was not as significant as predicted. The study explained the pattern to mean the impact of employee commitment on the organisation is dependent on other kinds of behaviours to which members of the

organisation are committed and the impact of such behaviours on an organisation's objectives. From the above literature, the fifth hypothesis is as follows:

*H<sub>5</sub>: there is a positive relationship between organisational commitment and organisational effectiveness*

## **4.3 Methodology**

### *4.3.1 Research design and strategy*

The paper uses a survey strategy within the quantitative design to examine the effect of donor-funded intervention (training intervention) on organisational effectiveness. The use of the survey strategy permits 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 gathering of a large quantity of data from a sizable population in a less costly manner. With regards to the nature of the survey, the paper utilises the cross-sectional survey as against the longitudinal survey. This is because data for the study was gathered at a point in time as against collecting data over time.

### *4.3.2 Population, sample and data collection*

The population of the study consists of all the individuals who participated in the training programmes organised by the consultants from the Institute of Chartered Accountants, England and Wales (ICAEW). The training programmes were organised through workshops and seminars. These workshops and seminars took place from 2011 to 2013 with respect to the World Bank Project. The DFID Project commenced in 2015 and was completed in 2017. Specifically, the 2015/2017 project was organised in two phases. Phase 1 commenced in November 2015 and was completed in March 2016. This phase focused on examination processes, tuition and practical training of the Institute. Phase 2

of the project was delivered between August 2016 and March 2017. Phase 2 included 10 days training workshop on International Accounting Standards train-the-trainer course delivery, 10 days of workshops in an examination setting, moderation and marking tailored to ICAG syllabus. The number of trainees who participated in the capacity building training was source from the Institute of Chartered Accountants, Ghana and they were one hundred and twenty-four (124) in all. The trainees included examiners, moderators, tutors, tuition providers and practitioners.

The sample for the study included the entire one hundred and twenty-four participants who benefited from the training programme. Thus, the census sampling technique was used in the study. Data for the study was collected via a self-administered questionnaire to the trainees of the capacity building programme. The questionnaire was designed to enquire into the trainee's perception regarding each variable. Questionnaire responses were anchored on a five-point Likert scale. These responses went from '1': strongly disagree to '5': strongly agree with the respective statements. The main content of the questionnaire included the constructs: training, competence, organisational commitment, organisational effectiveness as well as a section on the demographic profile of respondents. Prior to developing items for each of the constructs, an initial list of items was generated to gauge trainees' perceptions about the effect of the training intervention. In order to improve the questions, format and the scales used for the instrument, a pilot test was conducted. The conduct of the pilot test is consistent with the recommendations by Creswell (2013). In the first instance, the items developed were submitted to two consultants who also happened to be trainers. Following the feedback from the trainers, a number of corrections were made to the initial list of items. Furthermore, two researchers who also engage in training activities and did not see the original instrument also made a

comment on the items aimed at ensuring that the questionnaire is free from any ambiguity and also presented appropriately. Once more, likely wording and formulation consistency issues were identified and addressed.

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, 71 were returned yielding response rate of 57%.

#### **4.4 Measurement of variables**

##### **Donor funded intervention**

Donor funded intervention is measured as the technical assistance and capacity building training received by examiners, moderators, tuition providers and practitioners aimed at improving their competence, organisational commitment as well as the effectiveness of their organisations. To measure how effective the capacity building training programmes have been, the paper adapted Montesino (2002) and Santos and Stuart's (2003) scales of effective training programmes and are measured by five items.

##### **Competence**

The study adopted the scale developed by Potnuru and Sahoo (2016) to measure personal competencies which include ethical competency (measured with five items), team competency (measured with eight items), change competency (measured with five items), communication competency (measured with five items) and employee's self-competence (measured with ten items).

### **Organisational commitment**

The paper measures organisational commitment (affective, continuance and normative) using the 18-item scales developed by Meyer *et al.* (1993).

### **Organisational effectiveness**

To measure organisational effectiveness, the study utilises Kalleberg *et al.*'s (1996) 7-item measure of organisational effectiveness. The measure focuses on the development and quality of new product, services and programmes, ability to attract and retain essential employees', satisfaction of customers or clients, relations between management and other employees and relations among employees in general.

## **4.5 Analytic approach**

The related hypotheses from the conceptual model were tested using a structural equation modelling (SEM) technique. The technique of SEM is appropriate for research interests where the explored phenomenon is quite new and where the theoretical model and their measures are not well developed (Chin, 1998) as is the case in the present study. In addition, the SEM approach allows one to test and validate relationships and assist researchers to more effectively assess measurement models and structural paths involving latent constructs with multiple indicator variables (Astrachan *et al.* 2014). In this paper, the partial least square structural equation modelling (PLS-SEM) technique rather than the covariance structural equation modelling (CB-SEM) technique is used to analyse the data. PLS-SEM technique is a causal modelling approach aimed at maximizing the explained variance of the dependent latent constructs. Hair *et al.*, (2011) describes PLS-SEM as a 'silver bullet' for estimating causal models in lots of theoretical models and empirical data situations. All the latent constructs (i.e. training, competence,

organisational commitment and organisational effectiveness) are explained by reflective indicators.

The result of the study was not affected by the problem of common method bias. According to Podsakoff, Mackenzie, Lee and Podsakoff (2003), Harman's single-factor test is one of the most frequently used techniques employed to resolve the problem of common method bias. The test result for the study shows a single factor of 20.602 which means that the single factor explains approximately 21% of the total variance explained.

## **4.6 Empirical analysis**

### **4.6.1 Sample characteristics**

Table 4.1 presents the sample characteristics of respondents. As shown in the table, the majority of the respondents are males, representing 93 per cent with the remaining 7 per cent being females. With respect to age, a large number of trainees (35.2 per cent) are in the 36 to 45 years age bracket. This is followed by those in 25 to 35 age bracket. 18.3 per cent of respondents are above 55 years. It can clearly be observed that a large number of respondents are in active age bracket meaning they can vigorously utilise the skills and competencies gained through the training to improve on professional accountancy qualification in Ghana. Moreover, the academic qualifications of respondents show that 2.8 per cent had secondary education, 5.6 per cent are degree holders, 76.1 per cent have masters whiles 15.5 per cent have PhDs. Furthermore, the majority (77.5 per cent) of the respondents are salaried employees, and 15.5 per cent are self-employed. Another interesting observation from Table 4.1 is the residence of respondents. 95.8 per cent of the trainees are resident in the urban cities, and 4.2 per cent are in the rural areas. The high number of respondents in the urban cities may be explained by the fact that many of

the trainees (i.e. 95.8) are chartered accountants who are mainly found in the urban cities where their services are much needed. This phenomenon may be due to the lack of vibrant economic activities and poor infrastructure in rural areas.

**Table 4.1: Sample characteristics**

Profile	No.	Percentage
<b>Gender</b>		
Male	66	93
Female	5	7
<b>Total</b>	<b>77</b>	<b>100</b>
<b>Age</b>		
25 to 35	18	25.4
36 to 45	25	35.2
46 to 55	15	21.1
Above 55	13	18.3
<b>Total</b>	<b>71</b>	<b>100</b>
<b>Education</b>		
Secondary	2	2.8
Bachelor	4	5.6
Masters	54	76.1
PhD	11	15.5
<b>Total</b>	<b>71</b>	<b>100</b>
<b>Professional qualification</b>		
Professional accountant	68	95.8
Non-professional accountant	3	4.2
<b>Total</b>	<b>71</b>	<b>100</b>
<b>Residence</b>		
Urban	68	95.8
Rural	3	4.2
<b>Total</b>	<b>71</b>	<b>100</b>
<b>Employment</b>		
Unemployed	2	2.8
Self-employed	11	15.5
Salaries employee	55	77.5
Pensioner	3	4.2
<b>Total</b>	<b>71</b>	<b>100</b>
<b>Experience</b>		
1 to 10 years	59	83.1
11 to 20 years	9	12.7
21 to 30 years	1	1.4
Above 30 years	2	1.8
<b>Total</b>	<b>71</b>	<b>100</b>

Source: Researcher's computations



#### 4.6.2 Descriptive statistics on study constructs

Table 4.2 presents the mean scores and standard deviations of the respondents' views on donor-funded training intervention, competences, organisational commitment and organisational effectiveness. The average values for the indicators under each construct measures the level of agreement respondents have on that indicator. All the constructs were ranked above the average point (2.5), implying that respondents consider the donor-funded training intervention to be highly effective and thereby resulting in enhanced competence, organisational commitment and organisational effectiveness. However, among the constructs, the respondents rated competence as the highest (mean = 4.2200) and organisational effectiveness was rated the lowest with a mean of 3.7082.

**Table 4.2: Descriptive statistics of variables of interest**

Variables	No.	Mean	Std. deviation
Training	71	3.7802	0.8616
Competence	71	4.2200	0.6264
Organisational commitment	71	3.9992	1.0222
Organisational effectiveness	71	3.7082	0.9561

Source: Researcher's computations

#### 4.6.3 Reliability and validity

Reliability and validity tests are carried out on the constructs to determine their suitability for inclusion in the analysis of the structural model. Reliability allows one to assess the extent to which the indicators (observable variables) measure the constructs (latent variables) (Gallardo-Vázquez and Sanchez-Hernandez (2014). In the present study, construct reliability allows the researchers to check whether the indicators selected for the scale really measure the variables training, competence, organisational commitment and organisational effectiveness. For this assessment, Cronbach's alpha and the Fornell-Larcker's composite reliability are used. However, according to Fornell and

Larcker (1981), the composite reliability is superior to the Cronbach's alpha in the measurement of the internal consistency of constructs. Results of these tests are given in Table 4.4. All constructs present values within the acceptable reliability range of 0.70 and above. Hence, confirming their internal consistency.

To evaluate the validity of the constructs, the convergent and discriminant validity of the measurement scale are examined. Convergent validity allows one to measure whether the items developed to measure a construct actually measures it. To check for the convergent validity of constructs, the average variance extracted (AVE) is used (Fornell and Larcker, 1981). The AVE scores of competence, organisational effectiveness, organisational commitment and training are 0.510, 0.706, 0.549 and 0.521, respectively. These scores meet the recommended threshold of 0.50 and above (Hair *et al.*, 2014) as presented in Table 4.4. Discriminant validity test was performed using the Fornell-Larcker criterion to show that the constructs in the model are actually different from each other and that they are uncorrelated. According to Fornell and Larcker (1981), discriminant validity is achieved when the square root of the AVE scores of the constructs are larger than the cross-correlations between the constructs. Table 4.5 shows the satisfaction of this condition as the AVE scores for the constructs are larger than squared cross-correlations of the constructs.

#### **4.6.4 Structural model analysis**

Having confirmed the reliability and validity of the constructs through the measurement model analysis, the paper proceeded to test the structural hypotheses. The test of the structural model involves the estimation of the assumed causal as well as linear covariance associations among the exogenous and endogenous latent constructs. Before evaluating the structural model, the presence of multicollinearity among the exogenous

variables was tested using the variance inflation factor (VIF). O'Brien (2007) argues that VIF gives a reasonable and intuitive indication of how multicollinearity affects the variance of a regression coefficient. An overview of the VIF results can be inferred from Table 4.6. The results show VIF values far less than the maximum threshold of 10 (O'Brien, 2007), and this indicates that the structural model analysis has not been affected by collinearity problems.

The Bootstrapping procedures in Smart PLS are used to test the structural hypotheses. Figure 4.1 provides the structural model showing the relationship between the exogenous and endogenous variables using the PLS algorithm.

Having established the structural relationships of the study in Figure 4.1, the study proceeded to analyse the coefficient and significance of the paths in the structural model based on bootstrapping procedure. Table 4.7 presents the regression results of the Bootstrapping procedure.

**Table 4.3: Measurement items loadings**

Construct	indicators	loadings
Training	T1	0.801
	T2	0.706
	T4	0.578
	T5	0.780
Competence	C5	0.655
	C9	0.759
	C10	0.776
	C15	0.643
	C16	0.669
	C17	0.768
	C19	0.714
Organisational commitment	OC7	0.663
	OC8	0.735
	OC9	0.791
	OC10	0.751
	OC12	0.791
	OC13	0.761
	OC15	0.729
	OC16	0.751
	OC17	0.751
	OC18	0.676
Organisational effectiveness	OE1	0.860
	OE2	0.874
	OE3	0.878
	OE4	0.797
	OE5	0.832
	OE6	0.795
	OE7	0.841

Source: Researcher's computations

**Table 4 4: Construct reliability**

Construct	Cronbach's alpha	Composite reliability	AVE
Competence	0.840	0.879	0.510
Organisational effectiveness	0.932	0.944	0.706
Organisational commitment	0.909	0.924	0.549
Training	0.693	0.811	0.521

Source: Researcher's computations

**Table 4.5: Discriminant validity**

Construct	Competence	Org. effectiveness	Org. commitment	Training
Competence	0.714			
Org. effectiveness	0.275	0.840		
Org. commitment	0.206	0.229	0.741	
Training	0.300	0.205	0.351	0.722

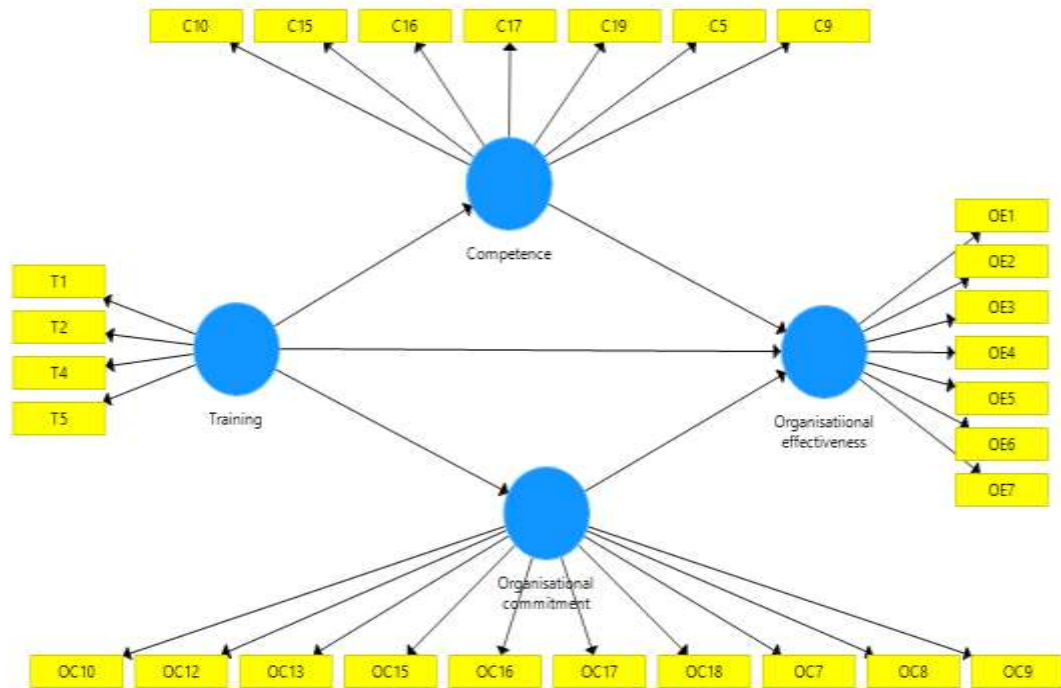
Source: Researcher's computations

**Table 4.6: VIF**

Factor	VIF
Competence	1.113
Organisational commitment	1.155
Training	1.216

Source: Researcher’s computations

**Figure 4.1: Structural model of training and organisational effectiveness**



**Table 4.7: Results of hypotheses tests**

Hypothesis path	Path coefficient	T-values	Accept/Reject
Training -> Org. effectiveness	0.085	0.700	Reject
Training -> Competence	0.300	2.556**	Accept
Training -> Org. commitment	0.351	3.174***	Accept
Competence -> Org. effectiveness	0.218	1.781*	Accept
Org. commitment -> Org. effectiveness	0.154	1.055	Reject
R <sup>2</sup> (0.113)			
Q <sup>2</sup> (0.064)			

Source: Researcher’s computations

**4.8 Analysis of Indirect Effect**

Hypothesis path	Path coefficient	T-value	Accept/Reject
Training -> Org. effectiveness	0.120	1.672*	Accept

Source: Researcher’s computations

#### 4.7 Discussion

The primary assessment criteria for the structural model are the coefficient of determination ( $R^2$ ) measures, the predictive capability ( $Q^2$ ) and the level and significance of the path coefficients. The  $R^2$  value for the endogenous construct (organisational effectiveness) is 0.113. This means that the exogenous latent variable explains 11.3% of the endogenous latent variable's variance. Regarding the predictive relevance of the endogenous latent construct indicators, the study applied the blindfolding rules provided by Hair et al. (2014). To be viewed as significant, the  $Q^2$  value should be greater than zero. The  $Q^2$  value for the model is 0.064, and this means that the model achieves predictive relevance.

Overall, the results of the study support the appropriateness of the social exchange theory to explain the relationship between training and organisational effectiveness. An analysis of the path coefficients and levels of significance, as indicated in Table 4.7 shows solid support for three of the hypotheses and the rejection of two. Consistent with the social exchange theory, training has a positive effect on competence and organisational commitment. More specifically, the regression results confirmed hypothesis 2 by showing that it is significant (5 percent) and positive relationship between training and individual trainee competencies. This finding demonstrates clearly that organisation that support the training of individual employees has a positive impact on the required competencies of the individual for the organisation's benefit. This finding is in line with the findings of prior literature (Potnuru and Sahoo, 2016; Zumrah et al., 2013; Garavan et al. 2012) that conclude that the effective training of individuals in the organisation improves on their competencies.

Hypothesis 3 predicted significant (1 per cent) and positive relationship between training and organisational commitment. From the result, it is understandable that an organisation that provides training for its employees leads to increased organisational commitment of the trainees towards the organisation. This result is consistent with the findings from existing literature (Ashar *et al.*, 2013; Jehanzeb *et al.*, 2013; Benson, 2006) which conclude that when individuals receive training from their employers, they cultivate a sense of love and loyalty to the organisation and become highly committed to the organisation and exert more effort to achieve the objectives of the organisation.

As predicted, competence was found to be weakly significant (10 per cent) and positively associated with organisational effectiveness. This means that an employee can work effectively and efficiently to meet performance targets through the improvement of individual competencies leading to organisational effectiveness.

The relationship between training and organisational effectiveness was found to be positive but insignificant. This means that the training received by the respondents did not lead to the effectiveness of their organisations. This result is consistent with the findings of Rahma *et al.* (2013) that skills and knowledge acquired from training do not necessarily translate into improved performance of the organisation. This usually happens if skills, knowledge and understanding acquired through employee training are not applied to jobs, shared and kept or documented for organizational use.

The results, however, show an insignificant association between organisational commitment and organisational effectiveness. This means that an improvement in organisational commitment through training does not guarantee improved organisational

effectiveness. This finding is in line with the literature. As argued by Angle and Perry (1981) that organisational commitment does not necessarily result in organisational effectiveness and that the relationship between the two constructs depends on certain behaviours within the organisation.

As shown in Table 4.8, the empirical  $t$  value of the indirect effect for the relationship between training and organisational effectiveness is 1.672, which translates to a  $p$ -value of 0.095. The relationship from organisational commitment to organisational effectiveness is weak and statistically insignificant (see Table 4.7). The study, therefore, concludes that organisational commitment fully mediates the relationship between training and organisational effectiveness.

On the other hand, as shown in Table 4.7, competence exerts a significant effect on organisational effectiveness. The study, therefore, concludes a partial mediation between training and organisational effectiveness. This is because both the direct and indirect effects are significant. Regarding the type of partial mediation, competence represents complementary mediation of the relationship between training and organisational effectiveness. The study arrived at this conclusion because the direct and indirect effects are both positive; hence the sign of their product is also positive.

Empirically, the results of the study provide support for the mediating role of organisational commitment and competence in the training–organisational effectiveness nexus. In more specific terms, organisational commitment represents a mechanism that underlies the relationship between training and organisational effectiveness. In other words, training leads to organisational commitment and organisational commitment, in



turn, leads to organisational effectiveness. As already discussed, competence is a complementary mediator. More effective training increases organisational effectiveness directly but also an enhanced competence, in turn, leads to organisational effectiveness. Hence, some training effect on organisational effectiveness is explained by competence. This result from the indirect effect supports the propositions of the social exchange theory, suggesting that employees utilise the skills and knowledge acquired from training for the benefit of their organisations.

#### **4.8 Conclusion**

This paper aims at assessing the effect of donor-funded training interventions on organisational effectiveness and to specifically examine, through the lens of the SET, how the intervention affects individual trainee's competencies and organisational commitment. To achieve this aim, a quantitative research design was employed where through census sampling technique, trainees were selected.

The findings provide some useful insight into how donor-funded training intervention influences the competencies and organisational commitment of trainees as well as on the effectiveness of their organisations. For instance, most of the respondents agree to the fact that the donor-funded training intervention was effective and has led to an improvement in their competencies and commitment to their organisations as well as to their organisations effectiveness.

The results further show that the coefficients of all the constructs are positive. Donor funded training intervention positively and significantly influences trainees' competencies and organisational commitment, but the relationship between donor-funded training intervention and organisational effectiveness was not significant. Thus,

the donor-funded capacity building training received by the professional accountancy organisation in Ghana has indeed enhanced the competencies and commitment of the individual trainees.

The results of the study have practical implications for donors and organisations. Competence and organisational commitment have been confirmed in the present study have been found to be key for enhancing organisational effectiveness. Hence, human resource managers and practitioners may introduce training interventions aimed at improving individual competencies and organisational commitment which, when transferred to their jobs, will lead to organisational effectiveness. Again, the study recommends top-level managers to create an enabling environment and organisational support in order to ensure that knowledge, skills and behaviours acquired from training are used to improve the effectiveness of the organisation. Finally, the results have the potential of helping donors to develop strategies which ensure an improvement in trainees' competencies and commitment. This will help donors and beneficiary organisations to achieve the objectives of funded capacity building training programmes.

Even though this study makes a valuable contribution to the accounting regulation literature, some care should be taken in the interpretation of the results. This is because data was collected from beneficiaries of IFAC-led training intervention in one country. This limits the extent of generalization. Future research should consider other countries where such intervention from IFAC has been implemented. This will largely expand the extent of generalization of the results from such interventions.

## **CHAPTER FIVE**

## **FINAL CONCLUSION**

## 5.1 Overview

This thesis examines donor-funded interventions and activities of a professional accountancy organisation in Ghana. The fallout from the collapse of major companies across the world in the early 2000s has shown the need to ensure greater transparency, improved disclosure and quality accounting practices. This calls for the building of the capacity of professional accountancy organisations in order to ensure strict compliance with accounting rules and practices. This chapter provides the concluding remarks for the three papers contained in the preceding three chapters. It shows the contribution each paper makes to prior literature identifies the limitations to this thesis and suggests avenues for future research in the area. Against this background, this thesis is structured as follows.

Chapter Two, the first of three related papers, invokes the Resource Dependence Theory (RDT) to examine how donor-funded interventions have influenced the operations and activities of professional accountancy organisations in Ghana. Over the years, the increased attention of researchers on big international accounting firms as key agents of professionalization has led to the relative neglect of accounting research investigating the operations and activities of other professional actors, such as national accountancy bodies. Thus, there is the need to enrich the accounting literature by providing the drive for renewed scholarly attention on these bodies. A qualitative research design was adopted where data were collected through a semi-structured interview with the key principal officers of the accountancy organisation. The empirical results indicate a general acknowledgement among the principal officers interviewed the positive impact of the intervention on the activities of the Institute of Chartered Accountant, Ghana. But, the major challenge faced in the execution of the funded intervention is the counterpart funding provided by the Institute. Furthermore, the level of participation by the Institute

in the determination of program deliverables was not as expected. The findings of this chapter have implications for future donor support to professional accountancy organisations in other developing countries.

Chapter Three employs stakeholder theory and sociology of professions to evaluate the outcomes of donor-funded interventions from the perspective of stakeholders of the accountancy profession in Ghana. A large number of donor-funded interventions are not adequately evaluated, in that; views of stakeholders are not solicited in programme evaluations. Furthermore, evaluation of such interventions is conducted in ways that most at times have donor bias where the attainment of targets and objectives takes precedence. An evaluation by a third party other than the funder or the implementing agency, therefore, becomes very imperative in assessing the real impact of donor interventions on receiving institutions. The chapter utilises a survey strategy within the quantitative design to describe stakeholders' views about institutional intervention outcomes. Further, a regression estimation strategy was used to test the relationship between the drivers of credible professional qualification (CPD quality, exams quality and tuition quality) and credible professional qualification. The results show an improvement in CPDs quality, exams quality and tuition quality over the period of the intervention. Additionally, the results show a significant and positive relationship between CPD quality, exams quality and tuition quality and credible professional qualification. The main implication of these findings is that accounting regulators have to take a critical look at their CPDs, exams and tuition if they aim to have a credible qualification in their respective countries.

Finally, Chapter Four investigates the effect of donor-funded capacity building training intervention on the competencies and organisational commitment of beneficiaries. The chapter further looks at how the beneficiaries have used the newly acquired knowledge, skills and behaviour to influence the effectiveness of their organisations. The chapter uses the quantitative research approach as well as the survey strategy in compiling and analysing data. In terms of the analytical approach, structural equation modelling (SEM) technique was used for testing the relationship between the donor-funded training intervention and organisational effectiveness. The results show that the training intervention had a significant and positive influence on the competencies and organisational commitment of the beneficiaries. However, the direct relationship between training and organisational effectiveness, though positive, was not significant. The findings of this chapter have practical implications for organisations, consultants and sponsors of capacity building training programmes in Ghana. Beneficiary organisations should provide the conducive atmosphere in the workplace that ensures that knowledge, skills and behaviours acquired during training programmes are transferred and utilised for the benefit of the organisation.

## **5.2 Summary and public policy implications**

This thesis makes a number of contributions to the growing body of literature on donor funds and activities of professional accountancy organisations. The thesis enriches the accounting literature by providing a drive for a renewed scholarly attention on the activities of professional accountancy organisations which hitherto has overly focused on international accounting firms (Samsonova-Taddei & Humphrey, 2014). This will undoubtedly provide a deeper understanding of the workings of professional accountancy organisations. Furthermore, the findings from the thesis will be relevant in

shaping future donor policies aimed at improving the effectiveness of funded interventions. More importantly, soliciting the perceptions of key stakeholders is important at addressing the long-held view by scholars that evaluations of donor interventions often do not take into account wider stakeholder feedback (Lee, 2008).

The findings of this thesis make several very important public policy considerations. Chapter Two reveals the lack of participation of the local professional accountancy organisation in the design and implementation of the intervention. Even though the world is a global village and that programmes in other parts of the world are expected to work in other jurisdictions, one cannot discount the fact that developing countries have their peculiar circumstances. Therefore, if project designs are not sensitive to the local circumstances of PAOs, projects may not achieve the intended outcomes. It is therefore recommended that future projects should be sensitive to the local environment.

Secondly, this thesis also reveals that counterpart funding is a major challenge faced by local accountancy organisations in the successful implementation of donor-funded interventions. Donors and implementing agencies of intervention programmes should take into account the financial state of local accountancy bodies in future donor projects. This is because counterpart funding places a lot of stress on the finances of these bodies, which sometimes leads to difficulties in programme execution.

Again, since such donor-funded projects are ICT based, efforts should be made by donors and implementing agencies to include IT experts in the team of consultants for such projects. The ICT infrastructure of most developing countries is not very well

developed to support such ICT based interventions. This poses a challenge to the successful execution of donor projects.

Finally, organisations should provide the necessary support to employees as well as create a congenial environment to ensure that knowledge, attitudes and skills acquired during training are consistently applied to their jobs. This will undoubtedly lead to the effectiveness of their organisations.

### **5.3 Limitations of the thesis**

Although this thesis makes valuable contributions to the extant literature on donor-funded interventions and activities of professional accountancy organisations, this thesis is without limitations. Therefore caution should be taken in the generalisation of the findings of this thesis.

First, the thesis involves a single accountancy organisation in one developing country which has benefited from donor-funded interventions. This restricts the extent of generalization of the results to other accountancy organisations in other developing countries. This is because data were collected from respondents of the same accountancy organisation within one country and may not reflect similar perceptions of samples from accountancy organisations in other countries.

Another limitation of this thesis is the fact that the study is cross-sectional in nature with data gathered at one point in time. Given that people's perceptions change with time, a longitudinal survey could have improved the current findings as this type of survey has the advantage of measuring change in outcomes at the individual level, with data



collected over time instead of at one point in time. The longitudinal survey offers the opportunity to observe an individual's patterns of change.

Despite the limitations of this thesis, the findings complement the aid literature, which is dominated by research on official development aid to the neglect of other forms of aid such as technical and capacity building aid.

#### **5.4 Avenues for future research**

Further research should be conducted to include multiple cases of accountancy organisations which have benefited from similar interventions from IFAC. This will greatly help with the assessment of the effectiveness of donor-funded interventions in different jurisdictions across the globe.

Secondly, a study should be conducted to solicit the views of end-users of accounting information, especially government, employers and investors on financial reporting quality in Ghana. Further research to assess the financial reporting quality in the country before and after the intervention will be novel. This will reveal the improvement or otherwise in financial reporting quality and hence the effectiveness of the intervention programme.

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**APPENDICES**

**Appendix I: Principal component analysis result**

<b>Items quality</b>	<b>Component</b>		
	<b>1 CPD</b>	<b>2 Exams quality</b>	<b>3 Tuition</b>
CPDm	0.823		
CPDh	0.782		
CPDe	0.754		
CPDc	0.751		
CPDf	0.749		
CPDg	0.706		
CPDj	0.698		
CPDd	0.698		
CPDl	0.617		
CPDi	0.599		
CPDk	0.590		
CPDa	0.575		
EQa		0.825	
EQg		0.817	
EQb		0.795	
EQc		0.770	
EQd		0.743	
EQf		0.736	
EQi		0.729	
EQe		0.680	
EQh		0.491	
TQa			0.789
TQb			0.780
TQd			0.775
TQc			0.750
TQi			0.665
TQh			0.635
TQe			0.611
TQf			0.595
Cronbach's alpha	0.903	0.893	0.854
Eigenvalues	6.070	4.946	4.046
Variance (%)	20.929	17.054	13.951

Source: researcher's computations

## **Appendix II: Interview Guides**

### **INTERVIEW GUIDE FOR PRESIDENT OF ICAG COUNCIL AND CEO**

I am a PhD candidate at the Department of Accounting, University of Ghana Business School, Legon. You are kindly requested to assist by participating in the face-to-face interview that seeks to assess the impact of donor funded interventions on Professional Accountancy Organisations (PAOs) and to describe how the intervention has influenced the PAOs operations and processes. The research is conducted in respect of the need to fulfill the requirements for a Doctoral Degree. Please be assured that any information provided would be treated with the utmost confidentiality.

#### **A. Rationale for the intervention**

1. Why was the support granted to the institute?
2. Why did the institute receive the support?
3. In which forms were the intervention received by the Institute?
4. To what extent was the institute involved in determining the deliverables of the intervention?
5. To what extent was the institute involved in selecting twinning partner?
6. To what extent did participation of the institute advanced or hindered the achievement of the deliverables? Please explain

#### **B. Influence on Institute's strategy and governance**

1. How has the intervention changed or not changed the institute's technical strategy?
2. How has the intervention influenced or not influenced the institute's oversight strategy?
3. How has the intervention changed or not changed the institute's research strategy?
4. How has the intervention influenced or not influenced the public relation strategy
5. To what extent has the intervention influenced the Institute's organisational structure?
6. To what extent has the intervention influenced principal officers' appointment?
7. To what extent has the intervention influenced processes of appointing members of the governing council?

#### **C. Implementation challenges**

1. What were some challenges, if any, encountered in the implementation of the intervention?
2. How did you overcome the challenges?
3. What recommendations will you give for future donor funded intervention?



## **INTERVIEW GUIDE FOR OPERATIONAL DIRECTORS**

I am a PhD candidate at the Department of Accounting, University of Ghana Business School, Legon. You are kindly requested to assist by participating in the face-to-face interview that seeks to assess the impact of donor funded interventions on Professional Accountancy Organisations (PAOs) and to describe how the intervention has influenced the PAOs operations and processes. The research is conducted in respect of the need to fulfill the requirements for a Doctoral Degree. Please be assured that any information provided would be treated with the utmost confidentiality.

### **D. Impact of intervention on the Institute's activities**

1. What has been the effect of the intervention on Examination processes, tuition and practical training?
2. What effect, if any, do you think the intervention have had on the Institute's qualification?
3. What effect, if any, has the intervention had on CPDs?
4. What effect, if any, has the intervention had on student and membership numbers?
5. What has been the effect of the intervention on service delivery to students, members and the general public?
6. What has been the effect, if any, of the intervention on the Institute's finances?
7. What effect, if any, has the intervention had on the Institute's Public image/ public relations?
8. What effect, if any, has the intervention had on ICT system of the institute?

### **E. Implementation challenges**

4. What were some challenges, if any, encountered in the implementation of the intervention?
5. How did you overcome the challenges?
6. What recommendations will you give for future donor funded intervention?

### Appendix III: Research Questionnaires

#### Research Questionnaire

Dear Member,

I am Richard Amankwa Fosu, a PhD candidate at the Department of Accounting, University of Ghana Business School, Legon. This research is focused on **investigating the impact of donor-funded interventions on the activities of professional accountancy associations in Ghana**. Your candid responses are hereby solicited and would be strictly treated with utmost confidentiality. My contact number is 0274 737 723 in case of any reservation or clarification you would want to make about the questions.

#### Section A: Demographic characteristics

1. What is your sex?
  1. Male
  2. Female
2. How old are you?
3. What is your marital status?
  1. Single/never married
  2. Married
  3. Separated/Divorced
4. Is your place of residence in urban or rural area?
  1. Urban
  2. Rural
5. What is your highest level of education?
  1. Secondary
  2. Degree
  3. Masters
  4. PhD
  5. Professional
7. What is your employment status?
  1. Student
  2. Unemployed
  3. Self-employed
  4. Employed
8. What is your religion?
  1. Christianity
  2. Islam
  3. Traditional
  4. Other, please specify.....

**Section B: Quality of Continuous Professional Development (CPD)**

9. Have you in the past three years participated in any CPDs?

- 1. Yes [ ]
- 2. No [ ]

10. If your answer to Question 9 above is ‘Yes’, Please indicate the extent to which you agree or disagree with the following statements. Each statement requires only one answer. Kindly provide your answer by ticking (✓) appropriately. Use the scales below as a guide

Strongly agree Agree Neutral Disagree Strongly disagree  
 5 4 3 2 1

Over the past three years, CPDs have:						
a	been good value in relation to their cost	1	2	3	4	5
b	been offered at times of the year that fitted my schedule	1	2	3	4	5
c	been of high quality	1	2	3	4	5
d	been practical	1	2	3	4	5
e	covered complex and emerging issues in accounting and auditing	1	2	3	4	5
f	been delivered by facilitators of adequate practical experience and training	1	2	3	4	5
g	been pitched at the right level for me	1	2	3	4	5
h	been relevant to my professional development	1	2	3	4	5
i	been of the right length of time for my needs	1	2	3	4	5
j	enhanced my employability/marketability	1	2	3	4	5
k	provided useful networking opportunities with my peers	1	2	3	4	5
l	Provided valuable contacts with experts	1	2	3	4	5
m	Overall, I am satisfied with my CPD experience in the last three years	1	2	3	4	5

11. If the answer to Question 9 above is ‘No’, then why have you not attended the CPDs?

- 1. CPDs are too costly [ ]
- 2. CPDs are not flexible (timing) [ ]
- 3. Location of CPDs is far from me [ ]
- 4. CPDs are not of high quality [ ]
- 5. Other, please specify .....

**Section C: Intervention Outcome**

12. Please indicate the extent to which you agree or disagree with the following statements. Each statement requires only one answer. Kindly provide your answer by ticking (√) appropriately.  
Use the scales below as a guide

Strongly agree                  Agree                  Neutral                  Disagree                  Strongly disagree  
5                                  4                                  3                                  2                                  1

Over the past three years, there has been:						
A	more confidence in accountancy qualification	1	2	3	4	5
B	better professional representation of accountants	1	2	3	4	5
C	more financially literate experts	1	2	3	4	5
D	adequate capacity of accountancy advocates	1	2	3	4	5
E	adoption and enforcement of international standards	1	2	3	4	5
F	increased quality of financial reporting	1	2	3	4	5
G	increased quality of financial management	1	2	3	4	5
H	increased quality of auditing	1	2	3	4	5

Thank you for your time

### Research Questionnaire

Dear Examiner,

I am Richard Amankwa Fosu, a PhD candidate at the Department of Accounting, University of Ghana Business School, Legon. This research is focused on **investigating the impact of donor-funded interventions on the activities of professional associations in Ghana**. Your candid responses are hereby solicited and would be strictly treated with utmost confidentiality. My contacts number is 0274 737 723 in case of any reservation or clarification you would want to make about the questions.

#### Section A: Demographic characteristics

4. What is your sex?
  3. Male
  4. Female
5. How old are you?
6. What is your marital status?
  6. Single/never married
  7. Married
  8. Separated/Divorced
9. Is your place of residence in urban or rural area?
  3. Urban
  4. Rural
10. What is your highest level of education?
  6. Secondary
  7. Degree
  8. Masters
  9. PhD
  10. Professional
11. What is your employment status?
  5. Student
  6. Unemployed
  7. Self-employed
  8. Employed
12. What is your religion?
  5. Christianity
  6. Islam
  7. Traditional
  8. Other, please specify.....

**Section B: Examination Quality**

13. Please indicate the extent to which you agree or disagree with the following statements. Each statement requires only one answer. Kindly provide your answer by ticking (√) appropriately. Use the scales below as a guide

Strongly agree                  Agree                  Neutral                  Disagree                  Strongly disagree  
 5                                  4                                  3                                  2                                  1

Over the past three years, there has been an improvement in:						
a	quality of examination questions	1	2	3	4	5
b	structure of examination questions	1	2	3	4	5
c	clarity of examination questions	1	2	3	4	5
d	syllabus coverage in examination questions	1	2	3	4	5
e	appropriate weighting of questions	1	2	3	4	5
f	quality of scripts marking	1	2	3	4	5
g	quality of moderating	1	2	3	4	5
h	Pass rates	1	2	3	4	5
i	access to results	1	2	3	4	5

**Section C: Intervention Outcome**

14. Please indicate the extent to which you agree or disagree with the following statements. Each statement requires only one answer. Kindly provide your answer by ticking (√) appropriately. Use the scales below as a guide

Strongly agree                  Agree                  Neutral                  Disagree                  Strongly disagree  
 5                                  4                                  3                                  2                                  1

Over the past three years, there has been:						
a	more confidence in accountancy qualification	1	2	3	4	5
b	better professional representation of accountants	1	2	3	4	5
c	more financially literate experts	1	2	3	4	5
d	adequate capacity of accountancy advocates	1	2	3	4	5
e	adoption and enforcement of international standards	1	2	3	4	5
f	increased quality of financial reporting	1	2	3	4	5
g	increased quality of financial management	1	2	3	4	5
h	increased quality of auditing	1	2	3	4	5

Thank you for your time

### Research Questionnaire

Dear ICAG Student,

I am Richard Amankwa Fosu, a PhD candidate at the Department of Accounting, University of Ghana Business School, Legon. This research is focused on **investigating the impact of donor-funded interventions on the activities of professional associations in Ghana**. Your candid responses are hereby solicited and would be strictly treated with utmost confidentiality. My contacts number is 0274 737 723 in case of any reservation or clarification you would want to make about the questions.

#### Section A: Demographic characteristics

7. What is your sex?
5. Male
6. Female
8. How old are you?
9. What is your marital status?
11. Single/never married
12. Married
13. Separated/Divorced
14. Is your place of residence in urban or rural area?
5. Urban
6. Rural
15. What is your highest level of education?
15. Secondary
16. Degree
17. Masters
18. PhD
19. Professional
6. In which year did you enroll as ICAG student
7. What is your employment status?
9. Student
10. Unemployed
11. Self-employed
12. Employed
8. What is your religion?
9. Christianity
10. Islam
11. Traditional
12. Other, please specify.....

**Section B: Quality of Infrastructure**

9. Please indicate the extent to which you agree or disagree with the following statements. Each statement requires only one answer. Kindly provide your answer by ticking (✓) appropriately. Use the scales below as a guide

Strongly agree      Agree      Neutral      Disagree      Strongly disagree  
 5                      4                      3                      2                      1

Over the past three years, there has been:						
a	availability of tuition centres	1	2	3	4	5
b	easy access to tuition centres	1	2	3	4	5
c	improvement of lecture rooms	1	2	3	4	5
d	improvement of lecture room facilities (desks, writing boards)	1	2	3	4	5
e	improvement of ventilation in lecture rooms	1	2	3	4	5
f	use of IT in tuition provision (use of computers, projectors etc.)	1	2	3	4	5
g	access to internet facilities in lecture rooms	1	2	3	4	5
h	improved website (up to date with relevant features)	1	2	3	4	5
i	increased access to the Institute’s library (well-resourced library)	1	2	3	4	5

**Section C: Quality of Tuition**

10. Please indicate the extent to which you agree or disagree with the following statements. Each statement requires only one answer. Kindly provide your answer by ticking (✓) appropriately. Use the scales below as a guide

Strongly agree      Agree      Neutral      Disagree      Strongly disagree  
 5                      4                      3                      2                      1

Over the past three years, there has been:						
a	improvement in teaching and learning	1	2	3	4	5
b	improvement in lecturer delivery	1	2	3	4	5
c	increase coverage of syllabus	1	2	3	4	5
d	increased enthusiasm of lecturers about teaching	1	2	3	4	5
e	increased accessibility of lecturers to students	1	2	3	4	5
f	increased participation of students in teaching	1	2	3	4	5
g	more practical illustration are used during teaching	1	2	3	4	5
h	regular and timely feedback on assignments presented	1	2	3	4	5
i	effective utilisation of lecture time by lecturer	1	2	3	4	5



**Section D: Quality of Examination**

11. Please indicate the extent to which you agree or disagree with the following statements. Each statement requires only one answer. Kindly provide your answer by ticking (✓) appropriately. Use the scales below as a guide

Strongly agree                  Agree                  Neutral                  Disagree                  Strongly disagree  
 5                                  4                                  3                                  2                                  1

Over the past three years, there has been:						
a	improvement in syllabus coverage in examinations	1	2	3	4	5
b	appropriate weighting of examination questions	1	2	3	4	5
c	clarity of examination questions	1	2	3	4	5
d	easy access to examination results	1	2	3	4	5
e	timely release of examination results	1	2	3	4	5
f	improvement in pass rates	1	2	3	4	5
g	improvement in examination registration process	1	2	3	4	5
h	flexibility of examination time table	1	2	3	4	5

**Section E: Intervention Outcome**

10. Please indicate the extent to which you agree or disagree with the following statements. Each statement requires only one answer. Kindly provide your answer by ticking (✓) appropriately.

Use the scales below as a guide

Strongly agree                  Agree                  Neutral                  Disagree                  Strongly disagree  
 5                                  4                                  3                                  2                                  1

Over the past three years, there has been:						
a	more confidence in accountancy qualification	1	2	3	4	5
b	better professional representation of accountants	1	2	3	4	5
c	more financially literate experts	1	2	3	4	5
d	adequate capacity of accountancy advocates	1	2	3	4	5
e	adoption and enforcement of international standards	1	2	3	4	5
f	increased quality of financial reporting	1	2	3	4	5
g	increased quality of financial management	1	2	3	4	5
h	increased quality of auditing	1	2	3	4	5

Thank you for your time

### Research Questionnaire

Dear Respondent,

I am Richard Amankwa Fosu, a PhD candidate at the Department of Accounting, University of Ghana Business School, Legon. This research is focused on **investigating the impact of donor-funded interventions on the activities of professional accountancy associations in Ghana**. Your candid responses are hereby solicited and would be strictly treated with utmost confidentiality. My contact number is 0274 737 723 in case of any reservation or clarification you would want to make about the questions.

#### Section A: Demographic characteristics

10. What is your sex?

- 7. Male
- 8. Female

11. Age: 1. 25 to 35 years

- 2. 36 to 45 years
- 3. 46 to 55 years
- 4. above 55 years

12. Is your place of residence in urban or rural area?

- 7. Urban
- 8. Rural

13. Are you a qualified/chartered accountant?

- 1. Yes
- 2. No

14. What is your highest level of academic education?

- 20. Secondary
- 21. Bachelor
- 22. Masters
- 23. PhD
- 24. Other, please specify.....

5. Experience (years) in current ICAG activity

6. What is your employment status?

- 13. Unemployed
- 14. Self-employed
- 15. Salaries employee
- 16. Pensioner

**Section B: Measurement Items**

The International Federation of Accountants (IFAC) through the World Bank has over the years been providing funding to Professional Accountancy Organisations (PAOs) in many emerging countries across the globe. These supports, usually in the form of training, are aimed at building the institutional capacity of the PAOs in order that the PAOs will remain relevant in the ever changing economic environment. The purpose of this study therefore is to assess the effect of the training interventions on the competence and organisational commitment of beneficiaries as well as organisational effectiveness.

Please indicate the extent to which you agree or disagree with the following statements. Each statement requires only one answer. Kindly provide your answer by ticking (✓) appropriately. Use the scales below as a guide

Strongly agree                  Agree                  Neutral                  Disagree                  Strongly disagree  
 5    4    3    2    1

<b>TRAINING</b>						
1	Equipment used in training are similar to equipment found on the job	1	2	3	4	5
2	Organization gives time for participating in training program	1	2	3	4	5
3	The skills and knowledge related resources that were used in the training program are available for use on the job	1	2	3	4	5
4	After receiving training, trainee asked to provide feedback on how much the trainee learned.	1	2	3	4	5
5	The activities of training program provided meet the needs of the trainees	1	2	3	4	5
<b>COMPETENCE</b>						
<b>Self-competence</b>						
6	Owing to my capabilities, I have much potential	1	2	3	4	5
7	I succeed at much	1	2	3	4	5
8	I have done well in life so far	1	2	3	4	5
9	I perform very well at a number of things	1	2	3	4	5
10	I am a capable person	1	2	3	4	5
11	I have much to be proud of	1	2	3	4	5
12	I am talented	1	2	3	4	5
13	I am very competent	1	2	3	4	5
<b>Team-competence</b>						
14	I can work very effectively in a group setting	1	2	3	4	5
15	I can contribute valuable insight to a team project	1	2	3	4	5
16	I can easily facilitate communication between people	1	2	3	4	5
17	I am effective at delegating responsibility for tasks	1	2	3	4	5
18	I can effectively coordinate tasks and activities of a group	1	2	3	4	5
19	I am able to resolve conflicts between individuals effectively	1	2	3	4	5
20	I do feel I can take on a leadership role in a group and be effective	1	2	3	4	5
21	I am very good at integrating information and suggestions from individuals into a plan	1	2	3	4	5

<b>Change-competence</b>						
22	I am confident in my ability to deal with the planned structural changes	1	2	3	4	5
23	I am confident to help organisation to deal with stressful nature of organisational change	1	2	3	4	5
24	I am confident and able to do all that is demanded of me by the change	1	2	3	4	5
25	I believe, I perform well in my job situation following the restructuring	1	2	3	4	5
26	Provided training, I perform well following the change	1	2	3	4	5
<b>Communication competence</b>						
27	I am good listener	1	2	3	4	5
28	I will not argue with someone just to prove I am right	1	2	3	4	5
29	I generally know what type of behaviour is appropriate in any given situation	1	2	3	4	5
30	I do not mind meeting strangers	1	2	3	4	5
31	I can easily put myself in another person's shoes	1	2	3	4	5
<b>Ethical competence</b>						
32	I have the ability to deal with moral conflicts and problems	1	2	3	4	5
33	I can defend my ethical decision	1	2	3	4	5
34	I maintain fair process at all times	1	2	3	4	5
35	I respect the dignity of those affected by the decisions	1	2	3	4	5
36	I have the ability to take decision in ethical dilemmas	1	2	3	4	5
<b>ORGANISATIONAL COMMITMENT</b>						
37	Being in this organisation is important to my self-image	1	2	3	4	5
38	I regret having entered the organisation (R)	1	2	3	4	5
39	I am proud to be in this organisation	1	2	3	4	5
40	I dislike being in this organisation (R)	1	2	3	4	5
41	I do not identify with the organisation (R)	1	2	3	4	5
42	I am enthusiastic about being in this organisation	1	2	3	4	5
43	I have put too much into the organisation to consider changing now	1	2	3	4	5
44	Changing jobs now would be difficult for me to do	1	2	3	4	5
45	Too much of my life would be disrupted if I were to change my organisation	1	2	3	4	5
46	It would be costly for me to change my organisation now	1	2	3	4	5
47	There are no pressures to keep me from changing organisation (R)	1	2	3	4	5
48	Changing organisation now would require considerable personal sacrifice	1	2	3	4	5
49	I believe people who have been trained in an organisation have a responsibility to stay in that organisation for a reasonable period of time	1	2	3	4	5
50	I do not feel any obligation to remain in the organisation (R)	1	2	3	4	5
51	I feel a responsibility to the organisation to continue in it	1	2	3	4	5
52	Even if it were to my advantage, I do not feel that it would be right to leave the organisation now	1	2	3	4	5
53	I would feel guilty if I left this organisation	1	2	3	4	5

54	I am an employee because of a sense of loyalty to the organization	1	2	3	4	5
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<b>Organisational Effectiveness</b>						
Over the past three years, my organisation has improved its ability to:						
55	develop new products, services, or programmes	1	2	3	4	5
56	produce quality new products, services, or programmes	1	2	3	4	5
57	attract essential employees	1	2	3	4	5
58	retain essential employees	1	2	3	4	5
59	satisfy customers or clients	1	2	3	4	5
60	improve relations between management and other employees	1	2	3	4	5
61	improve relations between employees in general	1	2	3	4	5

Thank you for your time

**Appendix IV: Ethical Clearance**



**UNIVERSITY OF GHANA**  
ETHICS COMMITTEE FOR THE HUMANITIES (ECH)

*P. O. Box LG 74, Legon, Accra, Ghana*

My Ref. No.....

31<sup>st</sup> January, 2019

Mr. Richard Amankwa Fosu,  
Department of Accounting,  
UGBS, University of Ghana,  
Legon

Dear Mr. Fosu,

**ECH:005/18-19 Donor-Funded Interventions and Activities of Professional Accountancy Organisations in Ghana**

This is to advise you that the above reference study has been presented to the Ethics Committee for the Humanities for a full board review and the following actions taken subject to the conditions and explanation provided below:

Expiry Date:	31/01/20
On Agenda for:	Initial Submission
Date of Submission:	02/11/18
ECH Action:	Approved
Reporting:	Bi-annually

Please accept my congratulations.

Yours Sincerely,

Prof. C. Charles Mate-Kole  
ECH Vice Chair

Cc: Dr. William Coffie, University of Ghana Business School  
Prof. Mohammed Amidu, University of Ghana Business School



Tel: +233-303933866

Email: [ech@ug.edu.gh](mailto:ech@ug.edu.gh)