

PHILOSOPHY FOR ACCOUNTANCY

**Educating responsible professionals
through critical thinking and ethical reasoning**

Plamena Pehlivanova
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This discussion paper considers how we can inspire and engage accounting students in developing their professional leadership through critical thinking and ethical reasoning.

ICAEW launched the *AuditFutures* thought-leadership programme to inspire dialogue, innovation and to rethink, in a systemic way, the future of the profession and its evolving role in society. A significant part of our work is dedicated to raising the quality of the profession and to motivating and retaining talent. We believe that by helping universities and business in instilling and maintaining motivation among young professionals, we can boost their commitment and intellectual rigour in the discipline of accounting as something to aspire to.

Building on our engagement with accounting academia and practice, we hope to catalyse new and holistic discussion about the role of education in modern professions. This publication aims to reflect on the programme that we piloted at Manchester Business School and to help us challenge existing thinking and invite further discourse by posing new questions.

This publication will be followed by an academic paper on the theory and methodology of *Philosophy for Accountancy*, and a practice guide and a toolkit for educators.

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ABOUT AUDITFUTURES

AuditFutures is a thought-leadership initiative of ICAEW's Audit and Assurance Faculty, established in 2012 in partnership with the Finance Innovation Lab. As catalysts for new thinking and fresh perspectives, we aim to inspire collaborative innovation and constructive dialogue about the role of audit and the accountancy profession in 21st century society.

Education presents a fundamental opportunity for the formation of the values and structure of the profession as a whole. We see the role of universities as more proactive in challenging current paradigms, and in fostering the critical, moral and innovative thinking skills in young professionals.

There is a growing need for collaboration between educators and training practitioners to develop bespoke approaches to education, depending on their motivation, timetables and vision for impact. We look for individuals and organisations who aspire for broader education and are committed to cultivating democratic values in students and professionals, to working toward the public interest. By creating a culture of open discussion and constant reflection and building on students' prior knowledge, we support personal and professional identity development and deeper commitment to the field of study.

Therefore, as part of our *AuditFutures* University programme, we have developed initiatives to promote the profession, to challenge students' thinking and to provide opportunities for engaging academia and practice:

- **Catalyst sessions.** These are one-off sessions that take place once a year as part of the regular class time of university modules. Run as interactive workshops and featuring guest talks and multimedia presentations, the sessions inspire students and challenge their thinking. Building on the course content, the sessions are structured in three levels: inquiry and social context; complexity and systems thinking; and design thinking and innovation.
- **University assemblies.** These half-day events bring together students and academics from accounting and other disciplines, as well as practitioners, businesses and civil society leaders from local communities to galvanise interest in the greater purpose of the accountancy profession. Sessions explore multidisciplinary issues and ideas within accounting, auditing and finance and connect them with wider social challenges
- **Philosophy for Accountancy.** This comprehensive approach embraces a long-term vision for supporting the core of professional education through integrated seminars in accounting courses and training modules. These sessions develop independent critical thinking and higher moral reasoning that help students deal with complex problems while embedding technical knowledge and professional skills within a wider social frame. We aim to boost the overall rigour of professional accounting education so that it becomes something to aspire to.

RAISING THE BAR

Professions are distinct social and historical realities of our modern world. They arise from trades and occupations through educational transformation, by development of formal qualifications, apprenticeships, examinations and continuous learning, supported by regulatory institutions.

The most revered professionals are honoured for their knowledge and ethicality. Their self-realisation and service to a higher purpose is what defines a morally admirable person and what inspires young people to idealistic sacrifice and devotion of their lives to a profession.

Most leading ICAEW members are people who are passionate about their profession and think about it as something that is interesting and worth devoting their life to. They are driven by a higher aspiration and motivation to serve the public interest. Without that, a profession could be seen as a group of people trading services in a market.

This brings the challenge and concern of whether the predominantly technical character of professional training is suitable for those who will lead businesses, accounting firms and the profession. The current pressure on learning technical expertise underestimates the need for critical, creative or moral perspectives, which universities are best suited to foster in the intellectual and character development of professionals.

Professional bodies have an opportunity and role to challenge this and promote understanding that university accounting education is not just about technical skills acquired over a limited time period. It is a life-long journey, where qualifications and degrees are just stepping stones. Looked at in isolation, qualifications and degrees just demonstrate that someone has passed exams.

Professional institutions have the aspiration and obligation to raise the bar of fostering personal commitment to the social purpose of the profession. Engaging in intellectual rigour, forming professional judgements and guiding duties and virtues could spring from contextualising knowledge and broadening the understanding of principles. Going above and beyond what is required and expected is what drives personal motivation and gains public appreciation.

Taking a proactive and reflective approach is needed especially now when most changes seem to happen due to external shocks or due to economic, technological or regulatory pressures. We want to challenge this dominant narrative and argue that to drive change in professional behaviour and practice, we need to facilitate internal change rather than respond to external change.

As one of the global thought-leading professional bodies of the finance and accounting profession, ICAEW is ideally positioned to provide continuous support to people who are devoted to the profession. Such institutional support builds dynamic links between academia, business and practice, and develops platforms for continuous engagement for members.

Opening discussion of the role of university education in fostering responsible professionals is one of our activities in thinking about the future of the profession and advancing its role in the 21st century society.

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GREATER OPPORTUNITIES FOR EDUCATION

Broadening education could be a positive disruptive force to enable creative leadership within the profession.

In the past decade, economic and social needs have had a significant impact on the way that education curricula are developed. Ongoing pressures in education to focus on generating higher performance outputs have been at odds with the need to develop higher capacity of judgement within professional groups. Such pressures have increasingly contributed to knowledge compartmentalisation, and a consequential increase of occupational specialisation, standards and regulations, especially in the financial world.

The instrumental notion in education since industrialisation has focused heavily on testing for hard knowledge and skills, and less on developing character, moral reasoning and the ability to exercise independent critical judgement. There is a common agreement that such instrumentalisation has led to the development of perverse incentives and contributed to financial scandals and an overall loss of trust in financial institutions. As professional scepticism and judgement are at the heart of accountancy, young professionals and students require a more holistic learning process that fosters independent critical thinking through intellectual challenge and contextualisation of technical knowledge.

We are aware of the significant research by academics like Humphrey (2005) emphasising the need to promote contextual and critical learning in accounting students, as well as much attention given to teaching about the public interest commitments and social responsibilities of professional accountants. Mike Diamond's historical review notes the continuous calls for reform in accounting education prior to the demise of Enron, and stresses the current changes in the profession which open up a real opportunity for fundamental reform.

The current environment and critical realities of today, supplemented by the extensive ethnographic observations gathered by the *AuditFutures* initiative in both the US and UK, have demonstrated the urgency for a mobilised discussion and action around these salient topics in accounting education.

We have learned from the wider *AuditFutures* programme and its engagements with international universities that there is a need for more reflective values, attitudes and competencies in young professionals, and so we explore how specifically higher education could support a more comprehensive and proactive approach to professional education, so as to foster such competencies and embrace the role of accountants as custodians of moral good. We believe that education could be a disruptive force that enables a new type of proactive leadership, which can critically evaluate new business and social needs and generate innovative approaches to facilitate change.

There is a growing attention to the core purpose of finance professions and their ethical role in meeting the public interest, seen in various recent publications. *Accounting for the Public Interest*, edited by Steven Mintz (2010), is one of the main publications to focus on accounting and the public interest, examining the role and responsibilities of accounting in society. ResPublica's (2014) *Virtuous Banking*, discusses the ethos and purpose at the heart of finance and argues that regulators and the industry must make it a first priority to restore the civic purpose of banking institutions. The recent RSA & AuditFutures (2014) *Enlightening Professions* report, challenges how the accountancy profession can reaffirm its role in serving the public interest by enhancing trust in audit and institutions. Furthermore, the leading social psychologist, Jonathan Haidt and collaborators have established a leading ethical systems network, which promotes the idea that integrity in business can be enhanced by wise leaders who take a systems approach to their organisations and the environments in which they operate. Haidt has written and spoken on various topics concerning ethicality, such as *Can you teach businessmen ethics?* (2014).

Similarly, a number of leading business schools are now looking to advance ethical leadership and critical thinking skills in their students, by integrating philosophy, history and social psychology as part of a more responsible and interdisciplinary finance education. Some of the current leading courses are:

- NYU Stern School of Business **Ethical Leadership**, based in the Business and Society Program integrates behavioural science and moral psychology, to understand ethical behaviour and foster the design of holistic ethical systems.
- University of Chicago Booth School of Business is starting a thought-leading course on **Designing a Good Life**, led by Professor Epley who explores psychological processes that govern human thought and behaviour in ethical domains, and gives insights into how you would design your life, your organisation, and your team so that it not only does well in life, but also lives a good life.
- University of Southern California's late Professor Donald Willard initiated the course **Professions and the Public Interest in American Society**, which promotes discussion and deep understanding of the public interest.
- Copenhagen Business School's new **MSc Business Administration and Philosophy** focuses on developing skills in business philosophy by combining business economics and philosophy, which enables students to identify and solve complex challenges in private and public organisations through philosophical reflection and analysis applied to business theory and practices.
- Harvard Business School focuses on raising the level of ethicality through integrating critical reflection in classes such as **The Moral Leader**.

While it is essential to consider socio-cultural factors in the formation of the values and structure of the profession as a whole, the role of education (specifically professional and technical education) is formative and influential in forming prospective professionals. There is a need to address how 21st century education institutions could play a more proactive role in closing the expectation gap between academia

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Research focused on professional education and pedagogical methods in accountancy is rather scarce, and only a few recent publications have identified the need for advancement of teaching and learning, outlining key formative elements which education should impact, such as – professional identity, judgement, and values. A professional judgement model proposed by Professor Jack Wilkerson (2010), from Wake Forest University, proposes a holistic way of improving judgement based on moral psychology and advocates a curriculum founded on professional ideals and identity. In addition, the recent paper by Dr Melina Manochin and Angela Lorenz (2015) ‘*Flexible Pedagogies: Challenges and Potentialities of Management Accounting Curriculum Design in the UK and Vietnam*’, addresses the need for bringing in deeper transformative learning of accounting – by introducing interdisciplinarity and social context. We further explore the need for progressive pedagogy and consider the field of learning sciences as crucial in broadening professional education – particularly enriching the field of accountancy education with new tools and methods of learning, knowledge construction and identity formation.

While a high-stakes performance culture and external commercial forces have incentivised more specialised and narrower approaches to education and training, ironically, we see an appetite for more holistic and critical thinking. With a number of social and economic needs, democratisation and proliferation of information, and the advancement of technology, professionals face new challenges to their expertise, relevance and social function. Thus, we need to actively address the adequacy of technical skills, degrees and professional qualifications in such fast-changing societies, and work to broaden the scope of professional education, both intellectually and morally, so as to foster resilient leadership capabilities in young professionals.

Education should enable resilience and a critical outlook in professionals who can evaluate quickly changing economic and social contexts.

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NEEDS FOR A BROADER EDUCATION

Through our action-research initiatives within the *AuditFutures* programme, we have identified some needs within academia and practice, which we consider as the main drivers for developing our university engagements:

The need for commitment and passion for accountancy as a subject matter from university students.

We see low levels of personal commitment from students as a major concern raised by academics, which leads to the question ‘**how can we inspire and motivate young professionals?**’ We see that disengagement could also affect the level of personal commitment from young professionals, due to the inability to contextualise their knowledge and connect to the larger purpose and role of the profession. This inability to internalise and engage could have an indirect impact on understanding and acting on professional ethics.

The need to make learning less instrumental and procedure-oriented.

Thinking of education as means to an end could lead to commoditisation of professional knowledge and restrict the development of professional identity and critical judgement. The procedure-oriented notion of professional education has responded to external pressures and has shifted to prioritise technical expertise, which could be tested, and to diminish others such as autonomy of reasoning, communication and teamwork, which are harder to test and implement. Such incentives promote a ‘means-to-an-end’ culture of education, limits deep learning and skews the type of talent the profession attracts.

The need to contextualise professional knowledge and technical skills.

As a social science, there is a need to contextualise topics of accountancy in order to engage students’ interest on a deeper personal level, and enable them to connect technical knowledge with a broader context of society and economy. Furthermore, in order to situate their knowledge, students need to connect their studies with the realities and complexities of the profession.

The need and concern over ethical behaviour in professionals.

Research shows that there is no single ethics course or teaching method which could guarantee to improve ethical behaviour. Instead, we propose that ethical reasoning is a more manageable quality that could be improved through integrated learning and teaching methods .

There is an ongoing debate whether ethics should be taught as specialised subject or integrated within the business school curricula. While either approach calls for different capacities and orientation, the most important aspect is to enable students to reason independently and develop understanding of values and virtues.

It is also problematic that most exams, which test ethical reasoning, cannot possibly foster or test for soft skills and ethical behaviour. Over-reliance on solving dilemmas relies on memorisation of key principles and thinking in isolation, but does ask how an individual will make decisions in complex situations. In addition, research in psychology has agreed that solving ethical dilemmas in isolation does not necessarily translate into ethical behaviour, nor does it foster higher professional judgement. Furthermore, students need to be able to judge whether accountants have moral responsibilities (and legal duties), and if so, to whom and for what?

The need to broaden professional education so it is relevant for complex societies.

As the world is growing more complex and interconnected, organisations are facing multifaceted challenges that require education beyond single-track specialisation and expert technical knowledge. Innovative and fast-growing industries, from tech startups to pharmaceuticals are encouraging and searching for cross-disciplinary degrees and lateral thinking in graduates.

The learned and free professions of doctors, lawyers, accountants and architects stand on a higher ground, defined by personal commitment to serve the public and intellectual rigour. Without that, their role in society will be limited to that of occupations and trades.

The challenge for professional education is to resist the ongoing pressures from commercial organisations and economic trends that focus on instrumental technical knowledge. This incongruous dynamic of searching for broad range of recruits with narrow set of skills could eventually backfire at any profession which hopes to attract bright young people who search for meaning and purpose.

In the UK, where accounting firms are recruiting graduates with both 'relevant' and 'non-relevant' degrees, the education discourse focuses on the technical knowledge of aspiring accountants. As modern professions are looking for different skills and competencies, education institutions need to rethink their role.

The much needed creative and critical thinking and higher moral reasoning cannot be developed as add-ons to narrow technical subjects. Education should reflect on the roots of its liberal pursuits and contextualise the knowledge construction so we can aspire for wisdom in students.

AN ASPIRATION FOR WISDOM

Creating the Philosophy for Accountancy programme

Inspiring and advancing the human network of the profession is one of the strategic areas of *AuditFutures*. We have developed programmes to foster personal motivation, and to promote values, competencies and behaviours that the evolving profession needs in a modern society. We are working with universities, training providers and professional services firms to help them infuse creativity, critical thinking and higher ethical reasoning in young professionals.

As part of our engagement with academic institutions, we have hosted over 40 workshops with students from US, UK and Germany. These sessions gave us rich ethnographic observations and deeper understanding of the needs and aspirations of students. Listening to the people who are considering joining the profession provided valuable insights into opportunities for academia and practice to work together. Our thinking was further shaped through participation in academic conferences in the UK and US, where we hosted presentations and interactive seminars.

The success of the individual sessions emphasised the insight from our research that integrated and long-term interventions in the educational curricula are needed. As we are committed to help educators and training providers, we sought to find ways to integrate innovative programmes. We focused on embedding our innovative approaches for facilitation of discussions and our methods for contextualising knowledge within wider frameworks.

We designed the *Philosophy for Accountancy (P4A)* programme to broaden accounting education and to help teachers foster responsible professionals through developing critical thinking and ethical reasoning in accounting students. At the heart of our aims is the belief that people do not just respond to extrinsic incentives, and that as humans, we have progressed so far socially and economically because we are able to reason and act altruistically. Thus, if given the chance to develop a deeper understanding of the self and the larger system in which they function and which they impact, young professionals could develop practical wisdom and ethical commitment toward their profession.

Broadening professional education

We aim to explore and advocate for broader professional education which has an active role in shaping the 21st century society. We envision accountancy as a rigorous social science field of study, and not as a technically oriented, procedure-oriented profession, which is the understanding of many students who choose to study it. As the renowned Professor Edward Stamp (1981) saw it – accountancy is ultimately a social science, which deals with a system created by people, hence its fundamental characteristics are constantly changing and evolving. We share this vision and aim to create a space to re-engage

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with normative and critical theories in accountancy, and emphasise that accountancy, as a profession and a field of study, should rethink its intellectual rigour and regain its social purpose.

The Philosophy for Accountancy programme was developed as a cross-disciplinary collaboration, which supports the spirit of the liberal arts education and its interdisciplinary approach to learning. By drawing on interdisciplinary fields of study and research, such as behavioural psychology, sociology, history and philosophy (beyond economic theories), we believe that this breadth will develop well-rounded individuals who are able to think critically and promote more active citizenship within the new generation of professionals. The philosopher Martha Nussbaum points out that economic growth is a goal but not the only goal of society, a narrow technical education does not “deliver the goods” and we need to think of the bigger picture.

Distracted by the pursuit of wealth, we increasingly ask our schools to turn out useful profit-makers rather than thoughtful citizens. Under pressure to cut costs, we prune away just those parts of the educational endeavor that are crucial to preserving a healthy society (Nussbaum, Not for Profit, 2010)

A proposal for knowledge construction

To provide a breadth of learning and develop holistic understanding about the role of professionals, we have drawn on insights from learning sciences, philosophy, psychology and organisational theory. We believe that students should be introduced to the underlying micro and macro processes that impact behaviour, learning and organisational structures. By engaging students in philosophical inquiry to reflect on these factors in which the individual acts/exists, we aim to facilitate both individual **metacognitive development** and improve the greater design of ‘ethical systems’ – a term coined by the social psychologist Jonathan Haidt of NYU Stern School of Business.

We believe that professional education should be broader and more disruptive in driving innovation and progress in society and the economy. The humanities and social sciences are important fields of study that preserve a healthy society and are fundamental for every professional – doctors, engineers or accountants. That is why the programme takes a liberal arts approach, as it argues for fundamental abilities of critical thinking, compassion, imagination, empathy, and creativity. Our aim is to promote this ultimate vision for professional education and propose ways to integrate it within the professional curricula, which could take a three-level approach:

1. Induction into the culture of philosophical inquiry and the interdisciplinarity of the **liberal arts approach** to knowledge construction.
2. Contextualising professional technical knowledge by placing it within a larger social frame and questioning the social purpose of accountancy. The ability to understand the greater purpose and the individual’s role within the profession could improve the individual’s moral compass – by placing technical knowledge in perspective and within a larger social frame.
3. Building on the ability to critically problematise, think systemically about the profession and design innovative solutions to complex problems – by introducing complexity, systemic thinking and design thinking as tools for deeper learning.

The following graphic illustrates how P4A aims to connect technical knowledge with a broader context of society and the economy. It presents an approach that further informs the well-rounded content of the initiative. While technical expertise is at the centre of professional education, our aim is to situate this knowledge within a wider social frame, which further contextualises and motivates students to work towards a greater purpose.



Engaging with progressive pedagogical approaches

We see the need to engage with **progressive pedagogical** approaches in order to achieve deeper learning, inspire young professionals by connecting them to the greater purpose of the profession, and develop their personal and professional identities. By connecting insights from various fields of study and allowing for open discussions, P4A aims to broaden and contextualise the spectrum of thinking and create a dialogic space where students develop their values, critical thinking, and ethical commitments.

By integrating the latest research from the field of **learning sciences**, we hope to support a holistic approach to teaching and learning in professional education, so as not only to develop the students both personally and professionally, but also to rethink how knowledge is constructed in the field.

We propose a **constructivist method** of learning that engages students in group work, research and project development, philosophical inquiry, and in a space of reason and reflection. Philosophical inquiry is at the heart of our approach as it facilitates:

- active and deeper learning of knowledge concepts;
- the ability to develop empathy to others, a personal outlook/values and to internalise aspects of professional identity;
- the space and context where one can explore and situate oneself in contentious and complex situations.

Testing and integrating these progressive pedagogical approaches, with university students, we explore systemically the strategic institutional

changes and behavioural changes (individual behaviours and abilities) that affect decision-making and professional conduct. Drawing on progressive pedagogies from the learning sciences, we have developed a content framework which focuses on the micro and macro processes that shape our behaviour, decision-making and ultimately the profession itself.

Education as a disruptor

We envision the role of education as a disruptor to existing social and economic paradigms and as an enabler for deeper learning and commitment to virtues. We want to emphasise the moral leadership and proactive role of accountancy students, who will take the profession forward. A broader and more liberating education has the power to attract talent, but also to foster commitment and independent judgement, which are at the heart of the culture and ethics of the profession.

Furthermore, we see the role of university education as building active citizens and a responsible society, rather than just responding to and training for employment skills. As Professor Robert Pippin, Evelyn Stefansson Nef Distinguished Service Professor of Social Thought at University of Chicago, eloquently states:

'...you should not just learn the facts and methodologies of modern mathematics and science; you should learn how a mathematician and a scientist thinks, so that you too can go forth and design your own experiments and proofs, or appreciate that form of discovery and reasoning when you encounter it "in the real world".' (Pippin 2000)

The techniques employed by P4A strive to develop those lifelong learning skills, as they encourage innovative ways of thinking and empower passionate individuals to continuously challenge the status quo and create change. The prevailing education methods have emphasised instruction that guides students toward finding the correct answers to fill-in-the blanks on standardised tests. Instead, the constructivist approaches that P4A emphasises aim to provide students with curiosity, the skills to inquire and the tools to participate in a society where problems are increasingly complex and nuanced understandings are vital. Through the initiative, we have also used **design thinking** as a new constructivist technique that promotes empathy and reconnects the human ability to collaborate and co-create solutions with new tools for thinking.

'If enough people or even a few people who are powerful enough act in innovative ways, their action may have the consequence of transforming the very structures that gave them the capacity to act.' (Sewell, 1992).

PRINCIPLES AND METHODOLOGY

At the core of a liberal arts education is the idea that education should be an end in itself rather than an instrumental means to an end. Our approach supports a broader culture of learning and a constructivist-facilitative style of teaching which encourages a person to be free, critically analyse, develop empathy, inquire, change opinions and, above all, to express oneself.

The fundamental principles that our programme is built on:

Dialogic inquiry

To create a democratic space where students can engage in philosophical inquiry and reflective thinking, develop the ability to change opinions, and steadily build their reasoning skills. In contrast to debate, this Socratic method of discussion allows for development and change of opinion and genuine development of reasoning.

Three Cs - critical, collaborative and creative thinking

To facilitate the development of three types of thinking, which support a whole-person development. These have been informed by learning sciences research, which looks at improving the lifelong learning skills of individuals. For further reading, consider Professor Guy Claxton's *Building Learning Power* and Matthew Lipman's *Philosophy for Children*.

- Critical – builds on evaluative judgement
- Collaborative – builds on the ability to listen, empathise, respond and be open to others' opinions
- Creative – builds on the ability to use knowledge/information in innovative/different ways; think of new ways to solve problems and build links

Normative and critical theories

Accountancy should be seen as a social science and technical knowledge should be placed within a larger social framework. Engaging with critical theories and asking normative questions is an important part in philosophical inquiry – by creating a space of reason, building personal values and virtues and developing a moral outlook on the profession.

Interdisciplinarity and systemic thinking

It is important to develop holistic understanding and the ability to apply knowledge from different subjects to solve complex problems.

The success of the programme depends on commitment to these fundamental elements:

- **Role of the educator as facilitator** – we see the educator as a facilitator who helps individuals' learning and reasoning by giving students space and guidance to form their personal opinions and critical thinking about salient and contentious topics.
- **Role of the student as an active participant** – deeper learning can only be achieved when the student is engaged and actively participating and learning, not just receiving information. Creating a culture of open discussion, constant reflection and building on prior knowledge engages the student in both personal and professional identity development and further fosters a commitment to the field of study.
- **Institutional culture of inquiry** – a commitment to a broader education, which challenges technical knowledge and positions it within a wider social framework; institutional commitment for cultivating democratic values in students and working toward the public interest

Expected outcomes

With this holistic approach to educating young accounting professionals, we see the following could be achieved:

- foster higher critical thinking skills and moral reasoning that are at the core of professional scepticism;
- develop competence to deal with complex decision making and larger global problems;
- instil a culture of inquiry which develops the capacity to be proactive and cosmopolitan democratic citizens;
- boost the overall rigour of professional accounting education so that it becomes something to aspire to;
- promote reflective and critical writing skills;
- build confidence in presentation, communication and teamwork;
- prepare leaders with the critical and innovative skills to lead the future of the accountancy education;
- cultivate the love of wisdom and education beyond instrumental means; and
- develop empathy and imagination – both on a personal and professional level.

CASE STUDY: PILOT AT MANCHESTER BUSINESS SCHOOL

Brief description

In 2014-2015, we engaged with Manchester Business School to test our theory in a year-long pilot programme, integrated as part of the 'Auditing and Professional Accounting Practice' class of Penny Clarke. These monthly seminars introduced the tools of philosophical inquiry and facilitated discussions to a room of 45 first-year undergraduate accounting students.

Session overviews

Coupled with new methods of dialogic inquiry, the sessions integrated topics that worked to contextualise and broaden the knowledge that students had gained from other classes. We further integrated topics from sociology, psychology and philosophy in order to open up the scope of knowledge in accountancy. The aim was to provide the larger social context and purpose of the profession as a key to developing commitment and passion in students. Throughout the year, we witnessed how students' reasoning skills progressed and how their interest and engagement significantly improved.

Topics explored:

- **The importance of philosophy and the liberal arts.** Introduction to the importance of philosophical inquiry in the liberal arts education tradition and the skill set it develops within young professionals – judgement, critical thinking, professional scepticism.
- **What is professionalism?** Challenge students to think beyond knowledge and skills – to address fundamental normative questions, such as 'What should the profession and society look like?' using philosophical inquiry tools to unpack the concept of professionalism.
- **The public interest.** To build on 'professionalism' as a concept, and begin to consider the larger purpose and value of audit. Unpack concepts such as – public versus private interest, discretion and decision making. Address the question whether accountants have moral responsibility and, if so, to whom and for what?
- **Ethics and decision making.** Examine the underlying factors, values and principles that shape our behaviour as professionals and people. Engage with topics in philosophy and psychology to understand how our behaviour is shaped and what makes us do the right thing.

- **Behaviour and moral reasoning.** Delve into philosophy and behavioural psychology to understand how our behaviour is shaped and how we could and should act in moral dilemmas. Introduce moral philosophy and problematise the concept of ethics codes and norms.
- **Rethinking organisations.** Introduce topics of sociology (organisational theory) to address how values shape and change organisational structures. Open the discussion to current models and processes of work and encourage reflection on the individual and collective purpose.
- **Complexity and systemic thinking.** Further develop critical thinking skills by considering the dimensions of society, environment, and economic complexity. Engage students in thinking how companies operate within a larger complex system, in order to help internalise the ethical dimensions of their role as professionals. Explore the concept of complex and complicated 'systems' and the need to consider wider problems.
- **Design thinking and activity theory.** Explore concepts of creative and critical thinking and why this matters for accountancy practice. Introduce the concept of empathy as the core of design thinking, and why empathy matters.

Evaluating the impact

Using surveys, observations and interviews, we have examined how this method of teaching and learning has impacted young accountancy students in developing practical wisdom and independent critical thinking. The year-long programme has given us the opportunity to engage with students on a more personal level and impact their progress and development, which has involved the following measures:

- shift in thinking patterns
- degree to which the individual engages in principled thought
- tolerance of ambiguity
- ability to think hypothetically and abstractly, propose creative ideas
- self-esteem
- value change

The philosophical inquiry method was shown to help the majority of students develop and engage in principled thought, as the year progressed. By engaging tools for critical thinking, students improved their ability to critically unpack and question key knowledge concepts, such as professionalism, public interest, ethicality, values, virtues, professional norms and codes. Nevertheless the cultural diversity within the classroom, we were pleased to witness that the open circle discussions helped students improve their self-esteem and willingness to voice and change opinions. Through this constructivist method of

facilitation and inquiry-based learning, students have demonstrated and reported on the following abilities:

Improved ability to reason and speak

“It has helped us think critically in other classes and in life in general. We never thought that we would have to think in this way.”

“I think the open discussion has to be continued... it helped me to gain confidence to speak in public.”

“Compared to other classes, P4A gave more context and an idea of what [it] might be like to be an accountant. It is interesting to hear what others think in class and hear other perspectives. Discussions have helped me learn about myself, how I think and has helped to build my own opinion. It is hard and exhausting.”

These seminars inspired me to think about the social purpose of accountancy and helped me to delve within deeper issues and ideas

Growing capacity to understand and listen to other points of view

“Listening to different people’s opinions helps you grow as a person, doesn’t keep you caged away from society, it helps you understand other people...Being exposed to different people and ideas, and acknowledge ideas helps your mind grow, because you have [a] different perspective to everyone.”

Understanding and commitment to the larger purpose of their profession

“I think that P4A sessions have broadened our thinking, it gives us a sense of what is going in the business world outside of the classroom, and gives us a glimpse of the future and what we are stepping into...and the poster presentation gave us an opportunity to talk to professionals and [a] different way of thinking.”

“... auditors are more than just emphasising the numbers and processes – they need to be inquisitive, having the passion to continuously learn. They should have the ability to accept change, have passion for the industry. Passion is lacking nowadays, people are very mechanical and don’t know why/what they’re doing.”

Developing sensitivity and interest in moral issues

“It has helped me think about how you bring positive change in the auditing profession and how to inculcate these values and ethics into the organisational culture in order to highlight the social benefit of the auditing profession.”

“...it would be very difficult to police individuals – they have to intrinsically want to do good.”

“...motivation comes from passion...”

“This course let us think how to judge in the future, if we become an accountant or an auditor, it actually tells us how to think and not just profit making. It gives us some bottom

line where we need to have our own set of values, own thinking, to judge whether this is the right action or not.”

The overall success of the programme was evaluated by students in the interviews conducted at the end of the academic year, and here are some of their inspiring insights:

“I think that the education system is a bit broken, because you expect to be forced down all these textbooks and expected to memorise answers, and this is why students probably hate exams because you don’t bring life into the subject...”

“The way that this programme could be assimilated into other courses, could be to let students actually think about why in practice we do things in a certain way. I think that by making students understand the reasons and the principles behind these practices, they will be actually looking forward to going to class.”

“It’s nice to have these discussions, because you can share your ideas. You can sit in a circle and see each other... whereas [in other courses] you are just behind a desk, while listening to a speaker lecturing with slides.”

“The P4A sessions challenged us to think outside the box, which helped us in other modules as well.”

Video documentary

As part of our collaboration with Manchester Business School, we filmed a short documentary which captured reflections and insights from students and teachers. The film offers unique blend of candid conversations and discussions.

- The video is available to watch on our website: **www.AuditFutures.org/videos**

MOBILISING FURTHER DISCUSSION

Through the *AuditFutures* programme, we are attempting to tackle some of the main challenges for the profession, and the P4A action-research has outlined specific challenges and opportunities that need addressing. This paper aims to provoke and mobilise further discussion on salient topics, within academia and practice.

Greater challenges that need further discussion:

- What is relevant about non-relevant degrees and how do we address the value of higher education?
- What is the value of university education in the context of growing number of school-leaver recruits within firms?
- What is the role of the firms in fostering lifelong learning?
- How can we demonstrate the value of independent judgement and critical thinking in a short-term performance-driven culture within education?
- What factors might limit the ability for critical thinking in students: different cultural capital in students; culture of teacher-centred instruction; uncontextualised materials; or external pressure on compliance and performance?
- How well do educators consider what the youth of today wants? Is education flexible to adapt and respond to the demands of a generation which has a different view on professional education?

Specific challenges that we have encountered in implementing the programme:

- The unbalanced culture of discussion: there is a cultural gap between students who have not developed the ability to think independently and participate in open discussions.
- Factors that limit the ability for critical thinking in students including different cultural capital in students; culture of teacher-centered instruction; and uncontextualised materials.
- The class size and environment really impacts on the quality of participation: smaller groups of 15-20 students worked best. However, how do we implement philosophical inquiry as a method within large groups and lecture auditoriums?

- While not all topics and/or lectures can involve inquiry-based learning, how can we explore and commit to more productive style of teaching and learning.
- Trade-offs in pedagogical methods: teachers have expressed concerns in balancing the high demands, placed on the curriculum.

The way forward

With this programme, we aim to promote a proactive vision for the future of professional accountancy education and to mobilise a collaborative network of supportive academics and professionals, with whom to co-construct and test out these new approaches to teaching and learning.

In order to drive change in perceptions and in long-term professional culture and behaviours, we need to look beyond technical skills and integrate new pedagogical approaches that have the ability to foster an independent critical voice, provide a space for normative discussions and work beyond conservative positivism.

About a dozen national and international universities and academics have expressed interest in rethinking professional education. We look forward to collaborating with institutions that are committed to broadening and redesigning accountancy education.

In the 2015/16 academic year, we will continue developing our programme through:

- capacity building workshops for educators who are interested in new methods of teaching and learning, drawing on dialogic inquiry and the learning sciences.
- an academic paper on the theory and methodology of *Philosophy for Accountancy* which will be published towards the end of the next academic year.
- a practice guide and online toolkit which will be a resource for educators and teaching practitioners.

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Through the *AuditFutures* programme, we are attempting to tackle some of the main challenges for the accountancy profession, and our action-research has outlined specific challenges and opportunities that need addressing. This publication aims to provoke and mobilise further discussion on salient topics in accounting education, building on the theory and practice of designing and piloting the *Philosophy for Accountancy* programme.

We aim to promote a proactive vision for the future of professional accounting education and to mobilise a collaborative network of supportive academics and professionals, with whom to co-construct and test out these new approaches in professional education.

In order to drive change in perceptions and in the long-term professional culture and behaviours, we need to look beyond the technical skills and integrate new pedagogical approaches that have the ability to foster independent critical voice, provide a space for normative discussions and work beyond conservative positivism.

That is why *Philosophy for Accountancy* works across the field of learning sciences and design thinking, in order to explore new methods and approaches to more active teaching and learning.

We look forward to working with individuals and organisations who aspire for broader education and are committed to cultivating democratic values in students and professionals, working in the public interest.

WWW.AUDITFUTURES.ORG
