Effect of Accounting Communities on the Improvement of Knowledge and Profession of Accounting in Iran

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Abstract

The scientific communities and associations are organized kinds of scientific relations. Which approaches do the communities members choose in order to achieve their goals specifies their responsibilities. The scientific communities and associations have an undeniable role in the fields of knowledge and profession. Twelve accounting communities and associations have been identifies and the required data for the present study have been collected through designing and distributing questionnaires. This study aims at identifying and examining the kind and amount of effect these communities and association have had on the improvement of the knowledge and profession of accounting. The findings of the research show that the accounting and auditing communities and associations positively affect and improve the accounting knowledge and profession; the kind and amount of the effect the above mentioned communities and associations have had on various aspects of the profession and knowledge of accounting is different. The results of the study clarifies that we need some other communities and associations that help the improvement of accounting knowledge to a great extent.

Keywords: Accounting Communities, Knowledge, Profession, Iran

1. Introduction

The evolvement of human knowledge takes place through getting help from different elements and factors; one of the factors is achieving sufficient understanding about that knowledge and criticizing it. The history of accounting is mixed with the history of mathematics in the periods of rise of human civilization, in a way that the applied mathematics in the human civilization is a combination of the application of accounting knowledge in daily life, trade and commerce.

The knowledge of accounting is sensitively and actively participating in the economic development, i.e., economic welfare, through decreasing lack of certainty, attracting the attention of economic decision makers in creating and distributing the wealth. Furthermore, promoting honesty, obeying rules, regulating, managing the affairs of all the economic businesses and so on, accounting also plays an undeniable role in the social and political welfare of the society. Regarding such issues, this field has to have some communities and associations to help its improvement and organization.

The scientific communities which are the manifestation of more stable and integrated relations of scientific communications are on one hand the result of such cooperation and communication and on the other hand play a role in creating, improving, deepening and easing the scientific communication. Most of the scientific communities have started their work aiming at improving and developing the knowledge and have chosen some specific scientific responsibilities which distinct them from other trade and profession communities. In fact, recognizing the scientific communities from other trade and profession associations is done based on their aims and responsibilities which implies the main theme of their activity. As Macleod and Collins have shown, only few scientific communities merely remain in the scientific frame of their goal and they usually fulfill commercial purposes.

Keeping the above mentioned facts in mind, it is necessary to examine the number of accounting and auditing communities and associations in Iran, their purpose of creating such communities and associations, the nature and kind of their activity, the field in which they act, the field where the scientific and professional needs have not been fulfilled and generally their role in the improvement of accounting and auditing knowledge and profession. Studying the literature of the research, it is evident that no comprehensive research has been done in this field.

The Most important purposes of this research are:

1. identifying all the existing scientific and professional communities and associations relating to accounting and

auditing and examining their role in the improvement of the knowledge and profession of accounting and auditing in Iran.

2. How these communities and associations affect the accounting and auditing field, kind and the extent of their effect.

2. Methodology

By methodology we mean choosing a method or specifying some steps to take orderly in order to achieve a goal. Achieving a scientific goal or scientific understanding is not eventually possible unless it takes place with a correct methodology. It means it is the methodology that makes a research valid not the subject of the study. Speaking statistically, methodology means following a regular and systematic approach which should be observed while using the statistical methods and relating the factors of the research¹. Therefore, it is necessary to pay special attention to the research structure, the nature of the under study data, the method of their collection and application while choosing statistical test.

According to the main subject, goals, hypotheses, facilities and also moral considerations, all the researches should have a specific pattern and methodology by which the under study issues and problems are orderly understood. Regarding the applied researches, there are different methods which can be named differently according to the features of research questions, specific situation and conditions of the study. Different kinds of the researches are: case study, historical, descriptive, heuristic, diachronic, comparative, field study and experimental research. In descriptive research, the researcher tries to describe the things as they exist without any interference or inference and report objective results.²

In the present research, the role of accounting and auditing communities and association in the improvement of knowledge and profession of accounting and auditing is examined.

The dependent variable is knowledge and profession of accounting in Iran and all of the accounting communities and associations are considered as the independent variable.

The hypotheses of the research:

1. The accounting and auditing communities and associations in Iran positively affect the improvement of the knowledge and profession of accounting and auditing.
2. The kind and extent of the effect these communities and associations have on different aspects of accounting and auditing profession is different.

The List of Accounting and Auditing Communities and associations

Number	The name of the Community/association	Foundation Year	Purpose and Activity
1	Iran Accountants Community	1974	Iran expert accountant community has continuously tried to improve the accounting profession in Iran.
2	Iran Formal Association of Accountants	2001	1. Improving accounting and auditing principles and observations 2. Developing accounting and accreditation 3. Promoting the variety of the services of accounting
3	Iran Internal Community of Auditors	2012	This community aims at regulating the affairs, promoting auditing profession inside the country and professionally observing the quality of the job done and professional presentation of the services by the auditors.
4	Iran Community of the Accountants	1997	This community aims at developing, improving and advancing the accounting knowledge and developing the quantity and quality of accounting and improving the training, studying and expertizing of accounting.
5	Iran Community of Management Accounting	2011	As a professional management accounting community, this community has purposes like scientific development, improvement and advancement and also qualifying the experts and making the training and studying affairs better.
6	Iran community of professional financial managers	2008	One of the main purpose of this community is to develop the quality and quantity of services presented by the financial manager.
7	Iran Community of Financial Engineering	2012	They aim at scientific developing, advancing and improving the financial engineering.
8	Iran Community of Information Technology Auditing	2010	Auditioning developing, improving and advancing and controlling the information systems, developing the quality and quantity of the expert, improving the training and studying affairs in the related fields, cooperating with the universities and taking part in seminars....
9	Iran Community of Auditing	2012	This community was formed with the purpose of developing the knowledge and profession of Iran auditing by a group of educated accountants in Tir, 4 th , 1391.

¹ Heidarali, Hooman. 2011. *the basics of research in behavioral science*, third edition, p 22. Tehran: Peike Farhang.

² Naderi, Ghodratoollah and Seif Naraghi, Maryam. 2011. *Methodologies in Humanities*. P 43. Tehran: Badr Publication

10	International Accountant Community of Pars Sushiant Gostar	2008	This community was founded in order to develop and improve accounting scientifically.
11	Training Center for Expert Accountants	1998	Accountants training center is a PACT training institute which was established by Oil Industry University and the Expert Accountants Community. This institute has been established in order to improve and develop accounting and financial accounting and also hold different educational programs.
12	Iran Scientific Communities Commission	1991	1. considering the requests for establishing and issuing the establishment permission, 2. Observing the communities activities, 3. Specifying a board of observers to investigate the violations and consider the communities functions

The statistical population or statistical sample refers to the whole people or elements which have common features; they are regarded as the participants and the research is done on them. The participants of this research are the accounting professors of state universities. The reason for their selection is the point that the accounting professors of the state universities have sufficient knowledge and are qualified enough for the research.

Sample is a small group of the things or people chosen among the participants in order to observe and analyze their behavior. Investigating the details of the behavior of all the participants is very time consuming and the researcher cannot usually do it and if the researcher is sure that he can collect enough data by investigating a small number of participants, then it would not be necessary to study all the participants. Simple sampling has been used in this research in order to select the sample of the study. Random sampling can be defined as a sampling method in which all the participants can equally be chosen.

$$n = \frac{Z^2 \cdot a \cdot P \cdot (1-P)}{e^2} = \frac{(1/96)^2 \times \%60 \times \%40}{(0/1)^2} = 92$$

Dependent variable	Independent variables
The knowledge and profession of accounting	1. Iran Expert Accountant Community
	2. Iran Formal Association of Accountants
	3. Iran Internal Community of Auditingors
	4. Iran Accountants Community
	5. Iran Community of Management Accounting
	6. Iran Community of Professional Financial Managers
	7. Iran Community of Financial Engineering
	8. Iran Community of Information Technology Auditing
	9. Iran Community of Auditing
	10. International Accountant Community of Pars Sushiant Gostar
	11. Training Center for Expert Accountants
	12. Iran Scientific Communities Commission

1. standardizing	2. publications	3. Reforming and improving the rules	4. training	5. informing
16. Updating	The knowledge and profession of accounting			6. cooperating
15. Attracting the youth and outstanding students				7. Increasing the quality and value
14. Accepting new members				8. Having relationship with the scientific institutes
13. Geographical expansion	12. Foreign relations	11. Seminars and conferences	10. Supporting new studies	9. Creating new opportunities

This research tries to analyze the effect of accounting and auditing communities and association on improving the

knowledge and profession of accounting and auditing based on the theoretical frames and literature review and also it can determine the extent of the effect. So this research is regarded as an applicable research and the applied methodology is descriptive.

The present study is considered as a field study in a way that a comprehensive questionnaire containing questions about the extent of the effect was designed and distributed among the accounting professors who were the faculty members. The questionnaires were filled and then given back.

After collecting the questionnaires, the data were examined through analyzing the variance (ANOVA) in order to determine the effect of above mentioned communities and associations on the knowledge and profession of accounting. Then, other comparative tests like DUNCAN and TUKEY were employed to specify the premiership of the accounting and auditing communities and associations.

3. Analyses of the First Hypothesis

When some quantitative data are collected for a research, it would be necessary to categorize and organize them in a meaningful way that can be understood and the researcher can establish a relation between them. The descriptive methods are used in the same way. Logically, the most useful method in organizing the data is to categorize them according to a reasonable criterion and then extract the main indexes and dispersion. In a nutshell, properly using the statistical descriptive methods, all the features of a class of data can exactly be stated. Therefore, some of the related descriptive elements to these variables have been expressed in order to present a general view of the main features of the studied variables. This process is called descriptive statistics of research variables or exploratory analysis.

The following data have been achieved for the first hypothesis (appendix 2, computerized computations):

1. The mean is ($\mu_x = 4.23$) 4.23.
2. the distance of the participants mean (μ_x) has been estimated to be equal to the below distance: ($4.1 \leq \mu_x \leq 4.36$).

This means that it can be said with a high degree of certainty (95%) that the mean is in the above mentioned distance.

3. The median of the data is 4 ($Md=4$).
4. The variance of the data is 0.388 ($Var(x) = 0.388$).
5. The standard deviation of the data is 0.62 ($S(x) = 0.62$).

In order to fully analyze the mean of the answers given to the first question (related to the first hypothesis of the research), the one sample mean test has been used in the following way.

4. Analysis of the Second Hypothesis

The second hypothesis has been stated as: "the extent of the effect of the accounting communities and associations on various aspects of the improvement of profession and knowledge of accounting is different".

Using the computerized computation results obtained from the analysis of the answers given to questions related to the above mentioned hypothesis (Appendix 2), the quadruple steps of the test related to the second hypothesis can be done in the following way:

1. Hypotheses:

$$H_0: \mu_1 = \mu_2 = \dots \mu_{16}$$

H_1 : at least one pair of the means are different.

H_0 : the extent of the effect left by the accounting communities and associations on various aspects of improvement of the profession of accounting is not different.

H_1 : the extent of the effect left by the accounting communities and associations on the various aspects of the improvement of profession and knowledge of accounting is different.

2. The test statistics: regarding what has been stated in the third part, the statistics of the test is:

$$F = \frac{MS(Tr)}{MSE} = \frac{60.157}{0.555} = 108.359$$

3. Critical value: (computing F using $\alpha = 5\%$), $F_{0.05, 15, 1552} = 1.67$

4. Result: since $F = 108.359$ is bigger than $F_{5\%, 15, 1552} = 1.67$, then H_0 (the equation of means) is rejected in the significant level of 5%. In the other words, since these kinds of statistical hypotheses are a right sequence, the unlimited value will lead to the rejection of H_0 . It is clear that the large values of F are placed in the right sequence of Fisher distribution. Since the computed F is placed in H_1 district, so H_0 is rejected with high

degree of certainty (95%).

5. One-sample Mean Test

First we test the hypothesis of the equation of mean and average value (3) in the following way:

2. The statistics of the test:

$$T = \frac{\bar{x} - \mu_x}{s_x / \sqrt{n}} = \frac{4.23 - 4}{0.62 / \sqrt{98}} = 3.73$$

3. Critical value (computed t using the table, $\alpha = 5\%$) $t_{0.025} = \pm 1.96$

4. Result: regarding the fact that the statistic of the test ($t=3.73$) is in H1 district, it can be said with a high degree of certainty (95%) that, the mean of the answers for the first hypothesis is not equal to (4).

So, the mean of the given answers to the first questionnaire (related to the first hypothesis) is more than 4 (as stated earlier the mean of the answers is 4.23, $\mu_x = 4.23$). In the other word, most of the participants have chosen the options much and too much to answer to the first question. Therefore, it can be said that "the accounting communities and associations positively and greatly affect the improvement of the profession and knowledge of accounting". In the following, this hypothesis is tested using the hypothesis test of success among the participants.

Conclusion or findings:

Regarding the fact that the researcher is continuously thinking about proving or rejecting the hypotheses and at the end the hypotheses should be changed to theories in order to provide a new understanding of the phenomenon. So the research which was started with the theoretical discussions, it will review them again.

6. Conclusion Based on the Hypotheses of the Research

6.1 Conclusion based on the first hypothesis

The first hypothesis was stated in two different hypotheses of H0 and H1 in the fourth part and was tested:

H0: the accounting communities and associations positively affect the improvement of profession and knowledge of accounting.

H1: the accounting communities and associations do not affect the accounting profession and knowledge.

Now if the H0 be proved and the opposite hypothesis is rejected, then we can conclude that the accounting communities and associations in Iran are among the most important and effective factors in the improvement of accounting profession and knowledge. This means that both the communities and associations and other natural and legal entities, organizations and institutes must be fully aware of this issue and start doing an activity and play a significant role. But if the H0 be rejected and the opposite hypothesis is approved, then we conclude that the accounting

communities and associations do not affect the accounting profession and knowledge and this field is completely independent.

According to the findings of the research, the H0 was approved with a high degree of certainty (95%). This means that the researcher is 95% sure that the claim "accounting communities and associations positively affect the improvement of profession and knowledge of accounting" should be accepted. This fact reveals that not paying attention to or ignoring the effective accounting communities and association, is an obvious mistake which can greatly damage the profession and knowledge of accounting.

6.2 Conclusion based on the second hypothesis

The second hypothesis was tested in the fourth part as:

H0: the extent of the effect left by the accounting communities and associations on various aspects of improvement of the profession of accounting is not different.

H1: the extent of the effect left by the accounting communities and associations on the various aspects of the improvement of profession and knowledge of accounting is different.

If the H0 be approved and the opposite hypothesis (H1) is rejected, then we can conclude that the accounting communities and associations have the same effect on all the aspects of the accounting profession and knowledge and the activities they do and the effects of them are all the same in all the fields and aspects. But if the H0 is rejected and H1 is approved, this implies that the effect of these communities do not affect different aspects of improvement of accounting knowledge in the same way and it differs according to the kind and purpose of the field and the extent of the effect is also different. Some of the aspects may not be affected at all while some other may be influenced in a way that a lot of changes occur.

Based on the computations and consequences obtained in part four, H0 (the hypothesis of the equality of the means) is significantly rejected (95%) (Because the computed statistics $F = 108.3$ is larger than $F_{5\%, 15, 1552} = 1.67$). It means that the difference between means is significant in the error level of 5%. In the other words, it can be claimed that "the extent of the effect on the improvement aspects of accounting profession and knowledge is different". So, the fields are not affected in the same way and consequently the extent and kind of effect and also the changes that the communities create should be recognized in order to make the proper and effective decisions.

In the second hypothesis, sixteen important areas of the improvement of accounting knowledge were presented; the extent of the effect left by the accounting communities and associations on the each area was tested.

The premiership of the communities and associations was computed according to the DUNCAN test. The results of the test are announced in the following table:

Priority	Extent of Effect	Aspect of effect
First	Very high	Seminars and conferences
Second	Very high	Training, internal cooperation, updating the profession and knowledge, informing
Third	high	publications
Fourth	high	Accepting new members, having a relationship with scientific institutes, attracting the youth and outstanding students
Fifth	average	Increasing the quality and value
Sixth	average	Creating new opportunities
Seventh	low	Reforming and improving the rules , standardizing
eighth	Very low	Foreign relation, geographical expansion

Specifying the extent of effect according to DUNCAN test

7. Discussion and Conclusion

Almost all the newly found social phenomenon encounters damages. How the non-governmental scientific institutes can play a role in supervision field? Concentrating on the scientific quality of the related field and profession is the main activity of the scientific communities. The scientific communities should take an action in prevailing their scientific value, although this issue is somehow ignored. The scientific communities should define a strict role for themselves.

Regarding the first hypothesis which was claimed with a high certainty of 90% that "the accounting communities and associations positively affect the improvement of profession and knowledge of accounting" and this fact means that

the not paying attention or ignoring these communities and associations is an evident mistake that would damage the improvement and development of accounting profession and knowledge.

Considering the second hypothesis that was claimed with 95% of certainty that "the extent of effect left by the accounting communities and associations on different aspects of improvement of the accounting profession and knowledge is different", so the fields are not affected in the same way and it is necessary to be informed about the extent and kind of effect created by the communities in order to make the suitable decision.

In the second hypothesis, sixteen important areas of improvement of accounting knowledge have been presented and according to the participants' answers, the effect of the related communities and associations were tested in all the presented areas. The extent of the effect left by the communities and associations were examined based on DUNCAN test. While doing the research, the researcher realized that some more accounting communities are needed in Iran whose activities would improve the accounting and auditing profession and knowledge.

1. National Accounting Community
2. Female Accountant Community
3. University Auditors Community
4. State Accountants Community
5. Accounting Students Community

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