Enterprise Professional Development: 
Adding Value to Enterprises?

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Abstract

Continuing professional development (CPD) is a requirement imposed on professionals by professional associations and/or licensing/regulatory bodies in order to: retain professional credentials; improve standards; and protect consumers. CPD may be used to develop knowledge or skills. There has been an emphasis in Australia on CPD being used to maintain, improve and certify competencies (skills training). The introduction of Professional Standards legislation has reinforced an emphasis on professionals meeting minimum standards of compliance for CPD.

Professionals in public practice are expected to solve complex, non-repetitive problems and provide appropriate advice to clients based on a Body of Knowledge. CPD will support and enhance the provision of professional services and therefore generate revenue for professional enterprises. The knowledge required is more than minimum compliance level (sufficiency) knowledge; rather deeper knowledge in the discipline areas the enterprise operates. CPD is not just an individual requirement it is a necessity for enterprises. What is the value that enterprises gain from providing enterprise PD (EPD) and how do the policies and practices of enterprises impact EPD?

A case study of small/medium accounting enterprises was conducted. Interviews were held with principals of 12 enterprises followed by a survey of professional employees within those enterprises. The data obtained was thematically analysed under three major headings: Compliance; Outcomes of EPD; and Aspirations, Culture and Practices associated with EPD within accounting enterprises.

These accounting enterprises have taken ownership of EPD and provide CPD which exceeds minimum compliance requirements. Professional Standards legislation has had no impact on the way EPD is conducted. EPD enabling deeper, specialist knowledge is essential to the enterprise's long-term viability. Accounting enterprises are prepared to provide resources and invest in EPD. No participating enterprise has formally evaluated EPD and none has accurate records of the cost even though it appears to be in excess of 5% of revenue.

Accounting enterprises have high Entrepreneurial Intensity for risk minimisation; and low Entrepreneurial Intensity for growth. Accounting enterprises focus on developing
knowledge to generate new business; service existing clients and minimise risk. New knowledge is predominantly sourced externally and shared within the group, particularly during staff meetings, rather than being held by one individual. Informal Learning including: using experiences gained from successes or mistakes; and reviewing specific events is the preferred way to grow knowledge. Accounting enterprises provide an environment which enables learning and professional development through Leadership, Learning Confidence, Shared Vision, Trusting Relationships, and Multiple Advocates.
In loving memory of our daughter Kathleen Tara Murphy (1972 – 1994) a Swinburne student who would have delighted in the “work”.

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Kate Behan raised my awareness of a difference between learning to generate knowledge and skills training. Kate was generous in making time available to review research instruments, participate in a pilot interview and in giving valued advice on learning theories and the role of professional associations in CPD. John Pidgeon imparted much-needed advice on appropriate analyses techniques to process the data obtained from the research survey. John also was prepared to help in the process of recruiting enterprises to participate in the research. Karen Pomeranz, Jacqui Torry, John Gerrand and Richard Donkin also provided critical help in recruiting participants. Staff of CPA Australia - Tony Gleeson, Ellen Balkos and Emma Sweet - gave advice on the viability of using accounting enterprises for this study and helped by endorsing and promoting the study to potential participants. Joanne Austin gave her time to test the research instruments for the pilot study.

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Declaration by Candidate

I declare that all work contained in this thesis to the best of my knowledge contains no material previously published or written by another person except where due reference is made in the text of the examinable outcome; and contains no material which has been accepted for an award to the candidate of any other degree or diploma, except where due reference is made in the text of the examinable outcome. Joint publications have resulted from this research however the thesis is not based on joint research or publications.

____________________

19 February 2013

Gerald A Murphy
Publications Produced As a Result of the Project

Book Chapters

Publications in Refereed Journals

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1. Chapter 1

1.1. Introduction

Professionals who are credentialed by a professional association are required to engage in professional development (PD) which is ongoing or continuous. PD will be viewed through two lenses:

- Continuing PD (CPD) is the term commonly used for PD involving professionals. The Professional Development Partnership (2008) defines this as “the systematic maintenance, improvement and broadening of knowledge and skills, and the development of personal qualities necessary for the execution of professional duties throughout working life”; and

- Enterprise PD (EPD) which represents the way that enterprises are involved in encouraging and supporting the CPD of its employees in order to maintain and enhance the knowledge base of the enterprise.

It is EPD that forms the basis of review in this thesis and in particular the valuing of PD within professional enterprises. Both the enterprises which employ professionals and individual professionals have vested interests to ensure that professional expertise is maintained in order to provide clients with professional services. The way that on-going CPD is conducted and supported post credentialing, may form a measure of the commitment necessary to ensure professional expertise is maintained and developed.

The term enterprise will be used to refer to a professional practice, professional organisation, professional business, institute, corporation or similar body. Enterprises, in this context, derive their income by applying the Body of Knowledge of their profession for the provision of services to clients, rather than generating income from product knowledge (and sales) or through operational efficiency. Individual professionals whether they are consultants, partners, managers, or owners will be referred to as employees. Professional associations or professional societies which accredit members and develop and define a Body of Knowledge for their profession will be referred to as associations. PD will refer to professional development in a generic sense; CPD will refer to professional development of individual employees as specified by associations; and EPD will refer to PD as practised within enterprises. Individual professionals possess the Body of Knowledge of their relevant association and are subject to a Code of Ethics developed by their association.
The level and type of CPD required, is specified by professional associations (e.g. Professions Australia, 2006a; PSC, 2007) under a framework of self-regulation (PSC, 2007). Professional associations are responsible for developing systems of compliance monitoring (Professions Australia, 2006b; PSC, 2007). There is a risk that compliance is seen by enterprises, associations and professionals as the predominant issue at the expense of effective personal and career development. Compliance monitoring may be based on two factors, measuring:

- Knowledge, based on standards developed in a specific disciplines; and
- Conformance with quantitative requirements e.g. x hours of CPD per year.

Professionals are required by associations and/or by licensing boards to undertake CPD. CPD may be specified as part of credentialing to obtain, and for most associations to maintain, full professional membership of the association (e.g. ACS, 2008; APESB, 2011). The aims of CPD for both associations and their members (Friedman et al., 2000; Friedman et al., 2009; Friedman and Mason, 2007; Gardner and Shulman, 2005; Marden, 2003; Pharmaceutical Society of Australia, 2003; Professions Australia, 2006a,b, 2007; PSC, 2009; Scottish Executive Health Department Management Executive, 1999; Watkins, 1999) are to:

- Improve Standards;
- Protect Consumers;
- Meet the compliance requirements of government appointed licensing boards, Professions Australia and/or the Professional Standards Council; and perhaps
- Act as a barrier to entry, although this is more likely to apply to credentialing processes.

Australia has introduced common Professional Standards legislation across all states and territories (Marden, 2003). An essential component of this legislation is that enterprises, registered under the legislation, are required to ensure employees undertake CPD - enterprises therefore have a role in the CPD of their employees. Comparable legislation does not exist in other countries. There is a risk that the introduction of this legislation will emphasise that CPD is a way of meeting compliance requirements rather than for expanding and developing knowledge. Compliance requirements may take the bulk of an enterprise’s budget and commitment to PD. In parallel with the introduction of Professional Standards legislation, there has been an on-going emphasis in Australia on competency based training
The emphasis given to compliance may further reinforce this emphasis on competency based training.

Knowledge is developed and maintained through three types of learning: Formal; Non-Formal; and Informal (Mocker and Spear, 1982). Formal Learning is associated with acquiring of qualifications and for professionals this would involve undertaking learning programs to obtain higher and/or specialist qualifications. Non- Formal Learning (Eraut, 2000; Mocker and Spear, 1982) is likely to provide the major source of knowledge development through CPD courses conducted by the relevant associations and bodies such as the Australian Tax Office. Discussion groups conducted by associations will be major source of Informal Learning (Chivers, 2006; Cross, 2007; Lester, 1999b; Smith, 1999a). These discussion groups enable professionals to engage in professional conversations and exchanging war stories. Activities such as these are important ways whereby professionals can gain knowledge and understanding (Brown et al., 1989; Collins et al., 1991; Davenport and Prusak, 1998; Lave and Wenger, 1991; Wenger et al., 2002c). These three types of learning are discussed further in Chapter 2. The way that new knowledge is distributed within the enterprise; lessons are learned; and misinterpretations avoided will be an important finding of the study.

This research is concerned with EPD at the corporate level, i.e. the CPD of employees who represent an enterprise on a professional (or consulting) basis. It examines a sample of enterprises within the accounting profession to determine the impact of EPD on each enterprise and the way that organisational culture can influence EPD. This limitation to the scope of the study is due to the vastness of the area of CPD. The research looks at the value and effectiveness of EPD for enterprises (employers). The goals of the other stakeholders i.e. individuals and associations may compete with and/or influence EPD.

The value and effectiveness of PD is difficult to determine as it is an activity which has many stakeholders - each with diverse aims. Friedman, et al. (2000) identified the key stakeholders in the PD of professionals as: individuals, employers, professional associations and the public at large. Friedman, et al. (2000) listed the aims for PD impacting the first three groups as:

- Individuals in: *career improvement; security/protection; and job satisfaction*. Savage (2009) noted that evaluation of PD is more likely to focus on the effectiveness of delivery and the perceived relevance of the material rather than proving its value to the business;
Both employers and associations, were combined in the impact of: maintain/raise standards; improved job performance; and demonstrate commitment; and

Three groups - individuals, associations and employers in the impact of: keeping up-to-date; improve/develop skills; and increased flexibility/adaptability.

The aims which each stakeholder group has for PD may change over time.

This chapter will: set out an explanation of the needs for the development of knowledge and understanding within enterprises; examine how EPD is currently valued within enterprises; examine why CPD and EPD is required; outline the methodology used in the study; set down the research questions to be answered; position the research and the researcher in the context of the study; and introduce the concept of an EPD profile together with its component parts; and set out the research approach to obtain evidence regarding the research questions.

1.2. Positioning the Research

CPD issues have been written about and researched, for:

1. Businesses in general: (Billett, 2001; Boud and Middleton, 2003; Boud and Solomon, 2001; Boud and Walker, 1998; Brown et al., 1989; Collins et al., 1991; Cullen et al., 2000; Dadds, 2000; DiBella and Nevis, 1998; Eraut, 2004; Ericsson and Smith, 1991; Jones and Fear, 1994; Knowles, 1975; Kwakman, 2003; Lave and Wenger, 1991; Marton and Säljö, 1997; Moorse and Moore, 2006; Smith, 2006). These studies look at either single businesses; or at an industry. The organisations studied are generally large and the workforce involved covers a wide spectrum from unskilled workers, trades people, management and professionals.

2. Individual professions and/or professionals (Becher, 1996; Chivers, 2006; Dadds, 2000; Eraut, 1994; Hennessy et al., 2006; James, 2000; Melotte, 1996; Pharmaceutical Society of Australia, 2003; Phelan, 2002; Ramsden, 2003; Rothwell and Herbert, 2007; Scottish Executive Health Department Management Executive, 1999; Shields, 2004; Trasancos, 2000; Webster-Wright, 2006; Williams, 2008; Wilson and Lyons, 1961). These studies look at the need that professionals, within a profession, have for CPD and the type of CPD offered.

3. Associations (Daley, 2001; Friedman et al., 2000; Friedman and Mason, 2007; Friedman and Phillips, 2001, 2002, 2004; Gardner and Shulman, 2005). Associations are responsible for the Body of Knowledge of the profession and should contribute to
developing and supporting a learning culture within the profession (Murphy and Calway, 2007).

CPD is seen as a personal activity which can be used by professionals to:
- Maintain professional status or credentials;
- Obtain new professional qualifications (typically specialist credentials);
- Broaden their knowledge base to integrate with other professions so that they can operate in multi-disciplinary teams and/or develop their management skills; and
- Develop and enhance generic and/or soft skills.

The outcomes resulting for enterprises from EPD will depend upon the degree to which an enterprise perceives that: there is a need to sponsor and support EPD to ensure that value is added to the enterprise; or that CPD is an individual responsibility, determined and controlled by employees for career development and to meet compliance requirements of regulatory authorities. CPD/EPD may consist of one-off or irregular activities; or learning processes which take a broader and often longer term orientation towards the development of knowledge and understanding. CPD/EPD activities which directly relate to an enterprise’s ability to deliver services are more likely to be valued both by an enterprise and its employees.

Professionals operate in situations where their learning takes place within a working context. Enterprises may have the power to decide what knowledge is to be valued and worth learning (Webster-Wright, 2006 p.25). EPD can add to a professional’s ability to apply knowledge which contributes to an enterprise’s goals. Professionals are knowledge workers, whose CPD needs are not identical with those of managers, trades persons or unskilled workers. Enterprises look to employees to maintain and update their body of knowledge. Dadds (2000, p.55) discusses the way professionals develop their knowledge, skill and understanding:

“The journey of professional growth into new and better practices is often unpredictable; often non-linear; often emotional as well as cerebral. It demands the capacity and strength to ask questions; to analyse and interpret feedback; to describe the emotions generated by self-study; to change established practices in the light of new understanding; to remain interested and emotionally curious”.

This quotation supports a need for employees to take a deep learning approach (Coffield et al., 2005; Entwistle, 2000; Marton and Säljö, 1976) to knowledge development in order to
construct long-term understanding rather than a surface learning approach. Deep learning involves building on existing knowledge; critically analysing new ideas and concepts in order to obtain understanding in order to solve problems in new and unfamiliar situations. Surface learning involves memorising or acquiring facts to meet the specific requirements of a course. The knowledge gained is superficial and the approach does not promote long-term retention of knowledge and understanding. Employees may take a surface learning approach to PD and when this combined with the need to satisfy compliance requirements of associations may result in PD undertaken for sufficiency reasons only.

The need for deep learning is consistent with Shulman’s argument that the learning necessary to be a professional is more than just intellectual endeavour. Professionals "must learn not only to think in certain ways but also to perform particular skills, and to practice or act in ways consistent with the norms, values, and conventions of the profession" (Shulman, 2002 n.p.). This cannot all be learned within universities even though some universities are specifying the characteristics that their graduate body will hold.

1.3. Knowledge Development and Enterprises

Enterprise knowledge is the knowledge held within an enterprise (Enterprise Body of Knowledge) and is made up of the accumulated Bodies of Knowledge held by individual employees. It is the major asset held by professional enterprises. EPD is used to generate knowledge, skills and understanding and to contribute to the organisational culture. However, it may also engender risk through potential loss of some of its Body of Knowledge if new or enhanced knowledge, skill and understanding enable an employee to leave the enterprise. PD may be used to maintain the status quo (sufficiency) and/or provide opportunities to satisfy the enterprise’s goals. Maintenance of the status quo may itself be a risk in the long-term as the enterprise may stagnate.

Table 1-1 puts forward three scenarios in which: the employee leaves the enterprise and the Body of Knowledge is lost; or the employee stays either merely maintaining their Body of Knowledge or extending their Body of Knowledge. EPD represents both a gamble and an opportunity for an enterprise. Does EPD:

- Provide the knowledge, skill, and opportunity to enable employees to leave;
- Enable the enterprise to continue to provide existing services at a basic or current standard; and/or
- Enable the enterprise to recognise and take advantage of new opportunities?

<table>
<thead>
<tr>
<th>Risk (Employee leaves)</th>
<th>Sufficiency (Employee stays)</th>
<th>Opportunity (Employee stays)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Body of knowledge is lost to enterprise</td>
<td>Maintains and uses Body of Knowledge</td>
<td>Maintains, extends and uses Body of Knowledge</td>
</tr>
<tr>
<td>Enterprise knowledge base is diminished</td>
<td>Enterprise knowledge base is not grown</td>
<td>Enterprise knowledge base is grown</td>
</tr>
<tr>
<td>Body of Knowledge may be lost to profession</td>
<td>Body of Knowledge is not passed on within enterprise</td>
<td>Body of Knowledge is passed on within enterprise</td>
</tr>
<tr>
<td>Services to clients maintained and/or diminished</td>
<td>Status quo maintained</td>
<td>Improved and/or new services for the clients</td>
</tr>
</tbody>
</table>

Table 1-1 Scenarios Showing the Consequences of EPD

If the CEO of an enterprise feels that the approach to EPD represents a risk then the enterprise will:
- Be reluctant to invest in EPD beyond a sufficiency level for fear of loss to its enterprise knowledge base and in the investment required for EPD;
- Invest in EPD only for compliance of regulatory authorities and/or for sufficiency learning; and
- Invest in EPD above a sufficiency level only when it perceives that that EPD contributes value.

Therefore: Is the way that the value of EPD is perceived within an enterprise dependent on organisational culture and will this influence the policies and processes used for EPD?

1.4. CPD Requirement

Associations (e.g. Australian Library Association, 2008; CPA Australia, 2009a; Engineers Australia, 2008; ICPD, 1999; Pharmaceutical Society of Australia, 2003; RACGP, 2011); Peak Bodies (Friedman et al., 2009; Marden, 2003; Professions Australia, 2006b, 2008; PSC, 2006b); Governments (CICA, 2006; Gillard, 2008; Haines et al., 2006; HRSDC, 2005; Misko et al., 2007); and Business (Dimopoulos and Walker, 2005; KPMG, 2008) agree that CPD is necessary for professionals to keep up-to-date within their profession as change occurs through technical, legal, conceptual and/or social developments. Professional standards need to be maintained and the performance of professionals improved. Maintaining the credentials of professionals is just one requirement for professional development. CPD should also aim to ensure both continual growth of knowledge and of the professional’s ability to acquire and apply knowledge.
A professional’s knowledge moves through the stages of: novice (beginner); apprentice (advanced beginner); intermediate; journeyman (advanced); and master (virtuoso) (Leonard and Swap, 2005 p.9) by going through the process of learning at each phase the new knowledge, skills and understanding appropriate to the level of knowledge that the professional possesses at that stage.

The conscious competence matrix first postulated by Maslow in the 1940’s comprises four stages of learning: Unconscious incompetence; Conscious incompetence; Conscious competence; and Unconscious competence (Chapman, 2003-2009). This matrix provides a way of looking at the processes and stages of new learning which reinforces the concept that the development of employees should be appropriate to their existing knowledge levels and their ability to develop their knowledge base. An alternative way of representing the levels of development of employees was suggested by Taylor (2007 in Chapman, 2003-2009) as accidental, intentional, skilful, masterful, and enlightened. Learning content, models and methods are not a ‘one size fits all’ solution for all of these levels.

The recognition and/or credentialing of a professional’s knowledge may occur at three points in their development (CICA, 2005/2012; Engineers Australia, 2007; Professions Australia, 2006a;b, 2007, 2008): acquisition of a Body of Knowledge; specialisation; and integration of knowledge. New graduates or novice professionals have acquired knowledge through their degree studies (Formal Learning). This knowledge needs to be verified and often enhanced by associations before the graduate or novice is credentialed as a full member and/or is certified to practice as a professional. Following the awarding of credentials professionals are required to be involved in CPD. This research looks at the impact of CPD not on individuals, but the impact at a corporate level.

Professional enterprises (the corporate level) require:

- Credentialed employees (the individual level) in order to establish and maintain corporate credibility (marketing) (CAPPE, 2006; Kay et al., 2009; Madden and Mitchell, 1993; Marden, 2003; PMI, 2007; Selby Smith and Ridoutt, 2007); and
- Informed employees (also the individual level) to provide relevant professional services to clients (service provision) (Argy, 2006a; Billett, 1994; CICA, 2005/2012; Hennessy et al., 2006; Lester, 1995; Sullivan, 2000; Webster-Wright, 2006; Williams, 2008).
Associations (the professional level) specify the Body of Knowledge to be held and maintained by members (Friedman et al., 2009; Gardner and Shulman, 2005; Professions Australia, 2006b). The Body of Knowledge defines the technical knowledge required for service provision within the profession and may include soft skills and/or an experiential component. Associations assess whether applicants have this Body of Knowledge prior to admitting them to membership (credentialing) and determine compliance requirements which aim to ensure professionals maintain their Body of Knowledge. Associations will from time to time update the Body of Knowledge to reflect the current need for professional knowledge and its application. Enterprises have a vested interest in ensuring that their employees obtain and retain their professional credentials.

Associations used CPD (see Figure 1-1) to:

- Credential new members - an applicant’s understanding of the association’s Body of Knowledge (the sufficiency knowledge needed to practice) has to be assessed (CICA, 2005/2012; Engineers Australia, 2007, 2010; PMI, 2007). This may include developing and delivering specific CPD programs to develop the applicant’s knowledge gained mainly in undergraduate studies;
- Retain members credentials (compliance) by making available and/or assess activities which allow members to maintain their Body of Knowledge (CPA Australia, 2009b; Engineers Australia, 2008; Eraut, 1994; Friedman et al., 2000; Friedman et al., 2009; Pharmaceutical Society of Australia, 2003); and
- Develop, and sometimes credential at a higher level of membership, a deeper professional knowledge (Argyris and Schön, 1978; Leonard and Swap, 2005; Marton and Säljö, 1997; McGee, 2003; Weigel, 2002) which may be either for: specialist knowledge or integrated knowledge.

At the centre of Figure 1-1 is the Body of Knowledge of a profession (e.g. ACS, 2008; CICA, 2005/2012; CPA Australia, 2010c; Engineers Australia, 2009; Friedman et al., 2009; Watkins, 1999). An enterprise needs employees who are certified to be in possession of this knowledge to market itself and also to provide services to clients.
Professional entry programs are provided as structured programs of study by accounting associations e.g. ICA’s Professional Year (ICA, 2010c) and the CPA program (CPA Australia, 2010c) to enable junior employees to become members of the association. New graduates, who are required to undertake a formal CPD program prior to credentialing e.g. accounting and IT professionals, (ACS, 2008; CPA Australia, 2010c) should be supported and encouraged in their efforts to demonstrate that they have the sufficiency knowledge required to practice. Research in this area could validly be undertaken but is not the focus of this research.

Professional entry programs are designed to enable new professionals to demonstrate that they have acquired a minimum Body of Knowledge required to practice. These programs do not represent ongoing CPD. However, these programs qualify for CPD points e.g. CPA modules = 120 points. These programs may not add to collective knowledge within the enterprise (the enterprise’s Body of Knowledge), but they are important in allowing individual employees to develop their knowledge and qualifications. They can be significant in developing an organisational culture which supports and encourages learning and provides a workplace where people want to work. When new graduates are employed, enterprises may recognise the need and value of providing mentoring to their junior staff. Professional entry programs introduce professionals to self-directed, lifelong learning and in some cases represent young professionals’ first experience of practical applied learning. If maintenance and improvement of standards is an aim of credentialing, then these programs should contribute to learning...
policies and practices which stimulate continual growth of knowledge and the professionals’ ability to apply that knowledge.

**1.5. Measuring the Effectiveness of PD Currently**

The benefits of EPD activities may be long-term and not easily associated with specific PD activities therefore measuring the value of EPD which aims to increase knowledge and understanding, rather than increase skills is difficult (Anderson, 2007; Taylor, 2007). This distinction is particularly relevant as the expertise of professionals is established through their tacit knowledge which is the factor which distinguishes them from less knowledgeable practitioners (Chapman, 2003-2009; Eraut, 2000; Ericsson and Smith, 1991; Leonard and Swap, 2005). Tacit knowledge is developed more often through learning that is practical and implicit (Sternberg, 1999).

The emphasis on the content of EPD, and the way that it is conducted will vary from one enterprise to another even within the same profession. EPD may involve learning about: planning; programs; policies; organisation processes; products and services; and/or individuals. The benefits derived from EPD may be financial (cost reduction or revenue generation); individual career development; and/or development of organisational capability and capacity. In evaluating EPD, enterprises should consider: the contribution made to operational performance; tactical directions and/or strategic objectives. The outcomes resulting from EPD may depend on the capabilities and attitudes of the employee. The motivations which determine the level of support given within each enterprise may vary for each PD activity and between individual employees; and is likely to change over time.

It is in the best interests of an enterprise to ensure that PD contributes to the knowledge, skills and understanding of employees and therefore to the enterprise's ability to operate and to grow through either increased volume of business and/or provision of more profitable services (Anderson, 2007; Argy, 2006a; Becher, 1999; Billett, 2001; Boud and Middleton, 2003; CHSRF - Canadian Health Services Research Foundation, 2007; Leonard and Swap, 2005; McLinden and Trochim, 1998; Orr, 1990; Wenger et al., 2002a). The success achieved through EPD will depend upon: the culture within the enterprise in relation to the value placed on learning and knowledge; and the policies and practices in place to support EPD. It is easier to measure the success of PD activities which involve training in specific skills and/or processes rather than activities which aim to grow the knowledge base of employees. Gaining a greater
understanding of the value an enterprise places on knowledge development and its role in facilitating learning and growth may enable an enterprise to enhance the outcomes it achieves from EPD.

The most commonly used forms of assessment of PD normally focus on activities which involve skills training with highly structured processes (often for competency assessment). The widely used training evaluation model developed originally in 1959 by Don Kirkpatrick (Chapman, 1995-2007; Kirkpatrick, 2009a; Kirkpatrick and Kirkpatrick, 2006; Kirkpatrick, 2008) involves four levels of evaluation:

1. **Reaction (feelings)** – what have the participants thought and felt about the process they had undertaken? Assessment is through the use of forms completed at the end of an activity (happy sheets), or through feedback to and via supervisors on returning to work;

2. **Learning (acquisition)** – has the knowledge or capability of the participants increased? Assessment (often for competence) occurs either pre and/or post the activity; or through interviews or observation.

3. **Behaviour (application)** – has the learning and training resulted in sustained changes in behaviour? Assessment is through observation and/or interviews over time and requires the support of line management; and

4. **Results (impact)** – what has been the impact on the individual or the enterprise? Assessment involves measuring changes in value within enterprises. Can an enterprise be sure that an increase in performance or value is attributable to PD activities alone and not other factors impacting the business?

Levels 2-4 are more suitable for learning which is highly structured rather than for more complex professional development; level 4 is difficult to assess for multiple PD activities which occur across an enterprise.

Other PD evaluation models include: matching outcomes of training with the expectations of the business Tobin (2010); the *Success Case Method* (Brinkerhoff, 2005); and Competency assessments (Jones et al., 2002; PSC, 2006a; Standards Australia, 2001). These models are best suited to single learning activities with highly structured measurable results.

Competency assessment relies on the specification of predetermined tasks with preset solutions combine with assessment criteria which objectively measure the knowledge and skills needed to complete the task. Competency is defined as a combination of skills, abilities,
and knowledge needed to perform a specific task (Jones et al., 2002). Competency standards exist across many disciplines. These standards are seen as a means of protecting the public through risk minimisation policies (Jones et al., 2002; PSC, 2009; Standards Australia, 2001). Standards appear to be less concerned with the development of new or deeper knowledge such as the acquisition of specialist knowledge or integration of knowledge (Smith, 2005b; Standards Australia, 2007). Professional Standards legislation (Marden, 2003) inaugurated in Australia has reinforced the competency focus of professional development.

Assessment of competency relates primarily to how a given task is performed. It implies that the person being measured or certified has knowledge, skill and experience in relevant technical and/or business areas. Thalheimer (2007) challenges conventional assessment methods and disputes that these methods test the learner’s ability to retrieve knowledge, skill and understanding after the assessment period and in different contexts.

Measuring the economic impact of EPD through the calculation of Return on Investment (ROI) is recommended by many including Phillips (1996) and Wenger et al (2002b). ROI is calculated as:

\[
\text{ROI} = \left( \frac{\text{Benefits} - \text{Costs}}{\text{Costs}} \right) \times 100
\]

Benefits which relate to knowledge generation are more likely to be long-term, difficult to measure and if ROI is used, it should be subject to discounted cash flow analysis. ROI ignores the time value of money i.e. the value of the benefits received in some future time are not equivalent to costs which may be incurred now. Future value should be adjusted by a discounting factor (the internal rate of return) using Discounted Cash Flow Analysis or Net Present Value (NPV) in order to create a more realistic than ROI (e.g. Hunter and Allport, 1979). Jim and Don Kirkpatrick (Kirkpatrick, 2009a; Kirkpatrick and Kirkpatrick, 2006; Kirkpatrick, 2008) argue that Return on Expectations (ROE) is more appropriate than ROI as it involves negotiations between promoters/providers of learning and enterprise management prior to learning occurring specifying what a successful outcome will be and how it can be measured. Benefits do not need to be specified in financial terms.

Other accounting/business techniques such as: Breakeven Analysis (Hunter and Allport, 1979; Kanter, 1992; Senn, 1990); Balanced Scorecard (Kaplan and Norton, 2005, 2007); Gain Score Analysis (Breakwell and Millward, 1995); Benchmarking (Fernandez et al., 2001); and Value Added (Milost, 2007) are appropriate when the benefits of EPD are directly measurable.
These techniques rely on accurate estimation of costs and the difficult task of accurately projecting when benefits are likely to be achieved. Discounted cash flow techniques are suitable in helping an enterprise decide whether an activity should be approved.

Accounting measurement techniques do not address concerns regarding the problems involved in valuing EPD and any risks associated with EPD. Directly measurable (financial) business benefits (e.g. reduced costs through a decrease in complaints or returns, or increased revenue through new or improved customer service) often are project based and require skills development e.g. training for the introduction of new systems with results which are measurable against an existing system. EPD in these cases is usually a necessity and particularly when it has an immediate impact, the measurement of benefits is feasible. Intangible benefits e.g. increase in employee morale, improved work/life balance are unlikely to be measured.

Quality of performance is a key determinant in assessing the value of CPD for both individual employees and enterprises. Measuring the quality of knowledge workers’ performance is dependent on defining what the task is. Various stakeholders may have views which are legitimately different of: what is the task; and what signifies success. The continuous nature of learning should require the measurement (assessment) of EPD over a long-term rather than based on individual pieces of CPD. Drucker (1999) proposes that the level of quality is determined by judgements of peers (success rates, satisfaction levels, repeat business, etc.) rather than measures of productivity.

**1.6. Research Questions**

The research questions the impact and/or value that EPD has on enterprises and the impact that an enterprise has on the outcomes of EPD. Research questions addressed in this study may be classified in three parts:

**A. Compliance**

This part of the study seeks to establish: is there evidence that:

1. *EPD policies and practices within accounting enterprises are driven by the need to meet compliance requirements?*
2. *Professional Standards legislation changes the way that accounting enterprises approach EPD?* and

3. *Professional Standards legislation results in improved outcomes for the public?*

**B. Outcomes of EPD**

The research questions for this part of the study look for evidence regarding:

4. *Do and if so why do: accounting enterprises sponsor and support EPD?* and

5. *What is the value, perceived and/or realised, that accounting enterprises gain from EPD?*

**C. Aspirations, Culture and Practices Associated with EPD within Enterprises**

For this part of the study is there evidence showing:

6. *That the aspirations, culture and practices of a professional enterprise influence the way EPD is conducted and consequently the learning resulting from EPD?*

7. *What Informal Learning is conducted within professional enterprises and how does the enterprise value this in comparison with more Formal Learning?*

In the context of this research, Informal Learning models all involve interactions between professionals which may take place either within an enterprise or a professional community. Learning may be become more relevant and effective when the enterprise employing a professional, actively provides an environment which enriches learning (Brown and Gray, 2003; Collins et al., 1991; Eraut, 1994; Leonard and Swap, 2005; Scardamalia and Bereiter, 2002; Senge, 1990; Wenger et al., 2002c).

Many forms of Informal Learning are workplace based e.g. Work-Integrated Learning (Billett, 2001; Boud and Solomon, 2001; Calway and Murphy, 2007; Dewey, 1938; Eraut, 2004; Kolb, 1983; Lave and Wenger, 1991); Mentoring (Brown et al., 1989; Brown and Duguid, 1991; Friedman and Phillips, 2002; Orr, 1990); Communities of Practice (Brown et al., 1989; Collins et al., 1991; Davenport and Prusak, 1998; Lave and Wenger, 1991; Wenger et al., 2002c); and Apprenticeship models (Cross, 2007). The corporate level is a beneficiary of advances made through CPD and should develop learning cultures within each enterprise which support, encourage and/or direct CPD undertaken by professionals.
Answers to the research questions will enable an enterprise to judge whether EPD:

- Enables the enterprise to continue to provide existing services at a basic or current standard; and/or
- Enables the enterprise to recognise and take advantage of new opportunities.

1.7. Research Approach

The key to understanding this research study lies with the premise that CPD is a mandated activity for professionals, which requires investment in time, money and resources by individual professionals and/or the enterprises which employ them. Additionally CPD and one-off or not continuing PD, are socially constructed meanings, constructed by individuals and organisations within their own world reality. This reality is not fixed, with both intrinsic and extrinsic actions occurring, and no single or agreed-upon measure of what EPD, CPD or PD is.

There are a number of authenticated qualitative research approaches including: Grounded Theory; Phenomenology; Thematic Analysis; Phenomenography; Ethnography; Critical Study; Case Study (Denzin and Lincoln, 2000; Galliers, 1992; Guba and Lincoln, 1994; Janesick, 2003; Jansen, 2010; McIntyre, 2007; Melotte, 1996; Merriam, 1998; Mertens, 1998; Neergaard and Ulhøi, 2007; Wingren, 2007). The proposed research study uses Thematic Analysis (Aronson, 1994; Attridge-Stirling, 2001; Boyatzis, 1998; Braun and Clarke, 2006; Guest et al., 2011) of a bounded scenario or phenomenon and by concentrating on the single entity of EPD allows in-depth and holistic study of a bounded case (Merriam, 1998; Stake, 1995). Case study research is valuable in providing an understanding of particular issues at a particular point in time and in a particular context using a bounded and well attested methodology.

Specifically, the study looks at small/medium accounting practices with 2-10 principals (i.e partners/directors) with between 5 and 25 professionals employed. These enterprises represent a major source of professional advice and are often the first and only point of professional advice both for business and for the public. The approach taken by these enterprises to EPD is likely to be different to that taken by larger enterprises and sole practitioners. The scale of operations of larger enterprises may provide them with opportunities for significant internal EPD arranged through a formal Training and HR department. Larger enterprises are more likely to have professionals from multiple disciplines and because of the size and scope of the business engage in EPD activities which are not directly related to one profession’s Body of Knowledge. Professionals operating as sole...
practitioners have not been selected for the study as they may bring biases in their approach to CPD and they have less opportunity to engage in group learning.

Because this research is focused on EPD it may be construed that there are many and varied manifestations to be studied. However, this research is to be bounded and defined uniquely i.e. small/medium enterprises (SMEs) which offer accounting services to business and the public at large. The unit of analysis (Mertens, 1998; Tellis, 1997b; VanWynsberghe and Khan, 2007) is the individual accounting enterprise or practice. The scenario provided is seen as programmatic rather than problematic and able to be bounded but remaining a "complex functioning thing" (Stake, 1995 p.2).

The data which need to be obtained should be sufficiently rich to enable detailed understanding of professional development as it occurs within professional enterprises. Qualitative studies using mixed methods of data collection can establish the existing position of a phenomenon and assist in interpretation of data to make recommendations regarding the desired position.

The methods to be employed within this case study are detailed in Chapter 3 and need to be consistent with qualitative methods endorsed by Dooley (2002) and include: analysis of regulatory documents and statements made by the professional associations, peak bodies, and government agencies regarding CPD; semi-structured interviews with principals of professional enterprises; and a survey of the professional level employees within those enterprises. The process uses the four commitments required for case study research (Stake in Denzin and Lincoln, 2000 p.449) viz. to:

1) Bring expert knowledge to the study;
2) Collect all the relevant data;
3) Examine alternative interpretations; and
4) Wonder about and explore the relevance of the findings to other cases.

The process of qualitative research is influenced by the background of the researcher who brings individual biases to the study. It involves coming to the study with a set of ideas, developing a framework or theory base (ontology), which results in questions to be addressed (epistemology), which are then examined using explicit methods (methodology, analysis and interpretation), prior to the final documentation of the entire process (Denzin and Lincoln, 2000). As the researcher for this project, I am the primary instrument for data collection and
analysis and therefore a brief outline of my background is included in this chapter; as well as an outline of the limitations of, and motivation for, the project; and how the project was conceived.

The research instrument (Appendices 1 and 3) is appropriate to any enterprise providing professional services based on the Body of Knowledge possessed by its employees e.g. professional practices; university faculties; and consulting enterprises. The methodology chosen for this case study of accounting enterprises, where compliance is specified for individuals as a minimum number of hours of CPD, is also suitable for other professions and knowledge-based enterprises where accreditation may be regulated for either individuals and/or the enterprise.

1.8. Researcher's Background and Links to the Topic

This research has its genesis in the career experiences of the researcher. As an Information Technology (IT) professional for 45 years when the study commenced, I was aware of the need to maintain technical competence and relevance and to blend this knowledge with an ability to integrate IT within a business environment. The roles of IT professionals involve technical ability; business understanding both in general terms and specific to the client’s business; and high level generic skills as IT professionals interface with people at many levels within organisations.

My early personal professional development involved mainly technical training (non-formal learning) on programming and equipment, but fortunately also included some broader learning in areas of business and IT development and some PD in interpersonal communications. In my first IT job, I was fortunate to work for a technical company where knowledge was shared and developed in a caring and involved manner – a Community of Practice (informal learning) (Boud and Middleton, 2003; Brown and Duguid, 1991; Sharp, 1997; Wenger et al., 2002c).

Transferring to an academic position after nine years in industry, I again experienced the value of working with people who shared knowledge and experience. When teaching postgraduate students working in industry, I learned that my role was not to be the font of all knowledge, but to encourage students to contribute to the sharing of knowledge and to challenge them to extend and broaden their knowledge. The ability to build and reflect on knowledge currently
held and to bring together the knowledge, skill and understanding of all students became important in the learning outcomes.

The opportunity to establish an undergraduate Cooperative Education degree program as part of a national pilot scheme involving close ties with industry (Murphy et al., 1997; Sharma, 1994; Shaw, 1992), exposed me to the concepts of Work-Integrated Learning (WIL) (WACE, 2006) in national and international settings. There is an extensive body of literature within Cooperative Education which highlights the benefits of learning conducted within a relevant context (e.g. Coll and Eames, 2006; Davie, 1990; Keleher et al., 2011; Rowe, 2005; Van Gyn, 1996; Weisz and Smith, 2005; Young, 1997).

Over a twenty year period, I conducted over 100 professional development workshops for six professional associations and in-house for corporations. The challenge in conducting these workshops was to ensure that they were relevant to the professionals who attended. In the case of association workshops, the individual professional attending was generally motivated to obtain new knowledge, skill and understanding. In the case of workshops conducted in-house for corporations, some participants attended because they were told to do so; however it was possible to enhance learning by focusing attention to particular problems and issues within the organisation.

The Australian Computer Society (ACS) appointed me to manage their Certification Program. The IT profession has a long history of credentialing programs which certify skills, particularly in technical areas. The ACS Certification Program certified knowledge. It was designed to broaden the knowledge of members. It required students (professional level members) to apply the material contained within the various subjects in the program to their work situations – integrating work and learning. Feedback from students indicated that this enabled a deeper level of learning. I also became the ACS executive responsible for PD nationally.

The involvement of ACS members in CPD provided by the association varied extensively from taking:

- Little or no involvement in ACS activities;
- A strategic pragmatic approach to meet the compliance requirements for ACS membership;
- Targeted approaches to specific PD activities e.g. special interest groups (SIGs), particular workshops and subjects; and/or
• Active engagement in ACS activities.

The type of individual participation would vary over time and could depend on personal and business pressures.

It became apparent that for the bulk of ACS members, PD enabled them to maintain a sufficiency level of knowledge in a rapidly changing discipline. A smaller number of members used PD provided by ACS for deeper learning. Associated with this, was a growing emphasis placed on CPD (Marden, 2003; Professions Australia, 2006b, 2008) by politicians and bodies such as Professions Australia and the Professional Standards Council supported by Professional Standards legislation. Compulsory CPD to ensure professional standards, encouraged learning models based largely on using a standards approach to PD designed for VET level education and trades training, became more prominent with the aim to reduce risk and demonstrate compliance with predetermined standards (Standards Australia, 1999, 2001, 2007). This is at odds with the complex knowledge required by professionals. There is tension between the need to develop this level of knowledge and the demands for regulation and standards (Webster-Wright, 2006 p.24).

1.9. The need for this study on EPD

The growth and prosperity of developed economies is dependent on knowledge development rather than increasing the productivity of manual workers. Drucker (1999) claims that this is the biggest challenge for management in the 21st century. Professionals are knowledge workers who provide significant knowledge, skills and understanding to their clients. The way that an enterprise approaches and values EPD will impact the outcomes.

Associations require individual professionals to engage in CPD. The enterprises which employ these professionals look to EPD to add value to the business by growing the capacity and capability of the enterprise. Therefore to what extent is ‘value adding’ occurring; how can this be measured into the future by enterprises; and what are the influences within enterprises which impact of EPD to add value to the enterprise?

It is easier for professionals to demonstrate compliance for learning activities which are course based. Clark (2009 n.p.) argues against a “tick-the-box, course-driven culture” particularly when they are not “situated in the context in which the learning is to be put to use”. There is extensive literature that argues that the bulk of learning does not come from courses but is
derived from informal means (e.g. Brown and Gray, 2003; Chivers, 2006; Clark, 2009; Cross, 2007; Cross, 1981; Eraut, 2000, 2004; Smith, 2006; Smith, 1999a).

EPD provides the cumulative knowledge gained by an enterprise through individual and group professional development as is impacted by the policies and practices which support the development of that knowledge. This study establishes the motivation for; and the extent to which EPD is sponsored and supported an enterprise in order to determine the value that EPD has for that enterprise.

1.10. Key Concepts for the Research

Figure 1-2 is a Concept Map (IHMC, 2010; Novak, 2006, 2008), setting out the components which may affect both CPD and EPD. It shows that Enterprise Goals establish the Expectations (Friedman et al., 2000) which the enterprise has for the professional development of individuals (CPD) and for the enterprise as a whole. The enterprise’s goals will have been formed by the Entrepreneurial Intensity (Ireland et al., 2006a;b); and Risk Consciousness (Busowsky, 2006; Moran, 2006; Standards Australia, 1999; Taylor, 2005) of the organisation and may be designed to:

- Maintain the status quo (this may include growing the volume of work done). In an enterprise this may be achieved through the use of standalone PD, designed to ensure proficiency and competency which may also ensure compliance certification. The learning involved at this level is likely to be more of a surface nature rather than deep learning; or
- Grow the business into new or more profitable areas, i.e. growing capability and capacity for the enterprise through EPD either through the development of specialist skills; or an increase in knowledge enabling the professional to work in an integrated way with other disciplines. The learning involved at this level will build on a professional's existing Body of Knowledge and will require a deeper understanding of concepts as a professional progresses through the stages of: novice; apprentice; intermediate; journeyman; and master (Leonard and Swap, 2005 p.9).

Entrepreneurial intensity and risk consciousness may not change dramatically over time, however, they may be impacted by external factors such as a global financial crisis; and technological, legislative or social change.
Enterprise goals combine with the way the enterprise values learning (Organisation Learning Profile) (DiBella and Nevis, 1998) and the factors which are in existence to encourage and support learning (Facilitating Factors) (DiBella and Nevis, 1998) leading to the formulation of policies and practices designed to help develop capabilities, capacity and competency in order to meet those goals. Understanding the relevance and interrelationship of these elements may help enterprises to increase the effectiveness and value of EPD.

The net value, which an enterprise gains from any activity such as PD, depends on the expenses incurred and the benefits gained (Hunter and Allport, 1979). Expenses include the direct costs of the EPD activity and should include other costs such as the cost of employees’ time which may include the opportunity cost and/or the charge-out lost because of EPD (Anderson, 2007; Folkens and Spiliopoulou, c2005; Kearns, 2005; Owen, 1993; Shulman, 2007; Wenger et al., 2002b). The benefits of EPD are easier to measure if they relate to discrete, directed training activities which have short-term payback (Tobin, 2010). CPD for professionals may involve career developing activities and may impact the long-term viability and performance of an enterprise. This impact is difficult to measure, as over-time, other factors will also affect the enterprise and therefore the direct benefits of EPD may not be clear or identifiable (Tobin, 2010). One way to obtain evidence of the value added by EPD is to ask individual employees to provide examples of PD’s contribution - both positive and negative - to the employee/enterprise (Appendix 1Part E).

It is arguable that there is a need for enterprises to understand their approach to EPD and how this impacts the outcomes achieved for the business. Questions asked in the study seek to obtain evidence as to whether:

- The entrepreneurial intensity and risk consciousness of the enterprise influence the corporate goals and expectations that the enterprise has for PD; and
- The value that the enterprise places on learning (Organisational Learning Profile) and the provision of resources, facilities and culture (Facilitating Factors) within the EPD impact on the outcomes of PD?
- PD is conducted as a means of achieving compliance and learning sufficient to retain professional certification; or
- PD results in a deeper level of learning in order to grow the capability and capacity of the enterprise and of the individuals within it?
Figure 1-2  Components Affecting Both CPD and EPD
1.11. Exercising the Evaluation Instrument

The accounting practices chosen are likely to rely on both external and internal sources for their EPD. The data collection phase of the study enables enterprise principals to identify what successful EPD means. Employees provide data to establish the PD profile of the enterprise. The relationship (if any) between the EPD profile and success can be tested both as enterprise and profession case studies. Processing the data involves analytic induction (Ratcliff, c2007) which should be sensitive to and analyse contextual variations within each setting and allow comparisons across enterprises (Cousin and Jenkins c2008).

For enterprises participating in the study involvement is:

- Participation by a principal in an interview to obtain data regarding EPD examining the: expectations which the enterprise has; value, cost and risks associated; processes followed; and focus placed on both content and process.
- Following each interview all ‘consulting’ level employees (accountants and any other billable professionals) within the enterprise are asked to complete the study’s survey via a web link. There are five parts of the survey:
  A. Assessing the Organisational Learning Profile;
  B. Determining the Facilitating Factors for EPD;
  C. What Corporate Goals are satisfied for the organisation by EPD;
  D. Measuring the organisation's entrepreneurial intensity; and
  E. Examples of EPD’s positive contribution at an individual or corporate level and optionally, where there is one, examples where EPD’s contribution has been negative.

The research instrument enables examination of the:

- Drivers of EPD;
- Policies, practices and processes; and
- Risks to the enterprise associated with EPD within the enterprise.

Data obtained using the evaluation instrument represent a snapshot position for each enterprise as the EPD profile of an enterprise will change over-time.

The survey associated with the study produces quantitative data in relation to: Entrepreneurial Intensity; Organisational Learning Profile; Facilitating Factors for learning; and Outcomes associated with EPD. The size of the sample, however, is comparatively small but it is consistent with the claim that generally a case study will require a smaller sample size than
survey research as the focus on a specific unit of analysis will need to be more intensive and in-depth (VanWynsberghe and Khan, 2007; Yin, 2004). The aim of collecting this quantitative data is not to collect specific measurements for each enterprise or collectively across enterprises but to attempt to identify trends.

Parts A-C of the survey (Appendix 1) each conclude with a question which gathers qualitative data designed to provide a deeper understanding of the issues relating to that part of the study. Part E gathers only qualitative data relating to the successful and/or unsuccessful outcomes of CPD. Quantitative studies test hypotheses with the focus on establishing facts with the aim of designating and distinguishing relationships (Bloomberg and Volpe, 2008; Denzin and Lincoln, 2000; Mertens, 1998). Quantitative studies alone are unlikely to provide the rich data required for the in-depth analysis required for: developing understanding; interpretation; and/or theory building.

The study included a review of various methods derived both from education sources and business project evaluation for evaluating learning to ascertain whether these methods provide suitable measures to determine value of PD to an enterprise. This review informed the research design which:

- Enables an evaluation of the knowledge culture and of policies and processes supporting EPD within an enterprise; and
- Examines the way an enterprise values PD.

1.12. Structure of Thesis

This chapter has set out the context of the study, the genesis of study, conceptual framework and outline. Chapter 2 locates the study within the current Body of Knowledge and Chapter 3 will frame the research within the need for a qualitative study using case study as the focus. These two chapters are linked, bringing together the overall conceptualisation, study design and execution of the research.

Chapters 4, 5, and 6 report on the results of this study in relation to the questions posed earlier in the thesis. Chapter 4 looks specifically at the research questions in relation to Compliance; Chapter 5 reports on the Outcomes of EPD; and Chapter 6 reports on the impact of the Aspirations, Culture and Practices associated with EPD on the enterprises studied. Chapter 7 draws the study together in the relevance of the findings of the study examining its
limitations together with an analysis of implications of the study for practice and future research.

### 1.13. **Summary**

This chapter has set out a framework for interpreting EPD which involves measuring how PD is used for knowledge acquisition and deployment in an enterprise. In proposing the existence of an EPD Profile, it must be recognised that the study is exploratory in nature, rather than hypothesis testing, and relies on interpretation of the data obtained. The policies, processes and practices of PD within enterprises, together with the awareness and attitude of the risks associated are examined to establish how an EPD profile may be established. The relevance of the key factors within this profile is subject to analysis and interpretation.

The study gathers data which represents the experiences of employees within their enterprises and provides meaning to those experiences. The inductive process used, moves from individual cases to generalisations and may provide representation of the real world (Mocker and Spear, 1982). Knowledge about the factors influencing PD may enable an enterprise to gain an understanding of:

- **How an EPD can:**
  - Add value to the enterprise;
  - Minimise the risks associated with PD; and
  - Add value to individuals singularly and collectively which will benefit both the individual professional and the enterprise; and

- **The factors which influence an EPD profile and which impact on the level of learning achieved within the enterprise i.e. learning at a sufficiency level or learning which is achieved at a deeper level.**

Chapter 2 will discuss and position the study within the research spectrum examining the traditional view of professional development and looks at the suitability of this view in the light of: the introduction of Professional Standards legislation in Australia; and relevant studies in the areas of learning and knowledge development.
2. Chapter 2: Locating the Study within the Research Spectrum

2.1. Introduction

Friedman, et al. (2000) identified the key stakeholders in the PD of professionals as: individuals, employers, professional associations and the public at large. The aims for each stakeholder group are not necessarily the same and may change over-time.

This chapter is concerned specifically with PD within professional enterprises (enterprise PD) and how its value can be measured.

As discussed in Chapter 1 the term enterprise refers to businesses which derive the bulk of their income from applying the Body of Knowledge of their profession to provide services to clients; professionals refers to consultants, partners, managers, or owners within these enterprises; and associations refers to organisations which define a Body of Knowledge and regulate the profession by specifying among other things continuing professional development (CPD).

The chapter examines the traditional views of CPD by looking at literature which provides definitions of CPD and the aims of the various stakeholders. The aims associated with the recent introduction of Professional Standards legislation in Australia are examined to assess any likely impact on the way that EPD is practised by enterprises. Conventional literature on PD has an emphasis on training and skills development. Professionals have a need for knowledge development. Will Professional Standards legislation reinforce a culture of compliance?

Relevant studies in the areas of learning and knowledge development are examined combined with a review of various techniques for the evaluation of EPD in order to develop a theoretic framework for assessing enterprise PD (EPD). From this, I suggest that the value EPD generates is dependent upon the culture of enterprise.

An enterprise's culture will be driven by its Entrepreneurial Intensity - for growth and for risk minimisation - and will be reflected in the resulting Organisational Learning Profile of the enterprise and the Facilitating Factors put in place to assist learning. The policies and practices for EPD which result from the culture of enterprise will also take into account the regulations set by associations. These policies and practices of enterprise will impact EPD and may have
an effect on individual and organisational learning and may result in learning which may be either at a sufficiency level to enable professionals to maintain their professional status in order to practice or at a deeper learning which is likely to be of greater value to the enterprise. This chapter introduces the concept of an EPD profile for enterprises resulting from these cultural elements. This chapter also sets out the outcomes from the research which might be expected based on the literature and from the researcher’s experience.

2.2. Related Studies in the Area

There has been no similar study done of EPD for professionals in public practice who work in small/medium enterprises. Studies have been conducted of CPD for professionals at:

- An individual level after professionals have achieved professional accreditation (generally after admission to full membership of an association) e.g. for professionals in general (Eraut, 1994); Social Workers, Lawyers, Adult Educators (Daley, 2001); Nurses (Forbes, 2006; Hennessy et al., 2006; Webster-Wright, 2006); and Accountants (Rothwell and Herbert, 2007); and
- An association level in relation to policies and processes e.g. for professionals in general (Friedman et al., 2009; Friedman and Mason, 2007; Friedman and Phillips, 2001, 2002, 2004; Professions Australia, 2006a, 2008); for Healthcare Professionals (Scottish Executive Health Department Management Executive, 1999) and Accountants in Australia (Williams, 2008).

Studies related to evaluating the needs of PD within corporations fall into two categories appraising either:

- Individual PD events (e.g. Anderson, 2007; Billett, 1994; Kearns, 2005; Kirkpatrick and Kirkpatrick, 2006; Kirkpatrick, 2008; Phillips, 1996, 2007; Savage, 2009; Trochim, 2009); or
- Training departments or outcomes of CPD within large enterprises (Ahmed, 2009; DiBella and Nevis, 1998; Eraut, 2004; Fernandez et al., 2001; ICPD, 1999; Jones and Fear, 1994; Mulcahy and James, 2000; Patton, 2001; Taylor, 2007; Wenger et al., 2002b).

The research incorporates many related areas where significant studies have been done including:

- Competency and Standards: (ACER, 1995; Chivers, 2007; CICA, 2005/2012; Consortium for Research on Emotional Intelligence in Organizations, 2000-2009; DEST, 2002;
ENQA, 2007; Mulcahy and James, 2000; Paulk et al., 1995; Pharmaceutical Society of Australia, 2003; Richards, 2008) - competency and standards are often the emphasis placed on CPD;

- Graduate Employability Skills: (ACCI/BCA, 2005; ACER, 2001; BIHECC, 2007; Bologna Process, 2004; Dearing, 1997; Department of Education South Africa, 1995; DEST, 2007; Jones et al., 2002; OECD, 2002, 2003, 2004, 2005-06; West, 1997) - these studies specify the skills which a professional is expected to possess;

- Evaluating Learning: (Abma, 2005; Anderson, 2007; Fernandez et al., 2001; Folkens and Spiliopoulou, 2005; Iftikhar et al., 2003; Kaplan and Norton, 2005; Mulcahy and James, 2000; Phillips and Phillips, 2010; Selby Smith and Ridoutt, 2007; Taylor, 2007; Telstra, 2009; van der Heijde and van der Heijden, 2005; Woodall and Hovis, 2010; Worthen, 1990) - these studies demonstrate that there is considerable differences in the approach to evaluating learning when it concerns knowledge development rather than skills training;

- Knowledge Management: (Bellinger, 2004; Bereiter and Scardamalia, 1993; Brown and Duguid, 1991; Chi et al., 1981; Collins et al., 1991; DiBella and Nevis, 1998; Erat, 1994, 1997, 2000; Ericsson and Smith, 1991; Lave, 1988; Lave and Wenger, 1991; McIntyre, 2007; Nguyen et al., 2004) - these studies examine ways of developing knowledge and expertise.

- Learning and Development: (Andresen et al., 2000; Becher, 1996; Billett, 1994; Bransford et al., 1999; Brown et al., 1989; Bruner, 1996; Chivers, 2007; Coffield et al., 2005; Doyle, 2002; Engeström, 2001; Entwistle, 2000; Greasley and Ashworth, 2007; Honey and Mumford, 1982; James and Beckett, 2001; Knowles, 1975; Kolb, 1983; Misko et al., 2007; Mocker and Spear, 1982; Swaak et al., 2004; van Joolingen, 1999) - this classification contains a large amount of literature, however, it is important to recognise that there are significant differences when learning and development needs to focus on learning for adults who already have a body of knowledge.

- Entrepreneurship (Ireland and Webb, 2007; Kuratko and Audretsch, 2009; Zahra et al., 1999) - these studies relate to the attitude and culture which an enterprise brings to EPD and which will impact the emphasis placed on whether learning focuses on achieving knowledge to enable the business to grow or to enable the business to minimise risk.
2.3. Traditional View of Continuing Professional Development

Madden and Mitchell (1993) define CPD as:

“the maintenance and enhancement of the knowledge, expertise and competence of professionals throughout their careers according to a plan formulated with regard to the needs of the professional, the employer, the profession and society”.

The UK Institute of Management’s view of the continuing professional development of managers is extremely broad taking the position that “CPD includes everything which has the effect of developing the professional individual in the course of their career” (Jones and Fear, 1994). Perhaps the most quoted definition of CPD is by the Construction Industry Council in 1986, accepted by 40% of UK associations (Friedman et al., 2000):

“CPD is the systematic maintenance, improvement and broadening of knowledge and skill and the development of personal qualities necessary for the execution of professional and technical duties throughout the practitioner’s working life.”

(Construction Industry Council, 1986 p.3)

This definition includes both personal and professional qualities. It calls for not only maintaining a Body of Knowledge but also for taking an approach which broadens the professional. A systematic approach is specified as a basic component.

Professions Australia, the peak body for associations, define CPD as:

“the career long acquisition and development of knowledge, skills and attitudes, enabling a practitioner to continually enhance their professional performance for the benefit of the community” (Professions Australia, 2006a).

However, their paper Blueprint for National Registration of the Professions (Professions Australia, 2006a) concentrates on professional development being needed to protect consumers and much less on the way that PD can be used to grow the capability and capacity of professionals.

CPD is seen as one means of providing objective recognition of qualifications by associations of individual’s knowledge and/or skills. Professionals retain their credentials for professional practice by meeting compliance requirements for CPD and therefore it is considered that they are maintaining a competency level. Most associations prescribe a minimum compliance level in order to retain membership at a professional level. In addition to compliance, associations should also oversight the development of knowledge of their members beyond a sufficiency
level and provide appropriate recognition of this (Argy, 2006b; Australian Physiotherapy Association, 2005; Phelan, 2002).

While CPD is fundamentally an individual activity, enterprises and associations have vested interests in professionals engaging in CPD. Within an enterprise, knowledge acquisition may be driven by corporate policies and needs; or self-directed by individual professionals. EPD activities may be planned, just-in-time, opportunistic and/or influenced by compliance requirements. In Just-in-time learning, a professional seeks out material to research an issue of current concern. The depth of learning necessary is at the discretion of individual professionals but enterprises can encourage and support learning (Boud and Walker, 1998; Brown et al., 1989; Coll and Eames, 2006; Collins et al., 1991; Conner, 2006; Doyle, 2002; HRSDC, 2005; Keleher et al., 2011; Kolb, 1983). The professional’s ability to transfer knowledge to practical situations determines the success. Material needs to be easily available and accessible; and appropriately detailed to cater for a variety of users. It is important that the material is filtered to ensure that it is accurate, reliable and kept up-to-date. Web based material is ideal for this. ACSLearn (ACS, 2004) and the Knowledge Transfer and Exchange site of the Canadian Health Services Research Foundation (CHSRF (Canadian Health Services Research Foundation), 2007) are examples of knowledge transfer between researchers and decision makers. CPD activities for professionals may involve Formal, Non-Formal and Informal Learning activities (Eraut, 2000). Misko, et al (2007 p.6) define these terms as:

**Formal Learning** “learning that takes place through a structured programme of instruction which is generally recognised by the attainment of a formal qualification or award (e.g. a Certificate, Diploma or Degree).”

**Non-Formal Learning** “learning that takes place through a programme of instruction but does not usually lead to the attainment of a formal qualification or award (e.g. in-house professional development programmes conducted in the workplace).”

**Informal Learning** “learning that results from daily work-related, social, family, hobby or leisure activities (e.g. the acquisition of interpersonal skills developed through the experience of working as a sales representative)” (Misko et al., 2007).

Table 2-1 sets out differences in the facilitation of Formal Learning, Non-Formal Learning, and Informal Learning between individuals and enterprises.
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Locating the Study within the Research Spectrum

<table>
<thead>
<tr>
<th>Type of learning</th>
<th>Individual</th>
<th>Enterprise Facilitated Learning: The Enterprise:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal Learning</td>
<td>Primarily self-directed learning; Provides integrative and/or specialist knowledge; Provides measurable learning (although the transferability of learning is debateable).</td>
<td>May support learning activities through allowing time or through payment of fees and other expenses; Possibly provide: • Practical situations to integrate work and learning; • Mentoring; and • Communities of practice.</td>
</tr>
<tr>
<td>Non-Formal learning</td>
<td>May be self-directed learning; Extent of learning achieved is difficult to measure.</td>
<td>May be directed specifically by the enterprise.</td>
</tr>
<tr>
<td>Informal Learning</td>
<td>Primarily self-directed learning; Extent of learning achieved is difficult to measure.</td>
<td>Can provide a learning community to enrich learning; Can provide feedback as one measure of learning.</td>
</tr>
</tbody>
</table>

Table 2-1  Self-Directed Learning and Enterprise Facilitated Learning

Mocker and Spear (1982) identify a fourth category of learning as Self-Directed Learning - a term which recognises the individualistic nature of CPD. Eraut (2000) argues against the term sSelf-Directed learning which he claims can encompass both Formal and Non-Formal learning. For the purposes of this study which focuses on enterprises, Eraut’s (2000) categories viz: Formal, Non-Formal and Informal are appropriate. Table 2-2 classifies the CPD activities listed by Rothwell and Herbert (2007). Self-Directed Learning activities are highlighted within these categories.

For some professionals, Formal Learning is completed prior to commencing their careers. Non-Formal Learning is in many cases organised and sponsored by employers. The list of Informal Learning activities is extensive and will encompass both implicit and explicit learning and may result in development of tacit knowledge. Some informal activities may not be recognised by associations as suitable for CPD compliance.

Straub (2008) in reporting on an IBM survey of 1100 CEOs commented on the growing importance of Informal Learning as technology makes it easier to access and share knowledge and to work collaboratively. This trend will be reinforced if, as some predict, Generation Y brings to the workforce a learning mindset and an attitude where knowledge sharing is normal (demonstrated by the growth of social networking).
<table>
<thead>
<tr>
<th>Formal Learning</th>
<th>Non Formal Learning</th>
<th>Informal Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>a) Working towards a vocational/specialist qualification paid for by the professional*</td>
<td>a) Technical training e.g. courses learning how to use new computer software; budgeting; marketing etc.</td>
<td>a) Reading work-related documents from the enterprise</td>
</tr>
<tr>
<td>b) Working towards a vocational/specialist qualification sponsored by the enterprise</td>
<td>b) Enterprise’s internal training courses – Job related</td>
<td>b) Spontaneous learning arising from work or personal activities</td>
</tr>
<tr>
<td>c) Using practical work situations within learning programs to integrate work and learning</td>
<td>c) Acquiring generic transferable skills and competencies related to job e.g. communication skills, leadership and management, time management etc.</td>
<td>c) Learning through practising the rules and procedures of the enterprise</td>
</tr>
<tr>
<td>d) Undertaking academic study that isn’t necessarily related to the job or profession*</td>
<td>d) Authorship of technical papers (internal or external to the enterprise)*</td>
<td>d) Learning through informal teamwork in the workplace</td>
</tr>
<tr>
<td></td>
<td>e) Full or part-time teaching in a subject area related to profession*</td>
<td>e) Participating in internal secondments or transfers within enterprise</td>
</tr>
<tr>
<td></td>
<td>f) Attending Professional Association Conferences</td>
<td>f) Sharing knowledge with colleagues</td>
</tr>
<tr>
<td></td>
<td>g) Attending special interest groups (SIGs)*</td>
<td>g) Other personal activities outside of work e.g. hobbies, scouts/guides, community or religious enterprises, voluntary activities*</td>
</tr>
<tr>
<td></td>
<td>h) Attending PD non-award courses – relevant to profession*</td>
<td>h) Membership of committees at work, e.g. quality, health and safety</td>
</tr>
<tr>
<td></td>
<td>i) Undertaking structured eLearning programs relevant to profession*</td>
<td>i) Regular reading of journals and books relevant to profession*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>j) Attending branch meetings of professional association regularly*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>k) Acquiring knowledge through browsing websites or ‘surfing the net’*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>l) Learning professional knowledge e.g. discipline specific knowledge or professional codes of practice*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>m) Membership of committees relevant to the profession*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>n) Exchanging emails on professional topics with other members*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>o) Taking part in an online discussion forum relevant to profession*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>p) Reflective discussions with colleagues as part of a formal professional development review process*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>q) Reflective discussions with colleagues - informal but relevant to profession*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>r) Action learning: learning from development projects*</td>
</tr>
<tr>
<td></td>
<td></td>
<td>s) Keeping a reflective diary over an extended period of time*</td>
</tr>
</tbody>
</table>

Table 2-2  Learning Activities: Classified
* represents activities which would be classified as self-directed learning (Misko et al., 2007)
The list of CPD activities adapted from Rothwell and Herbert (2007) in Table 2-2 is extensive. Other (more summarised) taxonomies of CPD learning activities are provided by Becher (1996) who concentrates on processes used for learning while Eraut (1997) concentrates on the events which may stimulate and provide fuel for learning – see Table 2-3.

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Courses and Conferences</td>
<td>Working for Qualifications</td>
</tr>
<tr>
<td>Professional Interactions</td>
<td>Short Courses</td>
</tr>
<tr>
<td>Networking</td>
<td>Special Events</td>
</tr>
<tr>
<td>Consulting Experts</td>
<td>Materials</td>
</tr>
<tr>
<td>Personal Research</td>
<td>Organised Learning Support</td>
</tr>
<tr>
<td>Learning by Doing</td>
<td>Consultation &amp; Collaboration within the working group</td>
</tr>
<tr>
<td>Learning by Teaching</td>
<td>Challenge of the work itself</td>
</tr>
<tr>
<td></td>
<td>Consultation outside working group</td>
</tr>
<tr>
<td></td>
<td>Life outside work</td>
</tr>
</tbody>
</table>

Table 2-3  Modes of CPD Learning and Learning Episodes

Learning by teaching which many would claim both extends and consolidates a professional’s knowledge is not readily recognisable in Eraut’s taxonomy. Learning by Teaching could arguably include formal teaching in award programs, non-formal teaching e.g. presentations of short courses and at conferences, and informal teaching e.g. mentoring or coaching. Becher doesn’t specifically identify life outside work as a mode of learning. Life outside work could be linked to networking. That linkage would represent only part of the potential value of life outside work particularly in developing generic (particularly leadership) skills. Programs such as: IBM’s *On Demand Community Program* (IBM, 2008) in which individuals or teams of IBM employees or retirees volunteer in an established on-going programs of community support; and Pro Bono Australia’s (2008) *Specialised Service* which matches skilled professional volunteers with non-for-profit organisations are just two examples where commercial organisations proactively engage in community activity. The anecdotal evidence is that significant benefits accrue to the organisations which participate in these activities.

an are not evenly weighted. Some linkages represent stronger connections than others. The diagram explains and illustrates approaches to CPD particularly at Both Eraut’s and Becher’s models illustrate the complexity of CPD. For enterprises to facilitate learning, the way that they implement policies and practices for EPD is critical. The relationship between the taxonomies of Becher and Eraut and Enterprise Facilitated Learning is illustrated in Table 2-4.
CPD may be opportunistic rather than planned. The direction and support given by an enterprise, both practical and implied, may vary between positive support; apathy; through to active discouragement. The outcomes of EPD may be affected by: the enterprise’s corporate goals and the entrepreneurial intensity (both for growth and risk consciousness); which in turn influence an enterprise’s learning profile and the factors facilitating learning and then shape the policies and practices in operation within the enterprise. Enterprises who are concerned with maintaining the status quo (incorporating a sufficiency level of knowledge) rather than looking for new opportunities made possible by a deeper level of knowledge may regard CPD as an undesirable cost involving: the cost of providing PD to employees; the potential loss of employees if the PD provides them with new knowledge which will enable them to leave enterprise; and loss of revenue as a result of time lost through EPD.

### 2.4. Learning within an Enterprise Setting

Important elements for this study concern the relationship between individuals and enterprises in pursuing EPD. While individuals are always the key stakeholder in CPD, the corporate level may provide support for the learning activity.

There are many terms used to differentiate learning which is other than formal. Poell & Van der Krogt (2003) use the terms *Informal* and *Incidental* learning while adding the theory of workplace learning and argue the need to combine various learning activities into “more-or-less coherent programs”. Workplace learning (or Work-Integrated Learning) involves learning-in-context and is discussed later in this chapter.
Eraut (2000) distinguishes learning which is:

- Deliberate where there is an intention to learn, using time which has been allocated specifically for that purpose; or
- Implicit learning where there is no conscious effort to learn and there may be no explicit awareness that learning has taken place. This may also be referred to as reactive learning which may be unplanned and the level of learning is variable. It is possible that explicit knowledge may be gained in response to specific situations; past, current or pending; and not triggered by an intention to learn.

This categorisation is consistent with Smith’s (1999a n.p.) argument that a critical difference between learning and education is intention - "education is a conscious activity; learning isn’t necessarily”. Education involves an intention to learn even though people may commit to an education process without a clear idea of the knowledge or skill they want, or need to acquire. In many ways they are relying on the knowledge, understanding and judgement of education authorities to determine: a relevant program; and to combine this with appropriate pedagogy and delivery mechanisms.

Associations should be in a position to:

- Determine what needs to be learned (the Body of Knowledge) not only for entrants to the profession but also by professionals in their CPD. CPD for some professionals may need to deal with either new knowledge or supplantive knowledge (Atherton, 1999; James, 2000);
- Develop strategies so that the knowledge, skills and understanding specified in the Body of Knowledge can be obtained efficiently, easily, when required; and conveniently; and
- Determine and assess the degree of learning and understanding obtained.

Enterprises, similarly, should be aware of both the individual’s and the enterprise’s need for knowledge, skill and understanding and develop and support appropriate learning strategies.

Eraut (2000) identified six different types of situation in which tacit knowledge may be gained or used (simultaneously or otherwise):

- “knowledge acquired by implicit learning of which the knower is unaware;
- knowledge constructed from the aggregation of episodes in long-term memory;
- knowledge inferred by observers to be capable of representation as implicit theories of action, personal constructs, schemas, etc;
- knowledge that enables rapid, intuitive understanding or response;
• knowledge entailed in transferring knowledge from one situation to another;
• knowledge embedded in taken-for-granted activities, perceptions and norms”.

Smith (1999a) recommends a focus on learning in various guises – implicit, reactive and deliberative- and on self-directed and communal forms of education - and goes on to claim that Informal Learning is better described as self-education, or self-directed learning. When authorities such as Cross (1981), claim that 70% of adult learning is self-directed, a close examination of the nature of self-directed learning is warranted. Knowles (1975) and Mocker & Spear (1982) see a link between the control exercised by learners and educational institutions. Four different types of learning are distinguished in Table 2-5.

<table>
<thead>
<tr>
<th>Type of learning</th>
<th>Institution Controls: (Mocker and Spear, 1982)</th>
<th>Learner Controls: (Mocker and Spear, 1982)</th>
<th>Learner's intention: (Eraut, 2000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Formal</td>
<td>Learning objectives and the means of learning</td>
<td>Deliberate</td>
<td></td>
</tr>
<tr>
<td>Self-Directed learning</td>
<td>Means of learning</td>
<td>Learning objectives and the means of learning</td>
<td>Deliberate</td>
</tr>
<tr>
<td>Non-Formal learning</td>
<td>Means of learning</td>
<td>Learning objectives</td>
<td>Deliberate</td>
</tr>
<tr>
<td>Informal Learning</td>
<td>Learning objectives</td>
<td>Means of learning</td>
<td>Implicit</td>
</tr>
</tbody>
</table>

Table 2-5 Control over Learning

Mocker & Spear’s advocate self-directed learning where learners take control of their learning by diagnosing individual needs and then subsequently develop learning goals; determine; and select appropriate learning resources and strategies. Webster-Wright’s (2006) study of health professionals, found that the practitioners participating were enthusiastic learners taking their professional responsibilities seriously. While professionals in some cases may look for rich learning experiences, the evaluation processes of enterprises should assist the diagnosis of corporate needs for employees to undertake CPD. The enterprise may be better placed to determine relevant learning objectives and to develop appropriate learning resources and strategies.

2.5 Variations in Knowledge of Professionals: Novice to Expert

To enter an association at a professional level, graduates must first hold an accredited degree for that profession (Formal Learning). The Body of Knowledge needs to be verified, and often enhanced, by associations before the graduate or novice is credentialed as a full member or is certified to practice as a professional (Professions Australia, 2006a). Practising professionals may be:
• Newly qualified graduates (novices) who have the latest insights and understanding of the profession still fresh in the minds but may not have sufficient experience to use their knowledge effectively, or
• More experienced professionals who may look to standard solutions which may be no longer relevant to the problems faced because of changes in their environment, or
• Professionals who look for continuous improvement in their performance through practice and CPD.

Advancing to full membership may depend on graduates having sufficient practical experience and/or passing a professional entry program established by the association e.g.:
• ACS specifies four years experience together with completion of their Certification Program (ACS, 2008);
• CPA Australia specifies three years of supervised or mentored experience together with the completion of their CPA Program, a comprehensive postgraduate professional study program (CPA Australia, 2010c); and
• Engineers Australia specifies competencies for stage one membership. Advancement to stage two or Chartered Status is based on demonstrated competencies rather than a period of time - however at least three years of work experience at an appropriate level is required (Engineers Australia, 2009).

Professional entry programs introduce professionals to self-directed, lifelong learning and for some young professionals it represents their first experience of practical applied learning. If maintenance and improvement of standards is an aim of credentialing then these programs should develop learning cultures which encourages continual growth of knowledge and professionals’ ability to apply that knowledge. Following the awarding of credentials, professionals are required to undertake CPD.

The level of knowledge required to practice professionally (sufficiency knowledge) is usually specified by an association. The rules will vary between professions and may involve government regulations and/or the use of competency standards. Certification by an association recognises that a graduate possesses a Body of Knowledge usually acquired from an educational institution. In most cases the certified graduate would be classified as a novice who may not be capable of performing unsupervised all the tasks expected of a professional. Maintaining sufficiency knowledge requires CPD. Developing expertise requires additional deeper learning.
At an individual level, CPD may involve self-determined personal development as individual professionals choose to undertake CPD to improve their knowledge and skills either for continuing competency or personal and career development. Professionals may wish to develop their careers beyond a level deemed as competent or sufficient to practice and to develop deeper knowledge in order to:

- Become either a specialist; or
- Develop integrating knowledge by using their domain knowledge in combination with other domains to develop their knowledge over a broader context.

CPD is necessary for professionals to keep up-to-date with changes within their profession due to technical (discipline specific), legal, conceptual, technological and/or social developments. PD activities generally are not related to qualifying for an award. Non-Formal Learning e.g. attendance at seminars, workshops, short courses and more recently through online learning activities are accredited activities used by professionals to retain professional accreditation (e.g. ACS, 2008; CPA Australia, 2010b; Engineers Australia, 2008; ICA, 2010c; IIA, 2011; Pharmaceutical Society of Australia, 2003). Accumulating a specified number of points/hours of PD is required in order to retain accreditation. The choice of the learning process and of the topics is generally left to the individual and/or the enterprise (in some cases this may require competency in specific topics e.g. medical practitioners are required to obtain training in CPR (RACGP, 2011)); and may be influenced by the accessibility of learning and training programs. How much learning should occur and the level of learning obtained through these means generally is not specified. The value gained by both an individual and the enterprise will be demonstrated by the ability of the professional to use the material covered in the CPD activity.

Throughout a professional’s career, acquiring new knowledge, skills and understanding are required if the professional is to progress through the stages of: novice (beginner); apprentice (advanced beginner); intermediate; journeyman (advanced); and master (virtuoso) (Leonard and Swap, 2005 p.9). The depth of knowledge gained will determine whether a professional will advance through all stages e.g. a professional may be content to operate at an intermediate or journeyman level.

Novices and lay people often are not able to recognise that they lack knowledge. Novices initially approach tasks in a formulaic manner which can be awkward and mechanical. As they become more practiced and knowledgeable they no longer are limited to a step by step
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approach. Experts on the other hand are able to judge the need for particular expertise, and when necessary recognise dangers and risks associated with a particular situation. They are able to plan and assess the consequences of alternative courses of action through the way that they encode and store knowledge and retrieve it based on its relevance. This allows them to adjust their plans and processes when circumstances change.

In the 1940’s Maslow explained the stages of acquiring new knowledge and skills through a conscious competence matrix (Chapman, 2003-2009). The four elements of the matrix are:

- **Unconscious Incompetence**: where a person may not be aware of a particular deficiency or the existence, relevance or usefulness of particular knowledge and skill;
- **Conscious Incompetence**: where a person becomes aware of a particular knowledge and skill and their efficiency in regard to that; and as a result attempt to acquire that knowledge and skill or ensure that they do not offer inappropriate advice;
- **Conscious Competence**: when knowledge and skill can be applied reliably without assistance, however, how the application is not "second nature" and requires concentration and thinking; and
- **Unconscious Competence**: where the application of knowledge and skills is second nature and in some circumstances the person may not be able to explain the process to another person.

Moving from one stage to another is often reflected by an ‘Aha’ phase where the person realises ‘that’s what it means’ as they recognise they have made a significant advance.

Critical elements in developing expertise are the monitoring and self evaluation of performance. As part of this process experts should be capable of designing their own training and identifying means of acquiring knowledge in order to keep improving (Ericsson, 2000). Experts use well encoded processes developed through deliberately reflecting on practice with the aim of continuous improvement (Farmer and Williams, 2005). Farmer and Williams claim that the process of reflection is the skill most lacking in experiential learning (2005 p.17).

Expertise is developed through knowledge accumulation, validation and integration, encapsulation and script formation (Boshuizen, 2003). Experts become experts because of years of practice/study in their domain. Initial technical knowledge is likely to be derived from formal university studies.
Boshuizen (2003 n.p.) defines an expert as:
"someone who is very talented in a specific domain, has a lot of experience, has a very extensive repertoire of knowledge but also knows his or her limits, has good or even excellent skills in his or her domain, delivers quality work and quickly and purposefully finds a solution to a problem or designs and delivers a product that meets the requirements."

Bransford et al identified key elements which differentiate experts' knowledge and considered the implication these may have for learning processes:
1. "Experts notice features and meaningful patterns of information that are not noticed by novices;
2. Experts have acquired a great deal of content knowledge that is organized in ways that reflect a deep understanding of their subject matter;
3. Experts' knowledge cannot be reduced to sets of isolated facts or propositions but, instead, reflects contexts of applicability: that is, the knowledge is ‘conditionalized’ on a set of circumstances;
4. Experts are able to flexibly retrieve important aspects of their knowledge with little attentional effort;
5. Though experts know their disciplines thoroughly, this does not guarantee that they are able to teach others; and
6. Experts have varying levels of flexibility in their approach to new situations".

(Bransford et al., 1999 p.19)

Expertise in areas such as sport and music is developed through repetitive and deliberate practice in order to create situations where the performer can respond to changing situations quickly and instinctively. The elements required for Deliberate Practice are: highly motivated individuals involved in identifying target skills and developing practice tasks and goals to facilitate the development of the target skill. Each session should concentrate on achieving the goals of the session and be followed by a post performance review to identify problems either new or on-going and identify new processes and targets (Boshuizen, 2003; de Bruin et al., 2005). The use of mentors (coaches) performs an important part of the learning process involving skills development, decision-making, and problem solving through scenario setting, combined with frequent responses and with often quick response to new situations. Feedback is an important part of skills development.
Professionals’ expertise, which is based more on an academic/theoretical body of knowledge, is derived from both formal teaching and through practice neither of which is dominant. As professionals work continually in their chosen field, they are in a position where their skills development, decision-making and problem solving take place in real life situations. Unlike sporting and music expertise development, professionals are less likely to be in a situation where they can simulate the expertise required and use repetitive exercises under controlled circumstances. The problems that they face need to be solved based on the varied circumstances of the client and may require adapting to changing circumstances and anticipating the likelihood of future happenings. These professionals aim to acquire an expensive, integrated, flexible and adaptive Body of Knowledge which will allow pattern-based retrieval (Boshuizen, 2003). “Experts' knowledge is encoded around key domain-related concepts and solution procedures that allow rapid and reliable retrieval whenever stored information is relevant” (Ericsson, 2000 n.p.).

Increase in the number of years experience does not necessarily result in an increase in performance. Ericsson et al (2007) noted a decline in doctors’ performance the longer they are out of medical school. Farmer and Williams (2005), however, found that there was a substantial difference between novice lawyers who struggle with fundamental skills; and effective experienced lawyers. They also found that video recording of student exercises and then reviewing these against well defined criteria, facilitated student assessment and provided valuable feedback. Practice and feedback are certainly key elements of learning and desirable elements in an academic program but they are unlikely to provide the same depth of learning where problems are unique and unstructured. Surgeons represent one profession which is constantly exposed to two key elements of deliberate practice: immediate feedback and specific goal-setting. They use relevant, authentic contexts in which to enable integration of knowledge and enrichment. Boshuizen (2003) doubts that this should be considered competency training.

Enterprises have a vested interest in ensuring that their novice professionals develop expertise. Novices who possess professional certification i.e. having sufficiency knowledge, but don’t develop will remain incompetent or mediocre. If they remain with an enterprise they will make minimal or even negative contributions to the enterprise. If they leave the enterprise, the cost of staff turnover can be quite significant. The enterprise therefore should aim for a deeper level of knowledge and develop and support learning strategies to facilitate the transfer of knowledge, skills and understanding is to ensure that expertise is developed.
over time. Enterprises can assist in motivating staff, facilitating the development of knowledge and skills through tasks allocation and through identifying new processes and targets and by providing relevant and meaningful feedback to staff. Learning is a skill which can be practised and is the means whereby professionals may become more productive.

Professional development enables self-actualisation of a professional’s career development whereby professionals aim to grow beyond a competence level and become leaders of their profession and/or enterprises. Drucker (1999) claims that growth and prosperity of developed economies is the biggest challenge for management in the 21st century and is dependent on knowledge development rather than increasing productivity of manual workers. Real growth in knowledge combined with the ability to apply that knowledge is vital to the future. Professionals as knowledge workers provide significant knowledge, skills and understanding to their clients. The way that an enterprise approaches and values PD will impact the outcomes of PD for both individual and the enterprise.

CPD is seen as a personal activity (Professions Australia, 2006a) which however may be (partly or wholly) determined and controlled by an employer and can be used for:

1. Credentialing: validation of knowledge is essential to provide the public with reassurance that a professional has a sufficiency level of knowledge to practice. Associations recognise the knowledge base of graduate entrants to a given profession through course accreditation processes and often require further development through structured programs and/or the gaining of practical experience in order to certify that the novice professional has the required Body of Knowledge specified by the association;

2. Compliance: associations develop policies specifying: compliance requirements; and systems to monitor CPD in order to ensure maintenance of sufficiency knowledge;

3. Career development through deeper learning: either for a professional to achieve specialist status; to movie into managerial roles (integrated knowledge); and/or work with other professionals in multi-disciplinary teams. This can be dependent upon the:
   - methods used to achieve deeper learning and the degree to which professionals engage in deeper learning;
   - relationships between senior professionals and developing professionals in the development of deeper learning;
   - pedagogies used and the relationship of these to Transfer of Learning; and
• accessibility of CPD for all members of the profession;

4. Transfer of Learning (Beach, 1999; CHSRF - Canadian Health Services Research Foundation, 2007; Doyle, 2002; HRSDC, 2005; Kirkpatrick and Kirkpatrick, 2005; Leonard and Swap, 2005; Perkins and Salomon, 1992): for both compliance and deeper learning there is an expectation that CPD effectively transfers knowledge to professionals. Associations and enterprises should look at the effectiveness of various methods of CPD in transferring learning; and

5. Develop and enhance generic or soft skills and/or practice management skills.

Enterprises employing professionals may sponsor and support EPD and consequently need to be satisfied that EPD adds value to the enterprise. PD for professionals is an ongoing or continuing activity which may include: one-off or irregular activities; or the broader and often longer-term orientation of knowledge development.

Professions Australia’s *Blueprint for National Registration of the Professions* (2006a) emphasises the importance of competency and compliance in order to protect consumers and the need for defined processes to validate a professional’s credentials - recognition of a sufficiency level of knowledge and compliance with regulatory requirements. Figure 2-1 illustrates the reasons why professionals may undertake CPD and shows that the outcomes for individual professionals in practice may result either in sufficiency learning, which will enable a professional to maintain their credentials, resulting in consumer protection as the professional is deemed to be sufficiently competent to practice; or in deeper learning where the Body of Knowledge of the professional has been extended and enhanced enabling delivery of services at an advanced level (Professions Australia, 2006a).

Gardner and Shulman (2005 p.14) in discussing the characteristics common to all professions argue that professionals require more than competency. They identified the needs for:

• Professionals to develop professional judgement in circumstances where there are not defined predetermined solutions;

• Both professionals and for professional communities to use learning from individual and collective experience to grow new knowledge based on practice; and

• Professional communities to undertake responsibility for standards and the general growth and development of professional knowledge and for the quality of performance by professionals.
2.6. Expectations re Professional’s Body of Knowledge

Entrance to a professional association generally relies on Formal Learning. Technical (discipline specific) skills have been, and will always be, an important component of the knowledge, skill and understanding required by professionals. There is an expectation that professionals possess both technical and non-technical (generic) skills. To be admitted into a profession, professionals may have only been tested mainly on technical competency and this may have only been at a superficial or sufficiency level as many undergraduate students do not have the contextual base for the study. The additional (non-technical) skills and knowledge required by graduates have been defined by Dearing (1997), DEST (2007), and the Bologna Process (Kohler, 2004). Universities have responded to this by specifying graduate attributes and key generic skills to be included in academic programs (e.g. Swinburne University of Technology, 2011).

The Bodies of Knowledge specified by associations for entry into professions are most likely to concentrate on technical issues. An examination of a sample of professional associations’ websites supports this contention (e.g. ACS, 2007; CICA, 2005/2012; Engineers Australia, 2009). The Institute of Chartered Accountants in Australia (2010c), and CPA Australia (2009) expect to see a balanced curriculum, covering more than technical content and call for integration of generic skills within the Body of Knowledge held by entrants to the profession. They hold that it is highly desirable that an accredited undergraduate program is sufficiently
flexible to enable students to complete a minimum of 20% of studies in disciplines other than accounting and business related areas.

University programs are frequently designed to allow students to acquire an association’s Body of Knowledge in order to increase the employability of their graduates (e.g. University of South Australia, 2006). Assessment in technical areas is easier for academics than the assessment of either personal attributes or integrative knowledge. An emphasis on just technical competency does not meet the expectations of government and professional associations. While technical competence is not the sole component of a Body of Knowledge, the technical competence prescribed by professional bodies for graduates represents only a small portion of the expertise and proficiency expected by the public and specified in government reports (Bologna Process, 2004; Dearing, 1997; DEST, 2007; Graduate Careers Australia, 2007; Professions Australia, 2008).

For most professions, Bodies of Knowledge are established by Australian national associations. In professions, such as financial management, marketing, architecture and project management, university programs are frequently designed to allow students to acquire a Body of Knowledge which has its origins from international sources. International Bodies of Knowledge are often assessed with a focus on competency using multiple choice assessment (e.g. PMI, 2007). Local differences and needs are unlikely to be taken into account. It is questionable whether the learning achieved is at a depth required by professionals and whether the one-size fits all approach seen in assessment strategy is appropriate for the career development of professionals.

Given that at the entry point into an association, new graduates/novices may not have the required level of knowledge and experience, CPD becomes an important element in their professional life. While it is important that professionals maintain a sufficiency level of knowledge, in many cases there will be a need to expand knowledge both technical and generic for both career advancement and to meet the expectations of clients, enterprises and society in general.

Both employees and enterprises are concerned with delivery of professional services and consequentially attach importance to CPD when it is relevant and can be applied to their needs. Definitions of CPD indicate that it should be both expansive for the individual and inclusive of other practitioners. Do professionals, the enterprises which employ them and the associations of which they are members see this as the required direction for CPD? Is it
compatible with the emphasis of bodies such as Professions Australia (Professions Australia, 2006a) which concentrate on PD being needed to protect consumers and much less on the way that PD can be used to grow the capability and capacity of professionals?

### 2.7. Aims of CPD and EPD

CPD is difficult to evaluate as it is a system which has many stakeholders - each of whom have diverse aims and expectations for CPD. CPD is used by:

- **Individual professionals**: for compliance purposes i.e. to maintain a recognisable qualification and for career development motivated by financial and strategic/power factors:
  - Career development is that element of a professional’s working life which makes a professional work ready and maintains and expands employability and marketability (Connor and MacFarlane, 2007);
  - Where CPD is obligatory (or mandatory), CPD is necessary to maintain professional recognition (accreditation) and is usually linked to the association’s Code of Practice which requires members to maintain a level of competence defined by a Body of Knowledge (Professions Australia, 2006a); and
  - Professionals are required by associations to undertake CPD in order to retain membership; and in the case of some professions, by government regulations to maintain practicing certificates (e.g. CPA Australia, 2010b; Engineers Australia, 2008; ICA, 2010c; Pharmaceutical Society of Australia, 2003; Professions Australia, 2006a).

- **Enterprises** (e.g. accounting, legal and medical practices): maintain competence; preserve credibility and market the enterprise through having staff who have professional recognition; and manage risk through maintaining work-ready staff. Some enterprises will use CPD as a tool for business development or to introduce new services.

- **Associations** (e.g. ACS, CPA, Engineers Australia): to advance the careers of members through maintaining a core body of knowledge, developing a culture of relevant professionalism, and validating the professional status of members with a view to minimising risk to professional clients.

- **Governments**: as a means of the increasing productivity, skilling the workforce, increasing competence and minimising risk.

CPD requires cultural and motivational commitment at both an individual and enterprise level.
Friedman, et al. (2000) recording a study of professional associations in the UK identified the aims of key stakeholders (individuals, professional associations and employers) in PD:

- Individuals as: career improvement; security/protection; and job satisfaction.
  Evaluation of PD is more likely to focus on the effectiveness of delivery and the perceived relevance of the material rather than proving the value to business (Savage, 2009);
- Both employers and professional associations were combined as: maintaining/raising standards; improving job performance; and demonstrating commitment; and
- The three groups - individuals, professional associations and employers - as: keeping up-to-date; improving/developing skills; and increasing flexibility/adaptability.

Table 2-6 shows the percentages cited for the aims identified by associations in Friedman et al's survey.

<table>
<thead>
<tr>
<th>Aim of CPD</th>
<th>Individual benefit</th>
<th>Organisational professional benefit</th>
<th>Benefit to both</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keeping up-to-date; maintenance of knowledge and skills</td>
<td></td>
<td>29%</td>
<td></td>
</tr>
<tr>
<td>Improvement and/or development of skills</td>
<td></td>
<td>25%</td>
<td></td>
</tr>
<tr>
<td>Maintaining and/or raising standards</td>
<td></td>
<td>21%</td>
<td></td>
</tr>
<tr>
<td>Career improvement</td>
<td>20%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security/protection</td>
<td>18%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job satisfaction</td>
<td>9%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improved job performance</td>
<td></td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Empowerment</td>
<td>7%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demonstrate commitment and</td>
<td></td>
<td>6%</td>
<td></td>
</tr>
<tr>
<td>Increased flexibility/adaptability</td>
<td></td>
<td>4%</td>
<td></td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>54%</strong></td>
<td><strong>34%</strong></td>
<td><strong>58%</strong></td>
</tr>
</tbody>
</table>

Table 2-6  Individual vs. organisational/professional aims of CPD

The views reported in Table 2-6 are those of associations - not individual professionals or enterprises. The findings varied for associations in different industry sectors. The figures show indicate surprisingly low expectations, with all aims - in particular: *Keeping up-to-date; Maintenance of knowledge and skills; Improvement and/or development of skills; Maintaining and/or raising standards; and Career improvement* - being cited less than 30% of times. The report does not provide weighting regarding the importance of the various aims. Both individual professionals and enterprises are likely to place different emphases on these aims, possibly resulting from pragmatic approaches taken by both to CPD. The report singled out job performance as being specifically related to the organisational (or corporate) level. Improved job performance may contribute to an individual's feeling of job satisfaction. In the other
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aims of CPD designated as of benefit either to the individual or to both the individual and enterprise combined, there is no way of identifying specific benefits to the enterprise e.g. career improvement may be of benefit to the enterprise as higher levels of knowledge may result in more profitable work being accessible and undertaken.

Unlike Marden (2003) and Professions Australia (2006a), the associations did not identify risk minimisation and enhancement of security as an objective of CPD. These aims seek to reduce harm to individual’s well being; to enterprises; and/or to society – government and the economy in general.

2.8. Evaluating Learning and Knowledge Development

There is a long history of evaluation within education. Taxonomies have been developed for education by Bloom and others (e.g. see Bloom, 1956; Clark, 2001; Forehand, 2005; Houghton, 2003; Shulman, 2002) to specify processes and content and to assess education outputs. Major evaluations of education systems and directions have been conducted in many countries (e.g. ACER, 2001; Bologna Process, 1999 - 2010, 2004, 2005, 2007; CHSRF (Canadian Health Services Research Foundation), 2007; Coffield et al., 2005; Dearing, 1997; ENQA, 2007; Graduate Careers Australia, 2007; Jones and Fear, 1994; OECD, 2002, 2003, 2004, 2005-06; Spellings, 2006; West, 1997).

Evaluation of education can be made for both programs and projects. There is a considerable body of literature involved in program evaluation (Johnson, 2009; Martin, 1997; Owen, 1993; Patton, 2001; Payne, 1994; Stake, 1973-75; Tananis, ND). Program evaluation in many instances is concerned with systemic evaluations in which the evaluator reports to authorities on the success or otherwise of existing programs. Program evaluation can be used to:

- contribute to decisions about a program’s: installation, continuation, growth, or modification;
- provide evidence to either support or oppose a program; and/or
- provide an understanding of issues related to a program (Worthen, 1990).

Project evaluation is more likely to occur when a project is being considered for adoption. In these circumstances it will involve a feasibility study which will include a business justification which includes estimations of costs and benefits for the project. Both program evaluation and project evaluation as described in the literature are more likely to be used by larger
organisations e.g. government education departments. Smaller enterprises are unlikely to commit the time and resources needed for major evaluations of this nature.

The enterprises involved in this study are more likely to ask whether EPD will:

- Enable the enterprise to continue to provide existing services at a basic, current or improved standard; and/or
- Enable the firm to recognise and take advantage of new opportunities?

From a more pragmatic approach the enterprise may worry whether the PD offered to employees provides the knowledge, skill, and opportunity to leave the enterprise i.e. does PD place the enterprise at risk? The CEO of an enterprise may ask ‘How do I know if my organisation is at risk because of the way I approach PD?’ This leads to three propositions - the enterprise may:

1. Be reluctant to invest in EPD beyond a sufficiency level for fear of loss to its enterprise knowledge and to the investment required for EPD;
2. Invest in EPD only for compliance of regulatory authorities and/or for sufficiency learning; and/or
3. Invest in PD above a sufficiency level only when it perceives that that EPD contributes value.

2.9. Measuring Results of Learning and Training

Measures currently available to evaluate PD include those originating from:

a) Education sources including: Kirkpatrick’s four levels (Chapman, 1995-2007; Kirkpatrick, 2009a; Kirkpatrick and Kirkpatrick, 2006; Kirkpatrick, 2008) and Phillips’ fifth level (Phillips, 1996, 2007); Return on Expectations (Kirkpatrick, 2009a; Kirkpatrick and Kirkpatrick, 2006; Kirkpatrick, 2008); and Competency assessments (Jones et al., 2002; PSC, 2006a; Standards Australia, 2001);

b) Standard business practices such as: Breakeven Analysis; Return on Investment (ROI); and Net Present Value (Hunter and Allport, 1979; Kanter, 1992); Balanced Scorecard (Kaplan and Norton, 2005, 2007); Gain Score Analysis (Breakwell and Millward, 1995); Value Added (Milost, 2007); and Context-Input-Process-Product (CIPP) (Stufflebeam, 1971). These measures are appropriate when the enterprise is looking for benefits which are directly measurable. They do not address the concerns that a CEO may have
regarding risks associated with EPD whereby EPD may be seen as a gamble for an enterprise.

**a) Educationally Based Evaluation Methods**

Perhaps the most widely recognised evaluation method for learning is Kirkpatrick’s training evaluation model which was first proposed in 1959 and refined since by him, and then with his son (Chapman, 1995-2007; Kirkpatrick, 2009a; Kirkpatrick and Kirkpatrick, 2006; Kirkpatrick, 2008). The four levels Kirkpatrick identified are:

- **Reaction** (*feelings*) – what have the participants thought and felt about the process they had undertaken? This is most likely to be undertaken through the use of forms completed at the end of an activity (happy sheets), or through feedback to and via supervisors on returning to work;

- **Learning** (*acquisition*) – has the knowledge or capability of the participants increased? This can be identified through assessment (often for competence) sometimes pre and post the activity or through interviews or observation. This level is much easier to assess for learning which is highly structured rather than for more complex professional development;

- **Behaviour** (*application*) – has the learning and training resulted in sustained changes in behaviour? This requires assessment over time through observation and/or interviews and requires the support of line management; and

- **Results** (*impact*) – what has been the impact on the individual or the enterprise? It is possible to measure changes in value within enterprises; however, it can be difficult to be sure that an increase in performance or value is attributable to PD activities alone and not other factors impacting the business. This level of training is difficult to assess for multiple PD activities across an enterprise.

The Kirkpatrick model is a system which measures achievement against goals. Many organisations achieve this measurement of PD at Level I; however measurement of achievement against goals at higher levels is complex. Comparatively few organisations measure performance at Levels 3 and 4 (Fee and Rutherford, 2012).

Phillips (1996, 2007) added a fifth level to Kirkpatrick’s model - Return on Investment (ROI) based on the need for PD to be assessed under the same criteria used for other business activity. The ROI is based on converting level 4 data to monetary values and comparing this return with the cost of PD. Once again this is easier to do for training based activities which
are highly structured with defined measurable outcomes. Phillips uses a standard formula for calculating ROI:

\[
ROI = \frac{(\text{Benefits} - \text{Costs}) \times 100}{\text{Costs}}
\]

This provides a simplistic view of ROI which is appropriate for activities where there is an immediate return on investment. This cost-effectiveness strategy is based on valuing improved work practices. Benefits which relate to knowledge generation are more likely to be long term, difficult to measure and should be subject to discounted cash flow analysis (Hunter and Allport, 1979; Kanter, 1992; Senn, 1990).

Wenger et al (2002a) in discussing Communities of Practice argue that the factors used in calculating ROI (particularly in the planning stages) should be valued conservatively:

- The benefits claimed such as time saved, costs reduced or avoided, or additional revenue need to be underestimated and should take into account:
  - The value directly attributable to participation; and
  - The degree of certainty regarding the estimates;
- The costs concerned with the activity should be overestimated unless completely known at the time of calculation. Therefore:

\[
\text{Reported savings (or net benefit)} = (\text{Benefits} - \text{Costs}) \times \text{Share attributable to the activity} \times \text{Degree of certainty that the estimates are accurate.}
\]

Wenger et al’s model takes a very conservative approach and has wider applicability than just for Communities of Practice. In relation to EPD, it still suffers from an emphasis on short-term measurement. CPD for professionals may result in benefits occurring over a long term as knowledge is grown and opportunities to apply knowledge occurs.

Tobin (2010) argues against using ROI to value training as the benefits to be gained are likely to rely on other significant changes within organisations. The return will not be purely based on training. He recommended planning and preparation in order to ensure that training solutions meet business needs and that the expectations for training outcomes should match the results required. In common with most authors in this field, his emphasis is on training rather than learning and knowledge development. Benefits which relate to knowledge generation are more likely to be long term, difficult to measure and if ROI is used, it should be subject to discounted cash flow analysis.
Don and Jim Kirkpatrick (Kirkpatrick, 2009a; Kirkpatrick and Kirkpatrick, 2006; Kirkpatrick, 2008) argue that ROI is part of level 4 – results. They further argue that Return on Expectations (ROE) is a more significant assessment than ROI. ROE involves the promoters of learning (or individual professional’s engaging in PD) and enterprise management negotiating prior to an EPD activity what a successful outcome will be and how it can be measured. ROE provides a means whereby EPD can be followed up after an activity has taken place with the view of maximising benefits to enterprises. These benefits are not confined to financial benefits. The technique is more appropriate when benefits are expected to be achieved in the short-term and expected outcomes can be defined. Growth in knowledge cannot always be predicted and financial and other measurement may not be precise.

The Success Case Method (Brinkerhoff, 2005) concentrates on increasing the value and effect of training. The aim of the method is to obtain greater performance and organisational impact rather than just assessing the scope of training’s impact which Brinkerhoff claims is the role of the Kirkpatrick model. “It is intended to produce concrete evidence of the effect of training (or the lack of it) in ways that senior managers and others find highly believable and compelling” (Brinkerhoff, 2005 p.30). It involves a two-step approach: firstly identifying potential cases of success and secondly verifying these cases through interview and documenting the factors which led to success. The method can also be used to identify and document unsuccessful cases. The method is best used in circumstances where training is used to build specific identifiable skills or competencies. It is also more appropriate for larger organisations.

Gain Score Analysis (Breakwell and Millward, 1995) is a technique which also attempts to measure the impact of an intervention. This model of before/after analysis can be used at both employee and enterprise levels but is most suited to EPD involving single activities with highly structured measurable results.

In developing a model to rate how well training benefits a business, Kirkpatrick Partners (2010) use their four levels model (reaction, learning, behaviour, and results) as the foundation for an enterprise’s assessment. A significant issue identified by them is the need for a learning culture as demonstrated by:

- Recognition by managers that training provides the potential to solve business problems, needs and/or opportunities, combined with the use of processes to ensure that training can provide relevant benefits;
- Aligning training to business needs*;
• Measuring the impact of training and ensuring that it is leveraged into the work environment*;
• Line managers/supervisors setting and sharing expectations with participants are working to ensure that training is applied back on the job using where possible feedback and coaching to staff*;
• Using subject matter experts in the development of, and business leaders as part of the delivery, of training;
• Linking training with the work environment in the design of training programs, development of competencies and ensuring that training aligned to business needs*;
• Identifying the drivers which impact the effectiveness of training and minimising those drivers which may have negative influence and promoting and encouraging those drivers which enhance the value of training;
• Assessing the value of training and communicating that to management.

(*Indicate items which imply significant alignment of work and learning.)

Development of a learning culture is equally important for PD which focuses on knowledge development as for activities which are training based.

The Context-Input-Process-Product, or CIPP model (Stufflebeam, 1971) is a systems-based framework which aims to test and improve specific learning activities. CIPP is less suitable as a tool to measure the effect that an activity (or PD in general) has overall on an enterprise (Fee and Rutherford, 2012).

Accounting techniques for evaluating projects and investments typically are break-even analysis (BEA) and ROI. Both are often used as planning tools to choose between alternatives. BEA attempts to estimate the time it will take to recoup the cost of the activity (professional development) based on the phasing in of the expected benefits. Both BEA and ROI are suitable for activities for which benefits will be achieved quickly. Both ignore the time value of money - when benefits occur over time and the value of dollars received in some future time are not the same as dollars spent now. Discounted cash flow analysis or Net Present Value (NPV) applies a discounting factor – the internal rate of return - to the ROI which is used to determine whether projects return a positive return. Discounted cash flow can be used to determine both NPV and a more realistic BEA (Hunter and Allport, 1979). These techniques are suitable in assessing whether or not an activity should be approved. They rely on accurate
estimation of costs and (particularly in relation to this research) benefits which are difficult to predict for knowledge based EPD.

The Balanced Scorecard (BSC) (Kaplan and Norton, 2005, 2007) includes not only financial perspectives in judging corporate performance, but also takes into account the customer; internal business processes; and learning and growth. It looks at:

- What does the enterprise want to be;
- How will it get there and what are the goals that need to be achieved; and
- What needs to be measured?

These questions are also critical in Benchmarking which is a management technique to allow an enterprise to measure itself against its peers. The goal is to improve the enterprise in defined areas through learning and development of individuals and the enterprise (Fernandez et al., 2001).

A BSC needs to be developed individually for each enterprise and will take a long time to implement. It may be beyond the capacity of many small to medium enterprises (SMEs) to develop and the put into practice. BSC stresses the importance of developing strategic or organisational learning and sharing knowledge within the organisation in order to produce a change in people assumptions about cause and effect relationships. Offering training to improve techniques is seen as a key step in the process of business improvement. BSC drills down from a starting point of corporate targets through business unit targets, to team and individual objectives and initiatives. It has a focus on corporate learning and while individual learning is valued it is arguable that EPD is unlikely to be specifically measured in a BSC.

An alternative method of evaluating PD involves assessing the value added to an enterprise by PD. “Value added can be defined as the increased value of the organisation as a result of their increased quality” (Milost, 2007 p.8). As most professional enterprises are not listed companies this change in value may be difficult to obtain although there are formulas for valuing professional practices based on the net present value of its future cash flows (Jansen, 2006). Specifically identifying the impact of EPD in this process would appear to be unrealistic.

Any method of evaluating PD is subject to Kirkpatrick & Kirkpatrick’s (2011 p.266) warning that: “unless evaluation results are effectively used, you have likely expended a lot of energy
but have stopped just short of realizing the ultimate purpose of training and learning—to improve organizational effectiveness”.

2.10. Perceptions and Changes to the Traditional View of PD

Australia has introduced Professional Standards legislation to protect the public from professional incompetence. Competency focused CPD standards have been perceived as a means of protecting the public through risk minimisation policies (Marden, 2003). There is a danger that the emphasis placed within the Professional Standards legislation on compliance will not result in improved levels of knowledge and performance. Standards imply a one-size fits all approach (Smith, 2005b).

Professional Standards legislation was first enacted in Australia in 1994 in New South Wales. The purpose was to enable self-regulation of the professions and other occupations to work better for the community. In August 2003 Insurance Ministers of all states and territories agreed to establish a system of nationally consistent Professional Standards legislation (Marden, 2003). All jurisdictions have now passed Professional Standards legislation based on the NSW act and its subsequent amendment. Each jurisdiction has a Professional Standards Council, with all Councils having common membership; administration for each Council is through the New South Wales Attorney General’s department (PSC, 2006a).

The objects of the Act are:

(a) "to enable the creation of schemes to limit the civil liability of professionals and others,

(b) to facilitate the improvement of occupational standards of professionals and others,

(c) to protect the consumers of the services provided by professionals and others,

(d) to constitute the Professional Standards Council to supervise the preparation and application of schemes and to assist in the improvement of occupational standards and protection of consumers" (PSC, 2006b p. 3).

The Professional Standards Council provides recognition for professionals by issuing the Cover of Excellence* trademark for use by members of associations participating in the scheme.

The Centre for Applied Philosophy and Public Ethics (CAPPE, 2006) found that professionals perceived that the most significant benefit of registration under the scheme was that registration provided evidence that professionals have an (or have improved their) ethico-
professional reputation. This benefit exceeded insurance capping as the primary incentive for registration. Nevertheless the Professional Standards Council noted a tendency for some associations to focus on limiting the civil liability of professionals [object (a) above] when proposing schemes to the Council. Limiting of civil liability on its own is not desirable as it acts to shift risk to consumers. The Council saw that its role was to ensure that schemes which **improved standards and protected consumers** were developed and approved (PSC, 2006a).

The *Guidelines for occupational associations to prepare an application to the Professional Standards Council for the approval or renewal of a scheme* (PSC, 2007) shows that their standards are egalitarian (self regulation by associations); based on minimising risk for the community and focusing on regulation and compliance. Learning methodologies are left to the discretion of individual associations for approval.

Both the Professional Standards Council and Professions Australia (the peak body for professions in Australia) mandate that professionals undertake on-going PD. This requirement satisfies objects (b) and (c) above, of the Professional Standards act. The way schemes are implemented is influenced by the need for compliance under object (d) above. It is arguable that the burden of compliance may distract associations.

Standards have become significant particularly for professions involved in international commerce e.g. accounting (FDA, FAA, Sarbanes-Oxley) and IT (CMMI, CobiT, ITIL, Six sigma and ISO9000) and for other professions where professionals wish to practice internationally e.g. Health Care professionals and Engineers. In both categories, professionals may have to work under regulations where there is global recognition of qualifications (sometimes with global accreditation). Mutual recognition agreements between national associations provide appropriate multi-national recognition/credentialing. In most cases entry to the profession is awarded by an individual national association to applicants who satisfy the requirements for membership. For associations such as Financial Planning and Project Management global Bodies of Knowledge have been established and are assessed by international bodies.

### 2.11 Limitations of Regulations/Processes regarding CPD/EPD

Professions Australia (2006a) decrees that associations are responsible for the control of a profession through policies relating to admission to the profession, regulation of professional practice and consumer protection. Associations have a responsibility to ensure that the sufficiency level of knowledge held by members when admitted to the profession is updated and maintained.
Associations have ethical codes and codes of conduct which provide the framework and culture to ensure that risk is minimised within the constraints of the practice of the profession. Effective CPD policies and processes within associations should ensure that members are aware of these requirements. Increased public awareness of risk has heightened concerns of these issues. Professional Standards legislation is one response by governments to this and associations share in the regulation of professional standards.

It is not enough for associations and educators involved in CPD to assume that ‘Transfer of Learning’ occurs as a result of education and training. The pedagogy associated with many programs is questionable as training:

“is thought of as the transmission of explicit, abstract knowledge from the head of someone who knows to the head of someone who does not, in surroundings that specifically exclude the complexities of practice and the communities of practitioners” (Brown and Duguid, 1991 p. 47).

Recent developments in the use of electronic delivery of CPD do not invalidate this statement.

Whatever is learned will not necessarily be retained or remembered over time or used in appropriate situations (Doyle, 2002; Thalheimer, 2006). Melotte (1996 n.p.) argues for “better linkages between planning research, education and training, competency standards, quality assurance and continuing professional development ... Improving higher education and the professions requires a new interpretation of professional education and training and professional practice.”

Coadrake (2009) in responding on behalf of Universities Australia to the discussion paper Setting and Monitoring Academic Standards for Australian Higher Education – Recommendations 19 and 23 - warned against the overly prescriptive use of standards fearing that this may stifle innovation and diversity. An appropriate balance is required between quality assurance and autonomy however an over emphasis on standards can lock in a position which can be detrimental to enterprises and professionals in carrying out their core functions.

The keys to transforming information into a thorough informed and reliable understanding of the subject material (knowledge) are “C words such as: comparison, consequences, connections and conversation” (Davenport and Prusak, 1998 p. 6). Comparison, consequences and connections require more than explicit knowledge. Reflection and the linking of work and learning are proven means for developing these traits in students (Calway and Murphy, 2007).
In a learning situation mere knowledge and understanding of the text is insufficient; it must be combined with knowledge built through experience (Brown et al., 1989). Many PD programs are competency based training programs which often use multiple choice definitional styled questions. They are designed to enforce the concept of standard solutions to all problems. However, “very little of real working life is run on agreed common definitions” and the work of professionals involves approximations and most of practice is “highly interpreted, time and place contingent, and constantly shifting” (Lambe, 2002 n.p.).

Education systems for vocational learning mainly involve assessment of separate learning packages containing manageable problems which lend themselves to pre-specified solutions (Brown and Duguid, 1994) – a competency or sufficiency approach. It is possible that the need to minimise risk has increased the emphasis on competency and as a result many PD activities have been reduced to assessing competency. It could further be argued that this approach is not suitable for professionals wishing to be involved in deeper, or self-directed career, learning.

To deal with continually changing and evolving problems, professionals require knowledge derived from learning and experience (Bransford et al., 1999; Gardner and Shulman, 2005; Spiro et al., 1996; Weigel, 2002). Learning at a higher level has been referred to as deep learning (Ramsden, 1992) or double loop learning (Argyris and Schön, 1978). Weigel (2002) defined deep learning as "learning that promotes the development of conditionalized knowledge and metacognition through communities of inquiry". The distinction between deep learning and surface learning for professionals can be seen in Table 2-7. This distinction depends on: an understanding of the context in which knowledge is to be applied as a critical prerequisite for using that knowledge; professionals requirements for metacognition whereby professionals monitor and reflect on their level of understanding and take appropriate remedies where required; and the use of Communities of Practice (Communities of Inquiry) - formal and informal communities which stimulate and enhance the experience of learning.

"All genuine education comes through experience" (Dewey, 1938). Dewey argued that learning from experience should not happen in isolation but that the learner should be encouraged to connect their learning with past and current experiences and to see possible future implications of their new knowledge. Brown and Duguid (1991), in developing the theories of Lave and Wenger (1990, revised 1991) and Orr (1990), claim that separation of
Locating the Study within the Research Spectrum

Chapter 2

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knowledge and practice is unsound and argue for the composite concept of "learning-in-working" to enable a fluid evolution of learning through practice.

<table>
<thead>
<tr>
<th>Deep learning</th>
<th>Surface learning</th>
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<tbody>
<tr>
<td>Professionals relate ideas to existing knowledge</td>
<td>PD material is treated as unrelated bits of knowledge</td>
</tr>
<tr>
<td>and experience</td>
<td></td>
</tr>
<tr>
<td>Professionals look to patterns and underlying</td>
<td>Emphasis is on memorising facts and carrying out procedures routinely</td>
</tr>
<tr>
<td>principles</td>
<td></td>
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<tr>
<td>Professionals check evidence and relate it to</td>
<td>As material is not presented in context there is difficulty in making sense of new ideas</td>
</tr>
<tr>
<td>conclusions</td>
<td></td>
</tr>
<tr>
<td>Professionals examine logic and argument cautiously and critically</td>
<td>Little value or meaning may be seen in the material or tasks</td>
</tr>
<tr>
<td>Professionals are aware of the understanding that</td>
<td>Little reflection is done on either purpose or strategy of the PD activity</td>
</tr>
<tr>
<td>develops during learning</td>
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<tr>
<td>Professionals become actively interested in PD</td>
<td>Learning may be done under pressure as participants may worry about work</td>
</tr>
<tr>
<td>content</td>
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Table 2.7 Attributes Distinguishing Deep Learning and Surface Learning
Adapted from Weigel (2002)

CPD programs designed for professionals should take into account that 'Transfer of Learning' needs to be the key element of these programs. Melotte (1996) contends that knowledge should be seen as being explanatory, predictive and interpretive. Professionals will not reach this depth of understanding and adaptability unless their understanding of theory constructs is sound and they are encouraged to transfer learning content to the workplace. CPD programs need to be designed incorporating learning theories and methodologies which:

- Are appropriate for adults who are learning at a postgraduate level; and
- Draw on the experience and/or the work environment of the professional.

With rapid expansion of both information and knowledge within professions, the meaning of 'knowing' has shifted from being able to remember and repeat information to being able to find and use it (Simon, 1996). Bransford, et al. (1999) maintain that education cannot adequately cover all the knowledge relevant to a specific discipline and in order to become self-sustaining, graduates as lifelong learners need to acquire the ability to frame and ask meaningful questions in their professional area. Shulman (2002) emphasises the need for professionals to be capable of engaging in conversation with fellow professionals.

The problems which confront professionals are often complex and ill structured and vary from case to case. As a consequence solutions are often non-repeatable in whole or in part. Solutions require informed knowledge which goes beyond information presented in a course and which requires professionals to comprehend relevant issues and relationships. Constructing meaning in different situations requires the use of knowledge developed through
effective learning. The knowledge needed, requires both domain knowledge and experience to solve each new situation (Brown and Duguid, 1991). Professionals need to build knowledge rather than commit information to mind (Spiro et al., 1996). The learning design for advanced level CPD of professionals needs to build knowledge, skill and understanding to enable professionals to solve problems which are highly subjective and non-repeatable in comparison with competency based training where the design focuses on problems which have objective, repetitive solutions.

There is currently a philosophical split between learning designed for knowledge (traditionally university based) and learning designed for practice (or praxis - traditionally VET). Praxis is more than application of applying knowledge to given situations. It involves interpretation, understanding and application in a single process involving a continual interplay between end and means rather than following a predetermined process (Smith, 1996).

Kolb (1984, 41 (in Smith, 2001)) argues that: "learning is the process whereby knowledge is created through the transformation of experience. Knowledge results from the combination of grasping experience and transforming it". Kolb proposed that experiential learning has six characteristic features:

- Learning is best conceived as a process, not in terms of outcomes (i.e. a direction, a way of life – not a destination);
- Learning is a continuous process grounded in experience;
- Learning requires the resolution of conflicts between dialectically opposed modes of adaptation to the world (and world events);
- Learning is a holistic process of adaptation to the world;
- Learning involves transactions between the person and the environment; and
- Learning is the process of creating knowledge: ‘[which] is the result of the transaction between social knowledge and personal knowledge (Kolb 1984: 36 in (Smith, 2001)).

(italics are added comments/emphasis)

2.12. Limitations: Evaluating CPD for Knowledge Development

The aims which each stakeholder group has for PD will change over time. Kearns (2005) claims that unless performance outcomes have been agreed with the provider, the value of CPD to individuals and to the enterprise is less likely to be assessed effectively. Even if the performance outcomes have been established in advance, the value of any long-term benefits gained by the enterprise and/or the individual will be difficult to assess.
Evaluation of PD is not a one-size fits all approach (Anderson, 2007) as the, content, models and methods need to be adapted to meet the relevant circumstance. Both the level and the focus of content will fluctuate over time for both the enterprise and for employees as the requirements for new knowledge, skills and understanding emerge.

Suitable EPD will vary from one enterprise to another and may involve learning about: planning; programs; policies; the organisation; products and services; and/or individuals. The benefits derived from EPD may be:

1. Financial (cost reduction and/or revenue generation);
2. Individual career development; and/or
3. Development of organisational capability and capacity.

Evaluation usually involves some form of measurement. Measurement for evaluation purposes originated through the development of double entry accounting practices in the 15th and 16th centuries (Shulman, 2007). The problem with measurement is that it depends on what is decided to be measured and the accuracy of measurement. Evaluators aim to establish relevant facts which are measurable, replicable, visible, quantitative and credible (Shulman, 2007). Hopefully these facts will lead to increased understanding of the area being measured. Much evaluation of PD at a personal level often involves competency assessment.

Many disciplines have established competency standards as a means of protecting the public through risk minimisation policies (Jones et al., 2002; PSC, 2009; Standards Australia, 2001). Standards appear to be less concerned with the development of new or deeper knowledge such as the acquisition of specialist knowledge or integration of knowledge (Smith, 2005b; Standards Australia, 2007). Professional Standards legislation (Marden, 2003) may have reinforced a bias towards competency for professional development.

Competency is defined as "a combination of skills, abilities, and knowledge needed to perform a specific task" (Jones et al., 2002). Competency based training assesses a trainee’s ability to carry out defined tasks in environments where problems have been solved in the past with an emphasis on efficient and reliable performance. Competencies provide a means to objectively measure an individual’s knowledge and skills in order to assess the ability to replicate these tasks. Successful completion of assessment tasks implies that the person being measured or certified has knowledge, skill and experience in relevant technical and/or business areas.
Competency learning generally involves some form of assessment which often does not focus on the depth of learning. Mulcahy and James (2000) identified an emphasis on content rather than process with the result that the focus is on ‘how to do something’ ignoring ‘why’ as well as not addressing how to cope with unusual or unforeseen circumstances. The aim of competency assessment is to achieve consistency in application and as a result, enhanced accountability - in effect surrogate supervision. A competency/sufficiency approach to learning is:

- Outcome focussed;
- Does not particularly draw on practical and complex real world examples;
- Supports standard solutions to problems; and
- May not seek to expand knowledge.

Students involved in competency learning are content to reproduce what they have learned rather than extend and develop it because of the assessment approaches used (Marton and Säljö, 1997; Shulman, 2007). Thalheimer (2007) in challenging conventional assessment methods argues that these methods focus on the learner’s ability to repeat material presented and do not test the ability to retrieve knowledge, skill and understanding after the assessment period and in different contexts.

Some business benefits are directly measurable e.g. reduced costs through increased efficiency and/or a decrease in complaints, returns or rework; or increased revenue through new or improved customer service. Business benefits often are project based and address skills development e.g. training for the introduction of new systems with results measurable against an existing system. In these cases EPD is usually a necessity and when it has an immediate impact, measurement of benefits is feasible. Measurement of intangible potential benefits e.g. increase in employee morale, improved work/life balance is more difficult and seldom, if ever, conducted.

EPD which aims to produce knowledge rather than skills is difficult to evaluate as the benefits may be long-term and not easily associated with specific professional development (Anderson, 2007; Taylor, 2007). This distinction is particularly relevant as the expertise of professionals is demonstrated through their tacit knowledge which is the factor which distinguishes them from less knowledgeable practitioners (Ericsson and Smith, 1991; Leonard and Swap, 2005). Tacit knowledge is more often developed through learning that is practical and implicit (Sternberg, 1999).
In evaluating EPD; enterprises should consider the contribution made to operational performance; tactical directions and/or strategic planning. The level of support for PD given by an enterprise may vary over time and reflect relevance attached to particular topics and/or attitudes to individual employees. The attitudes and capabilities of individual employees will also influence outcomes.

Enterprises have a vested interest in ensuring that EPD provides benefits which both contribute to employees in their career development and to an enterprise’s ability to function and to grow. The effectiveness of EPD is likely to be greatest where the culture of the enterprise values learning and knowledge and where the policies and processes support EPD. Measuring the value added by EPD may be possible for enterprises in only some circumstances. No measures exist to enable the enterprise to gain an understanding of the value which it places on knowledge development; and of its role in facilitating learning and growth. Such an understanding may enable the enterprise to review and/or enhance their approach to EPD.

The way that the value of EPD is perceived within an enterprise will be dependent on organisational culture. This will influence the policies and processes used for PD. DiBella and Nevis (1998) claim that “learning capabilities can be developed through changes in attitudes, behaviours, and structures”. This requires enterprises to enhance the factors that promote learning; provide mechanisms for change and development of learning styles and capability as enterprises are not static; and to develop a profile of how the enterprise learn. DiBella and Nevis developed a two-part framework of organisational learning capability: the Organisational Learning Profile or Learning Orientation; and the Facilitating Factors i.e. the structures and actions that affect how learning occurs and is supported which impact the degree of effective learning taking place.

2.13. Cultural and Organisational Issues

The Organisational Learning Profile (DiBella and Nevis, 1998) attempts to assess how the enterprise goes about acquiring and disseminating knowledge and its approach to learning within the enterprise. It attempts to describe how learning occurs and what is learned and is based upon culture and core competence within the enterprise. Initially DiBella and Nevis identified eight Learning Orientations which reflect the choices which an enterprise makes
regarding what is important to learn and how this will be done. In their study of the Health Care industry and the professionals within that industry they recognised the need to adapt a generic model to recognise different learning requirements of professionals in an environment where change is constant and preset solutions are rare. This resulted in redefining some learning orientations and adding two new orientations. The framework for health care professionals which is also appropriate for other professionals consists of:

1. **Knowledge Source**: The enterprise prefers to develop new knowledge from sources which are mainly External/Internal;

2. **Content-Process Focus**: The enterprise prefers to gain knowledge which relates to the definition of the services (Content) offered as opposed to the processes which might underlie or support those services (Process);

3. **Knowledge Reserve**: This refers to variations in behaviours and attitudes to the repositories of knowledge. The term refers to the ownership/control/accessibility of the knowledge base held within the enterprise which may be possessed by individuals (Personal) as compared with knowledge which is publicly available (within the enterprise);

4. **Dissemination mode**: This pertains to differences between establishing an atmosphere in which learning evolves informally and one in which a more structured, controlled approach is taken to bring about learning (formal);

5. **Knowledge Focus or Learning Scope**: Learning is directed to obtaining knowledge to improve what is already known or being done (Incremental) as opposed to obtaining knowledge that challenges the assumptions about what is known or done (Transformative);

6. **Learning Timeframe**: Defines the emphasis on learning which responds to immediate needs, as compared with learning which may have long-term use;

7. **Learning Focus**: This distinguishes between learning geared to individual skill development and learning which is focused on team or group development; and

8. **Learning Mode**: Where learning involves generating and sharing knowledge and skills through actions or practices (Experiential) as compared with generating and sharing knowledge and skills through reflective activities or thinking (Cognitive).

The Facilitating Factors for EPD (DiBella and Nevis, 1998) look at the factors which may facilitate CPD within professional enterprises to determine the relevance of each of 13 factors which may impact EPD within an enterprise. The initial 10 Facilitating Factors identified for generic evaluation of learning were expanded to 13 for a study of the Health Care industry (a
knowledge base industry). The identified Facilitating Factors are:

1. **Performance Tensions**: Gaps in the knowledge, skill and understanding are recognised when that currently held either within the enterprise or individually does not meet that which is desired or required;

2. **Trusting Relationships (changed from climate of openness)**: This occurs when there is trust and open communication between colleagues and when team members respect the need for mutual growth and development;

3. **Leadership**: Leaders are personally and actively involved in learning initiatives and in ensuring that a learning environment is maintained;

4. **Systems Perspective**: Realisation and appreciation of complexity in problem solving in professional practice. May be demonstrated by: recognition of interdependence among groups; awareness of time delay between actions and their outcomes etc.;

5. **Multiple Advocates**: Staff at all levels are allowed/encouraged to look at and propose ways to develop new knowledge. Anyone can advocate change. Anyone can be a champion. Multiple advocates or champions exist;

6. **Learning Confidence**: This is defined as experience in learning from successes, mistakes, and specific events; experience in trying new things; belief that all groups can learn;

7. **Organisational Curiosity**: Curiosity about conditions and practices, interest in creative ideas and new technologies, support for experimentation;

8. **Appreciation for Measurement**: The importance of measuring learning is recognised. Considerable effort is spent defining and measuring key factors. Discourse over methods to measure learning is regarded as a learning activity;

9. **Learning Resources**: The enterprise is committed to providing high quality resources for learning;

10. **Appreciation of differences in approach to professional practice**: Different methods, procedures, competencies, skills and knowledge are valued; diversity is appreciated;

11. **Scanning Imperative**: This is defined as people gathering information about conditions and practices outside an individual work area and seeking out information about the external environment;

12. **Shared Vision**: This occurs when values and vision are shared within a team or within the enterprise; and

13. **Learning Enjoyment**: This involves celebrating learning achievements and creating an atmosphere where humour and fun are part of the process of acquiring new knowledge.
The framework developed by DiBella and Nevis provides a basis to identify: the direction which an enterprise takes regarding learning and how it goes about achieving learning; and the cultural issues inherent within the enterprise which will either enhance or hinder effective learning. The issues identified by DiBella and Nevis are likely to be influenced by the entrepreneurial intensity of an enterprise.

2.14. Entrepreneurial Intensity

The policies and practices which an enterprise has regarding learning can result in greater knowledge leading to improved performance and/or transformation of the business. Competitive advantage can be gained from knowledge and the ideas which flow from that knowledge (e.g. Dess et al., 2003; Ireland et al., 2006a,b; Kuratko and Audretsch, 2009; Morris, 1998; Morris et al., 2008). "Knowledge is information that is laden with experience, judgment, intuition, and value" (Ireland et al., 2006a p.1). Stephenson's widely accepted definition of entrepreneurship first published in 1983 is "entrepreneurship is the pursuit of opportunity beyond the resources you currently control" (Stevenson, 2000 p.1). An entrepreneurial outlook may lead to enterprises: transforming and growing business through the introduction of new services and/or new ventures; or minimising risk. Knowledge can provide the mechanisms for these transformations to take place.

Value for clients may be provided through highly motivated and informed employees and by offering a range of services appropriate to the needs both of clients and the enterprise. Value is added through: having a shared vision of the enterprise; responding to innovation environmental opportunities; developing and supporting appropriate attitudes and behaviour of managers; and developing teams. Creating an environment where employees are encouraged to share knowledge is considered particularly important (Kuratko and Audretsch, 2009).

Entrepreneurial Intensity is a concept which reflects on how entrepreneurship fluctuates by degree and frequency, and may be applied to stakeholders such as individuals; enterprises; and the public at large (Kuratko et al., 2007). An enterprise may be involved in many entrepreneurial initiatives (high-frequency) with few of them being innovative risky or proactive (low risk) while another enterprise may undertake a single breakthrough initiative (low frequency; high risk). Stakeholders represent a source of opportunity and having their
acceptance of new ideas is critical. Entrepreneurial Intensity impacts the content, speed, and depth of organisational learning (Dess et al., 2003; Ireland et al., 2006a;b; Zahra et al., 1999). Entrepreneurial Intensity involves taking a proactive approach to the innovative pursuits of organisations (Morris, 1998).

To assess an enterprise's entrepreneurship, measures are needed of innovativeness, risk-taking, and proactiveness. Proactiveness is concerned with anticipating and recognising entrepreneurial opportunity and then acting. Failure should be tolerated and employees encouraged to exploit opportunities. Ireland at al. (2006a;b) identified eleven elements of Entrepreneurial Intensity in an instrument to measure the organisation's innovativeness, its orientation to risk-taking; and the degree to which it is proactive. These elements can be subdivided into those which emphasise growth:

1. The enterprise is characterised by a high rate of new product/service introductions, in comparison with other professional enterprises (including new features and improvements);
2. Risk-taking by key executives in seizing and exploring chancy (or risky) growth opportunities;
3. Seeking of unusual, novel solutions by senior executives to problems via the use of 'idea people', brainstorming, etc.;
4. Compromises among the conflicting demands of owners, government, management, customers, employees, suppliers, etc.;
5. The relevant enterprise's top level decision-making is characterised by active searching for big opportunities;
6. The relevant enterprise is characterised by rapid growth as the dominant goal; and
7. The relevant enterprise is characterised by large, bold decisions despite uncertainties of the outcomes;

and those elements which emphasise risk consciousness:

1. An emphasis on continuous improvement in methods of production and/or service delivery;
2. A top management philosophy that emphasises proven products and services, and the avoidance of heavy development costs;
3. In our enterprise, top level decision-making is characterised by cautious, pragmatic, step-at-a-time, adjustments to problems; and
4. Steady growth and stability as primary concerns. (adapted from Ireland et al., 2006a;b).
The entrepreneurial intensity of an enterprise will impact the approach and enterprise takes to sponsoring and supporting learning and the development of policies and practices for knowledge development. An enterprise which is oriented towards growth is likely to value knowledge and processes which support recognition and development of new opportunities while an enterprise oriented towards risk consciousness is more likely to favour learning based on competencies, standards, accepted methods, orthodoxy etc.

### 2.15. Assessing Learning Outcomes

Traditional learning taxonomies are based on classroom models and a focus on assessment and may endorse an emphasis on competency unlikely to be suitable for assessing the outcomes of CPD. Shulman’s Table of Learning (2002) is appropriate for professionals’ CPD as it recognises that:

1. PD is a continuing process, not learning which has a definable start and a finite conclusion; and
2. Culture is an essential component of learning.

Shulman provides a model to assess the impact of CPD on the ability of the professional to perform as a functioning member of a profession. Shulman specifies six phases of learning: *Engagement and Motivation; Knowledge and Understanding; Performance and Action; Reflection and Critique; Judgment and Design; and Commitment and Identity* (2002 p.2).

Shulman’s phases do not following a strict sequential pattern nor have a beginning and an end. Commitment and identity is most likely to be followed by new engagement and motivation as professionals engage in lifelong learning and continually re-commit to learning in order to maintain levels of practical knowledge or to extend their knowledge base for further career development. Shulman’s approach is consistent with Beach’s (1999) view of learning which provides opportunities for professional growth as a metaphor of transitions, consequential and context driven, rather than static transfers.

Associations and enterprises can use the phases of Shulman’s Table of Learning as a basis to develop cultures and learning environments designed for effective professional development. Unless learning is put into context, professionals are unlikely to obtain the knowledge skills and understanding specified as required by graduates in reports by Dearing (UK) (1997); West (Australia) (1997); DEST (Australia) (2002); and in the Bologna Process (EU) (Kohler, 2004).
2.16. The Need to Grow Deeper and Broader Knowledge

Much of the literature and emphasis of work-based learning focuses on training and the development of competencies (Kearns, 2001). Where learning or training takes place in the workplace, there is a perception that educational institutions and/or industry structure the learning experiences in workplaces in a way that sustains existing practice in the workplace (Billett, 2001).

Learning philosophies are needed which are directed at improving the occupational standards of professionals and developing them as leaders of their profession; enterprises and/or society. Learning should emphasise growth of knowledge for professionals. Painter (2006) claims that PD activity unduly focuses on the development and assessment of competencies (acquisition of knowledge). Professionals need learning systems which provide them with the ability to understand, extend and develop their knowledge and skills within the context of their profession. They should be asked to examine and review: the limitations of the processes used or recommended; and the application of new theory studied.

The CPD provided or recognised by associations for members in order to maintain credentials, needs to be more than the memorisation of facts based on routinely defined processes without an attempt to fit these into context (surface learning). Unfortunately, risk avoidance strategies encourage CPD systems designed to ensure compliance. Risk avoidance is likely to become the behavioural norm, as these strategies are developed and reinforced by a competency (surface learning) approach. In addition to policies and practices which are designed to mitigate or manage risk, associations should demand a level of excellence, rigour, integrity and honesty (Argy, 2006a).

The services which enterprises provide their clients are based on their staff’s knowledge, training and qualifications. The knowledge held by new entrants to the profession is likely to be insufficient to solve real world problems taking into account the peculiarities and context of each situation. Client’s problems may be complex and require more than the ability to retrieve from memory intact pre-existing knowledge. Conceptual knowledge needs to be able to be applied to novel situations using reasoning and inference through an ability to flexibly reassemble pre-existing knowledge to adaptively fit the needs of each new situation (Spiro et al., 1996). This knowledge base is derived from both prior studies and prior experiences. Solutions to previous problems may be non-repeatable either in whole or in part.
2.17. Increasing Productivity

Constructivist theory (e.g. Allen et al., 2000; Bruner, 1996; Miller, 2002; Spiro et al., 1996) views learning as the establishment of knowledge, rather than the committal of information to mind. It involves going beyond information presented to encourage comprehension or understanding of the issues involved. In a learning situation mere knowledge of the text is insufficient; it must be combined with knowledge built through experience (Clark, 2000).

Constructing meaning implies that professionals require a deeper understanding than is obtained through simple competency standards. In addition to technical (discipline) skills, each professional needs a set of generic skills: to find and critically assess sources of knowledge often within short time frames; to analyse different views and where necessary, to creatively look for novel solutions; and to help in decision-making through understanding the data involved in the problem and using appropriate logic to determine meaning and significance (Elial et al., 2006; Jennings, 2010; McConnell and Hammond, 1997). Professionals who work in a professional practice have the opportunity to draw on the experiences and knowledge of fellow professionals in the process of framing solutions.

The knowledge which professionals possess should be up-to-date; to do this, professionals should be capable of acquiring and/or creating new knowledge throughout their working lives. Building knowledge is defined as "the production and continual improvement of ideas of value to a community, through means that increase the likelihood of what the community accomplishes will be greater than the sum of individual contributions" (Scardamalia and Bereiter, 2002). Professionals should seek to build knowledge which may be useful in the short-term and to construct meaning taking into account both the internal problems of the enterprise and their clients’ problems.

It is arguable that determining the value of CPD for individual professionals and for enterprises will depend on the impact which PD has on performance quality. Drucker (1999) suggests that assessing productivity involves asking the question "what is the task"; the answer being "satisfied customers" through delivering quality (not minimum quality). How do we know if professionals become more productive? The ill-structured and undefined nature of a professional’s work means that measurement of productivity is difficult. Professionals have autonomy which is accompanied by responsibility for work performed.
For professionals, the quality of the work is likely to be more significant than the quantity of output. The quality of a professional’s work in different to that of a manual worker. Various stakeholders may have legitimately different views on what the task is and what signifies success. The continuous nature of learning should involve the measurement (assessment) of EPD/CPD over a long-term rather than assessment of the impact of individual pieces of CPD. Drucker (1999) proposes that the level of quality is determined by judgements of peers (success rates, satisfaction levels, repeat business etc.) rather than measures of productivity.

The deepest level of knowledge building is undertaken by people who seek to advance frontiers of knowledge within communities. This involves identifying problems where misunderstanding may or may not have occurred; goal-setting, measuring and review; knowledge gathering and analysis; looking for ways to improve processes; giving and seeking feedback; and monitoring, evaluating and reporting progress (Scardamalia and Bereiter, 2002). Not all professionals seek to advance frontiers of knowledge and are happy to operate with a knowledge base at a lower depth - they may aim to construct knowledge which enables them to achieve both their individual and the enterprise goals. If this is the case they will engage in CPD to enable them to service clients at a level acceptable to the client. The client may be unaware of instances where the professional’s knowledge is lacking or perhaps that the professional is not really innovative. The client has the right to expect that the professional provide quality advice and services.

Knowledge work productivity therefore has the first aim of providing quality - and not minimum quality but optimum if not maximum quality. Only when this occurs can one ask productivity questions such as: "What is the volume, the quantity of work?" (Drucker, 1999) Quality is not a minimum and a restraint.

The quantity, quality, content and direction of CPD for a professional can be influenced by the stakeholders who are:

- Associations who define a Body of Knowledge, specify minimum compliance levels of CPD to be undertaken by members, and may accredit and/or provide CPD in various forms;
- Governments who regulate some professions and generally delegate CPD to professional associations;
- Enterprises who may: direct individuals to undertake certain activities; provide material support through payment of expenses and providing time release; and actively
contribute to an individual’s CPD by supporting a culture of learning which may include providing opportunities to learn in context, and/or mentoring and/or valuing learning communities such as Communities of Practice/Communities of Interest;

- Professionals who participate in CPD for compliance and/or career development. An individual’s motivation factors will impact on the worth achieved by them from CPD.

The knowledge available and acquired through CPD may be influenced by:

- Attention required by, and given to the Body of Knowledge which may incorporate a standards’ approach to problem solving, and

- Any biases caused by assessment requirements (Thalheimer, 2007).

### 2.18. Assumptions Underpinning the Research

CPD is an activity undertaken by individuals. CPD can be instigated by individual professionals (self-directed learning) for either career development or to meet compliance requirements for professional accreditation (credentialing). This is not the focus of this research.

Hypotheses/assertions for this research are:

a) CPD may be instigated by enterprises to meet either short-term or long-term needs of the enterprise. This research is concerned with EPD at the corporate level not at an individual professional level.

b) Enterprises, e.g. accountants’, doctors’ and financial advisors’ practices or businesses, can be defined as organisations offering professional services to business or to the public in general. It is also hypothesised that professionals within these enterprises, both partner/principal or associate/employee level will engage in “consulting level” activities with a minimum of supervision.

c) Learning outcomes are impacted by the way material and content is delivered. Factors which influence the depth of learning achieved include:

- Learning taxonomy used: Shulman’s Table of Learning (2002) is an appropriate taxonomy which is relevant for adult learning at a professional level, rather than the more widely known Bloom’s taxonomy (Bloom, 1956; Clark, 2001; Forehand, 2005; Houghton, 2003; McGee, 2003). CPD is essentially an adult learning activity (andragogy not pedagogy) (Clark, 1999; Cross, 1981; Knowles, 1975; Smith, 2005a) and needs to take into account that relevance of material is critical to improving the capability and capacity of professionals;
• The support given by the enterprise to EPD and the culture of learning which exists with the organisation. This support may be demonstrated by:
  o The Transfer of Learning which occurs: Work-Integrated Learning is an appropriate strategy which can support a number of learning methods. Learning in context makes the potential for effective transfer of learning greater;
  o The assimilation of new professionals into the profession through mentoring and/or Communities of Practice: new professionals need to consider themselves as part of the profession and to be encouraged to engage in conversations and understand the language within the profession (Gardner and Shulman, 2005; Shulman, 2002). Apprenticeship models are a feature of some professions accreditation processes (e.g. RACGP, Australian Medical Council). In most cases the [apprentice] master is a senior member of the profession/enterprise; and
  o Accessibility to: learning materials; fellow professionals; and CPD opportunities within the profession. Enterprises can identify; resource; finance; and allocate time to PD. Associations can identify learning needs of the profession, and provide learning opportunities - sometimes at subsidised fees;
• The corporate goals, Entrepreneurial Intensity, and risk consciousness of the enterprise combine to determine the enterprise’s learning profile and develop an enterprise culture which facilitates learning. The policies and practices used by the enterprise result from its learning profile and the facilitating factors combined with regulations of the appropriate association. EPD may result in learning which is either at a sufficiency level which enables the growth of professionals at a deeper level in areas of specialisation or integrated knowledge; and
• Assessment methodologies used – assessment can have the primary aim of measuring predetermined competency and the ability to memorise facts divorced from the process of learning or to develop the learning which extends the students experience and knowledge.

d) Associations have a responsibility for credentialing professionals and therefore have a responsibility for preparing professionals for practice and for ensuring that they develop the capacity for lifelong learning.
e) Enterprises have the responsibility/opportunity to provide a culture where growth of knowledge is encouraged and supported.
2.19. Creating an EPD Profile

Professionals are knowledge workers who provide significant knowledge, skills and understanding to their clients. The way that an enterprise approaches and values EPD will impact the outcomes achieved. The perception of what value is added to an enterprise will be dependent on organisational culture. This will influence the policies and processes used for PD. The proposition is that the value added for enterprises by PD will depend on five factors: Organisation Goals; Entrepreneurial Intensity; Risk Consciousness; the Organisation's Learning Profile and the Factors that Facilitate learning.

The Concept Map (Figure 2-2) depicts the theory that Enterprise Goals (Appendix 1 Part C) establish the Expectations which the enterprise has for the professional development of individuals (CPD) and for the enterprise as a whole (EPD). The enterprise’s goals will have been formed by the Entrepreneurial Intensity; and Risk Consciousness (Ireland et al., 2006a); of the organisation and may be designed to:

- Maintain the status quo (perhaps incorporating the aim of growing the volume of business). In a professional enterprise this may be achieved through the use of standalone PD, designed to ensure proficiency and competency which in turn may require compliance certification. The learning involved at this level is likely to be more of a surface nature rather than deep learning; or
- Grow the business into new or more profitable areas, i.e. growing capability and capacity for the enterprise through EPD. This is likely to involve either the development of specialist skills or an increase in knowledge enabling the professional to integrate with other disciplines. The learning involved at this level will build on a professional's existing Body of Knowledge and will require a deeper understanding of concepts.

Entrepreneurial intensity and risk consciousness may not change dramatically over time, however, they may be impacted by external factors such as a global financial crisis; and technological, legislative or social change.

The enterprise goals combine with the:

- Way the enterprise values learning (Enterprise Learning Profile) (DiBella and Nevis, 1998) and
- Factors which are put in place to encourage and support learning (Facilitating Factors) (DiBella and Nevis, 1998);

leading to the formulation of Policies and Practices designed to meet those goals.
Research is needed to test the theory that capabilities, capacity and competence can be objectively measured. If effective measurement can be achieved then these measurements can be used as feedback in a continuing loop whereby the enterprise re-evaluates and re-establiishes its Entrepreneurial Intensity and Risk Consciousness; the Learning Profile which reflects the culture which the enterprise has towards learning, the facilitating factors in place to grow knowledge; the PD policies and practices in place; and the value and effectiveness of the measurement factors used.

**Figure 2-2  Components impacting CPD and Learning Processes**

**Summary**
This chapter identifies and sets out key literature related to the study. It identifies that: CPD may be used to satisfy compliance requirements and/or to develop deeper knowledge in both technical and non-technical areas. One question that arises is: does an emphasis on meeting the compliance requirements of professional associations and of Professional Standards legislation react against the development of deeper knowledge?

Professionals need knowledge to help them solve problems which are complex and ill-structured. Learning for professionals may involve some skills training but should be focused on maintaining and growing knowledge and recognise the fact that professional are adult learners. Shulman’s Table of Learning (2002) is an appropriate taxonomy.

Evaluation of learning is generally done at an individual level particularly when competencies are being assessed. It is questionable that assessment models designed to assess competency are suitable if the primary aim of CPD is to develop knowledge rather than skill. Educational evaluation models such as Kirkpatrick and Kirkpatrick (2006) rely on situations where the
benefits can be assessed in the short-term rather than the long-term. Similarly, business evaluations such as Return on Investment and Break-Even Analysis are suitable for projects when the benefits occur within a comparatively short timeframe and can be directly attributable to the PD activity. The benefits of PD claimed by professional associations (Friedman et al., 2000) need to be examined in relation to their relevance for professional enterprises.

The first element in determining an enterprise’s PD profile is its Entrepreneurial Intensity. Entrepreneurial Intensity has two distinct and not necessarily related elements: growth and risk aversion. Enterprises which have a high Entrepreneurial Intensity for growth may see EPD as providing the means to grow the business through providing new and/or improved services. Enterprises which have a high Entrepreneurial Intensity for risk aversion are likely to use EPD to improve standards and processes so that they can minimise risk and the subsequent costs related to Professional Indemnity claims and time lost in disputes. Therefore, does Entrepreneurial Intensity influence organisational culture and the support given to EPD?

Enterprises can develop their learning capabilities through organisational attitudes, behaviour and structures which support learning. The framework of organisational learning capability (DiBella and Nevis, 1998) examines the Learning Orientation of the policies and practices affecting how learning occurs and how it is supported within the enterprise.

The support given to CPD may vary from active discouragement through indifference and all the way through to positive support for CPD and celebration in any success. Enterprises may facilitate learning by:

1) Providing financial and/or time allowances to allow employees to attend formal award courses and other activities such as professional conferences;
2) Providing specific work related training in both technical and generic skills;
3) Developing a culture where:
   a) Knowledge is shared;
   b) Learning is valued;
   c) Responsibility is devolved;
   d) Confidence is generated; and
   e) Success is recognised and appropriately celebrated.
CPD arguably should be more about learning than compliance. Effective learning requires more than an emphasis on the content and the way it is delivered. It needs to be reinforced through the practical application of knowledge delivered in a context which is relevant to the problems of the individual professional and to the enterprise.

2.20. Conclusion

This chapter has examined: the traditional views related to CPD and the aims which various stakeholders have for EPD; the linkage between learning and knowledge development and the needs of professional enterprises; methods for evaluating EPD, and the drivers which influence the approach that enterprises have for EPD.

Suitable methods are required to gather data in order to obtain an understanding of EPD within enterprises. Chapter 3 will examine, evaluate and justify methodology for: examining the value that small/medium enterprises obtain from EPD; and the factors which influence the learning achieved through EPD within these enterprises. The chapter will develop the Research Questions for the study. The chapter will present methods for data collection construction and analysis; criteria used to select participants in the research; ethics and research procedures; and the validity and reliability of the research procedures.
3. Chapter 3  Developing and Conducting the Research

3.1. Introduction

The study examines the value to professional enterprises of continuing professional development (CPD). It limits its scope to professional enterprises that are small/medium enterprises and have vested interests in ensuring that: employees meet the professional development (PD) compliance requirements of their professional association; and maintain and develop their knowledge base in order to provide service to clients. The influence which the professional enterprise has on the CPD of its staff is relevant to the study.

Specifically this research is concerned with enterprise professional development (EPD), i.e. CPD within professional enterprises, and its evaluation. As discussed in prior chapters the terms will be: enterprise for professional businesses; employees for all staff working within these enterprises; and associations for the bodies which employees belong as professionals.

The research tests the theory discussed in Chapter 2 concerning the PD of professionals within enterprises. It will examine the impact of CPD on enterprises and the way that organisational culture can influence CPD. The research establishes the methods used by, and extent to which, enterprises use EPD to:

- Derive value to their enterprises - through increasing the effectiveness of professionals;
- Maintain Certification of compliance by professionals to regulatory and professional standards; and
- Transfer knowledge to professionals.

The expectation that individual enterprises have for EPD will vary both within a profession and between professions. Within the limitations of the scope of this study, these differences will be identified. It is recognised that the PD profile of an enterprise is not static and may change noticeably as the level of PD required, and the focus of content for PD, fluctuates over time and therefore this research presents a snapshot at a point in time. It is not a longitudinal study.

The remainder of this chapter will document: the context in which this study occurs; hypotheses related to the study; steps involved in developing the research; a rationale of conducting a qualitative study and a rationale for using a case study; the limitations of the
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3.2. Context in which this Study Occurs

Studies and reports have examined PD at an individual level (e.g. Australian Physiotherapy Association, 2005; Forbes, 2006; Hennessy et al., 2006; Pharmaceutical Society of Australia, 2003; Rothwell and Herbert, 2007; Webster-Wright, 2006) while other studies have been at an association level (e.g. CICA, 2005/2012; Friedman et al., 2000; Friedman and Mason, 2007; Friedman and Phillips, 2002; Watkins, 1999).

The key to understanding this research study lies with the idea that CPD is a phenomena which is a mandated activity for professionals, and requires investment in time and money and resources by individual professionals and/or the enterprises which employ them; and that CPD and PD (i.e. one-off or not continuing) are socially constructed meanings, constructed by individuals and organisations within their own world reality. This reality is not fixed, with both intrinsic and extrinsic actions occurring, and no single or agreed-upon measure of what CPD or PD is. There are multiple constructions and interpretations and this acts against any isolation of variables and a reduction to a single quantifiable test. The research deals with a social construction which can be dynamic and rich and which may change at different points in time.

The research, while recognising the traditional focus of CPD on individual development, will be directed towards the enterprise level looking at the policies and processes within enterprises enabling the Body of Knowledge of professionals to be:

i) Maintained at a level sufficient to practice (perhaps for compliance reasons only).

ii) Extended to a deeper level through acquisition of either:

- Specialist knowledge; or
- A broader knowledge base enabling:
  - Integration of knowledge and enhanced ability to operate in multi-disciplinary teams with other professionals; and/or
  - Development of management skills.
Does the approach towards EPD, taken within enterprises, result in deeper learning and impact on the performance of the enterprise? The research investigates the impact of professionals’ CPD on enterprises and the way that enterprises may affect the end result of EPD. The research is focussed on the CPD of professionals who represent the enterprise at a professional (or consulting) level. These individuals would hold, or be eligible for, full professional membership of a relevant professional association.

3.3. Assumptions Related to the Study

The study has been influenced by the realisation that valuation of PD is not a *one size fits all* approach (Anderson, 2007).

illustrates that there are many variables involved in evaluating EPD and these variables may change over time. Specific attitudes in relation to EPD were expected to be:

- The major emphasis for undertaking CPD within enterprises will be for compliance reasons;
- CPD will be seen more as an individual activity rather than an enterprise activity;
- Enterprises will adopt a strategic pragmatic approach to PD rather than a strategic or tactical approach as they are likely to support CPD sufficiently so that:
  - Employees maintain their professional membership status;
  - Knowledge critical to the success of the business is obtained;
  - Costs associated with EPD are minimised and controlled;
  - Minimising the lost time of employees will be important; and
  - PD, both continuing and enterprise, will be used in some circumstances as a reward system to maintain or improve employee morale; and
- Overall: PD will be managed within the enterprise to maintain the knowledge of professionals at a level sufficient to practice rather than to achieve deeper knowledge, either at a specialist or a broader level.
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3.4. Developing the Research

The need for this research became apparent from the researcher’s experience in postgraduate education and professional development involving a number of associations:

- Executive officer responsible for PD activities within the Australian Computer Society (ACS). Within the ACS, I had been involved in the development of specialist subjects in knowledge management and eLearning. These and other subjects within the ACS Certification program all contained Work-Integrated Learning components;

- Involvement in cooperative education at university, national and international levels – cooperative education is one form of Work-Integrated Learning (WIL). Cooperative education is primarily directed at undergraduate education (Coll and Eames, 2006; Davie, 1990; Jancauskas et al., 1997; Weisz and Smith, 2005; Wilson and Lyons, 1961; Young, 1997) but strongly supports the common theme covered in WIL literature that learners who apply theory to practice achieve deeper learning (Andresen et al., 2000; Boadle, 2004; Boud and Solomon, 2001; Brown et al., 1989; Brown and Gray, 2003; Clark, 1999c; Gilly, 1997; Lave and Wenger, 1991; Smith, 2001);

- A postgraduate educator; and

- A provider of PD programs to six professional associations.

The trigger points were a perceived increasing trend towards competency standards and the introduction of Professional Standards legislation. This was combined with the view that in...
many cases PD was undertaken pragmatically by professionals for compliance reasons leading to an emphasis on sufficiency learning rather than deep learning. This experience generated the idea that the concept of PD was often misunderstood, was often driven by a compliance mentality both by associations and by professionals.

A literature survey revealed that competency and standards are significant issues. The role and influence of enterprises in supporting their professional employees had not been investigated to any major extent. The PD offered and undertaken by individuals and associations had been studied. The literature review looked at: adult learning, situated or experiential learning, competency and standards, learning taxonomies and theories, knowledge management and knowledge development, professionalism and professional associations, Professional Standards legislation, risk management, evaluation and assessment theories, and qualitative research methods. A research proposal outlining the theme and suggested approach was prepared and approved.

In parallel with the literature review, research questions are developed and refined. They are informed by the literature survey and influenced by the perspectives and original research idea that the researcher brings to the study. Research questions set the framework for the study and enable the development of the research design and research instruments. The research questions originally developed were further developed at each stage of the study became more focused.

The research design is informed by literature on alternative methods of conducting qualitative research (e.g. Bolt, 2007; Brockett and Hiemstra, 1991; Caelli et al., 2003; Galliers, 1992; Janesick, 2003; Mertens, 1998; Modell and Humphrey, 2008; Trochim, 2006; Wingren, 2007) and in particular for this research: case study (e.g. Cousin and Jenkins c2008; Dooley, 2002; Eisenhardt, 1987; Eisenhardt, 1989; Merriam, 1998; Stake, 1995; Tellis, 1997a;b;c; VanWynsberghe and Khan, 2007; Yin, 1994, 2004); and thematic research (Aronson, 1994; Attride-Stirling, 2001; Boyatzis, 1998; Braun and Clarke, 2006; Guest et al., 2011; Kemp, 1998). Consideration needs to be made regarding the scope of the study and the participants in the study. Having determined the participants, methods suitable for data collection will depend on the:

- Availability, accessibility and perceived willingness of the participants to be involved; and
- Appropriateness of various methods to provide answers to the research questions.
The research has evolved over time to reflect changes in focus, direction and emphasis. Further information on these development phases is included in Appendix 2.

A review of PD literature and offerings indicated two types of PD:

- Competency focussed programs often narrowly developed with an emphasis on skills training; and
- A smaller range of programs with an emphasis on knowledge development.

Three research questions were generated:

1. Are the objectives of professional development of professionals in Australia driven by labour force imperatives and to what extent does this compromise individual career development?

2. How has the introduction of Professional Standards legislation changed the way that professional development of professionals is conducted in Australia?

3. Where is the philosophy of Work-Integrated Learning used in professional development for professionals? Is Work-Integrated Learning a suitable philosophy to enable deep learning?

A proposal was developed and subsequently approved by the Research Committee (SUHREC) to commence the research. Following this approval, there was further development of the focus and themes of the study with a view to developing a research instrument(s) and obtaining ethical approval to begin data collection. Topics examined included: professional development; professional standards and risk; learning for professionals; certification/registration/licensing/accreditation of professionals by associations.

The research questions were re-specified as:

1) Is professional development undertaken for compliance or for development?

Contextually questions which emanate from these include:

a) Has the introduction of Professional Standards Legislation changed the way that professional development of professionals is conducted in Australia?

b) What is the opportunity for, and role of, professional associations in the career development of professionals to ensure a level of knowledge and understanding beyond a sufficiency level?
c) What is the breakdown of CPD activities between the use of Informal Learning and structured knowledge acquisition?

d) Do the CPD activities of professional organisations lead to deep learning or sufficiency learning?

These questions examine:

- The process(es) of PD for practitioners who wish to maintain their Body of Knowledge at a level sufficient to practice (perhaps for compliance reasons only).
- The use of PD to extend practitioners knowledge whereby they build on their Body of Knowledge to acquire either:
  - Specialist knowledge; or
  - A broader knowledge base enabling:
    - Integration of knowledge and enhanced ability to operate in multi-disciplinary teams with other professionals; and/or
    - Development of management skills.

Are these types of PD more likely to require deep learning and involve self-actualisation motivation?

2) What value does the professional organisation place on professional development?

This question examines the impact of PD on the enterprise. The emphasis of the research focuses on the enterprise rather than individuals or associations.

The qualitative study plan involved:

- Semi-structured interviews with an executive or board member from a number of associations (divided into four parts):
  - Benefits of PD: business-related; knowledge-related; accessibility; and credentialling;
  - PD Methods/Models (Rothwell and Herbert, 2007);
  - PD Policies and Learning Issues influencing the direction of PD; and
  - A profile of the organisation.

- Semi-structured interviews with CEOs of a sample of enterprises within these associations (divided into three parts):
  - Benefits of PD: business-related; knowledge-related; accessibility; and credentialling;
PD Methods/Models (Rothwell and Herbert, 2007); and
- A profile of the organisation.

Similar questions were asked of both enterprises and associations. The one part unique to associations concerned issues related to PD Policies and Learning. Enterprises were to submit one reply for the practice so that an examination could be made of the value the enterprise places on, and receives from, PD. The interview structures and content were informed by literature concerned with evaluating learning (Dunn, 2000; Jones et al., 2002; Mulcahy and James, 2000; Murphy et al., 1997; Neergaard and Ulhøi, 2007; Owen, 1993; Sharma, 1994; Shaw, 1992; van der Heijde and van der Heijden, c2005; Young, 1997). Interview plans are included in Appendix 2.

The research instruments were reviewed by email correspondence with an Advisory group consisting of:
- 10 International authorities drawn from contacts made at Conferences were invited to participate - 5 responded and;
- 3 Australian - 2 responded.

Following processing of feedback, ethical approval was applied for, and obtained from, the Human Research Ethics Committee (SUHREC).

The research instruments (see Appendix 2) were subjected to Pilot testing. In this Pilot study the research questions were:
1) Is professional development undertaken for compliance or for development?
2) What value does the professional organisation place on professional development?

The pilot study was conducted by interviews with representatives of two associations, and three enterprises. The interview for associations was divided into four sections:
- Part A Benefits of Professional Development;
- Part B Professional Development Methods/Models Classifications;
- Part C Professional Development Policies and Learning Issues; and
- Part D Association Profile

The interview with enterprise principals/partners was divided into the three sections:
- Part A Benefits of professional development
- Part B Professional Development Methods/Models Classifications;
Part C Professional Organisation Profile

Analysis of the interviews conducted using these instruments, showed that while data were collected about the use of CPD within organisations and as approved and available within associations there was insufficient explanatory data – what is happening data was obtained rather than why; what value; and how can the enterprise influence the outcomes. Associations were seen as not providing insightful information on the value of PD to enterprises and were excluded as a primary source of data for further study. Employees’ views were seen as an important source of data in relation to both value and the policies and practices related to CPD.

The literature review was extended in the areas of:

- Evaluation (Anderson, 2007; Hunter and Allport, 1979; Kaplan and Norton, 2007; Kirkpatrick, 2009a; Kirkpatrick and Kirkpatrick, 2006; Milost, 2007; Phillips, 1996; Taylor, 2007; Trochim, 2009; Wenger et al., 2002b);
- Entrepreneurial influences and approaches (Hines, 2000; Ireland and Webb, 2007; Ireland et al., 2006a;b; Morris, 1998; Neergaard and Ulhøi, 2007);
- How organisations learn (Billett, 1994; Brown and Gray, 2003; Clark, 2009; Collins et al., 1991; DiBella and Nevis, 1998; Leonard and Swap, 2005; Senge, 1990; Wenger et al., 2002b; Wenger et al., 2002c);
- Professionalism (ACS, 2008; Australian Library Association, 2008; CICA, 2005/2012; Construction Industry Council, 1986; CPA Australia, 2009a;b; Engineers Australia, 2008; Friedman et al., 2000; Friedman and Mason, 2007; Friedman and Phillips, 2001, 2002, 2004; Gardner and Shulman, 2005; ICPD, 1999; Pharmaceutical Society of Australia, 2003; Phelan, 2002; PMI, 2007; Royal Australian College of General Practitioners, 2005; Scottish Executive Health Department Management Executive, 1999); and

This Pilot study can be considered to be an exploratory study (Yin, 1994) which guides the actual study and from which the real study may commence. The research questions were re-examined and re-specified. New research instruments were developed (DiBella and Nevis, 1998; Friedman et al., 2000; Ireland et al., 2006a;b) and tested; the research design was amended; and a new ethics clearance obtained. The information required for ethical clearance is shown in Error! Reference source not found.. The application for Ethical Clearance which was approved for this research is in Appendix 3.

The application process involved specifying:

<table>
<thead>
<tr>
<th>Why Is the Project to be Undertaken</th>
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<tr>
<td>What - Brief Description of Project</td>
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<td>How – Procedures</td>
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<tr>
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<td>Describe Any Risk that May Arise to the Researcher / Administrator?</td>
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<td>What Benefits Are Anticipated from the Project</td>
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<td>o Interview plan for PD Manager/Director of the association</td>
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<td>o Interview plan for CEO of the enterprise</td>
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| Table 3-1 Information Required for Ethics Approval |

The refocused study concentrates specifically on EPD in three parts:

- Compliance;
- Outcomes of EPD; and
Aspirations, Culture and Practices associated with EPD.

The original stimulus for the study requires an examination of whether compliance requirements are the driving force for PD within enterprises and whether Professional Standards legislation: has changed the way that accounting enterprises conduct and/or support EPD; and has resulted in improved outcomes for the public. Enterprises will only actively support EPD if they have an expectation that the outcomes add value to the enterprise. What represents added value is likely to vary from enterprise to enterprise. Are the expectations and claims made by associations and regulators in relation to the benefits of EPD consistent with the outcomes perceived and/or realised by enterprises? The aspirations and culture of accounting enterprises are likely to impact on the way EPD is conducted and as a result the learning which results from CPD. The revised focus of the study places greater emphasis on how EPD is evaluated within enterprises; the modes of learning used with particular emphasis on Informal Learning including the use of Communities of Practice and Work-Integrated Learning.

The research design and research instruments were reviewed by a focus group of Australian and International experts on PD. The focus group was asked for advice on: scope of the study; clarity and structure of questions; size of the survey with a view ensuring adequate responses. Feedback was received from eight experts. As a result the methodology and research instruments were revised prior to finalising an ethics application.

The research was conducted by way of a case study of accounting enterprises and involved collecting data, analysing the data and reporting. Chapters 4, 5, 6 and 7 provide a record of the case study.

3.5. Rationale for a Qualitative Study

The aim of this study is to examine a problem – enterprise professional development (EPD) - which involves complex sociocultural situations with a view to interpreting and developing an understanding of the particular circumstances of the situation under review. This is the province of Qualitative research (Bloomberg and Volpe, 2008; Merriam, 1998). "Qualitative research involves an interpretive, naturalistic approach to the world. This means that qualitative researchers study things in their natural settings, attempting to make sense of, or to interpret, phenomena in terms of the meanings people bring to them" (Denzin and Lincoln, 2000 p.3). Qualitative analysis involves the related processes of describing phenomena,
classifying it, and seeing how concepts interconnect (Dey, 1993). Methods used should enable the extraction of the experience of participants and interpretation of data to develop meaning.

The process of Qualitative research is influenced by the background of the researcher who brings individual biases to the study. It involves coming to the study with a set of ideas, developing a framework or theory base (ontology), which results in questions to be addressed (epistemology), which are then examined using explicit methods (methodology, analysis and interpretation), prior to the final documentation of the entire process (Denzin and Lincoln, 2000). The outcome space of the research will be a construction by the researcher of the ways that EPD is perceived by the participants in the study (Greasley and Ashworth, 2007). The structure developed in the outcome space will depend upon the researcher's understanding and interpretation of the data supplied by the participants.

There are a number of authenticated qualitative research approaches including: Grounded Theory; Phenomenology; Thematic Analysis; Phenomenography; Ethnography; Critical Study; Case Study (Denzin and Lincoln, 2000; Galliers, 1992; Guba and Lincoln, 1994; Janesick, 2003; Jansen, 2010; Marton, 1994; McIntyre, 2007; Melotte, 1996; Merriam, 1998; Mertens, 1998; Neergaard and Ulhøi, 2007; Wingren, 2007). A key element of qualitative analysis is the ability to take into account the context of a given situation and through that gain an understanding of issues such as: a social dynamics of enterprises and their place in society; time pressures impacting on the phenomena; and intertwining of social relationships (Dey, 1993). Qualitative analysis emphasises the description of a phenomena as it is perceived by different observers.

The complex sociocultural situations surrounding EPD suggest that an interpretive thematic analysis approach (Aronson, 1994; Attride-Stirling, 2001; Boyatzis, 1998; Braun and Clarke, 2006; Guest et al., 2011; Kemp, 1998) to case study research (Cousin and Jenkins c2008; Merriam, 1998; Stake, 1995; Tellis, 1997a;b;c; VanWynsberghe and Khan, 2007; Yin, 1994, 2004) is suitable for exploring the experiences of enterprises in relation to EPD. The study is unique and seeks to explore and understand the impact that an enterprise has on the way that EPD is conducted and the subsequent value derived by the enterprise.

Qualitative studies require that rich data is obtained to enable detailed understanding of a phenomenon. There are four levels of perception for a phenomenon (adapted from Hoyle, 2003):
The manifest situation – i.e. as documented in policy statements and prescribed by regulations;

The assumed situation – which is the position as presumed by the individuals involved. Note there are as many assumed situations as there are individuals involved. These positions may be established by observation of the actions of individuals and enterprises, the decisions taken, and analysing how they talk about a situation;

The extant situation – i.e. the existing position as revealed by systematic study undertaken either internally or externally; and

The desired situation – the position which would be ideal taking into account the context of the case at the particular time.

Qualitative studies using mixed methods of data collection can establish the first three situations and assist in interpretation of data to understand and/or make recommendations regarding the desired situation.

Quantitative studies on the other hand, test hypotheses with the focus on establishing facts with the aim of designating and distinguishing relationships (Bloomberg and Volpe, 2008; Denzin and Lincoln, 2000; Mertens, 1998). Quantitative studies are unlikely to provide the rich data required for the in-depth analysis required for interpreting situations.

The focus of this research is on the phenomena of the value CPD to an enterprise. The research methodology is qualitative in nature, using mixed methods of semi-structured interviews and questionnaires for data collection and follows a thematic analysis approach to a case study with multiple units of analysis. The researcher has a responsibility to develop a conceptual framework around which the data can be made meaningful and reported (Dey, 1993). Thematic analysis is particularly useful in capturing the complexities of meaning within textual data (Guest et al., 2011).

In thematic analysis the task of the researcher is to identify themes which adequately reflect the data collected. Familiarisation with the data is critical; following this the researcher will: generate initial codes; search for themes; review themes; define and name themes; and produce a report (Braun and Clarke, 2006). Thematic analysis is not dependent on specialist theory (Dey, 1993) and requires more involvement and interpretation by the researcher than merely counting words or phrases. The themes developed should represent ideas which are
derived from the data (both implicit and explicit) in order to understand the phenomena and to answer research problems which are practical in nature. Proponents of thematic analysis have a pragmatic attitude towards specifying appropriate tools to be used to get the job done in a transparent, efficient, and ethical manner (Guest et al., 2011).

Thematic analysis is related in many ways to other qualitative research methods e.g. there appears to be little difference between Thematic analysis and Qualitative Content analysis which involves subjective interpretation of text data through systematic coding and identifying themes or patterns (Hsieh and Shannon, 2005). It is also similar to phenomenography which: aims to understand about how people make sense of their experience; uses reflected-on experience of real life situations; and does not rely on any taken-for-granted assumptions related to the phenomena. Phenomenography, (Bowden, 2000a;b; Costello, 2012; Greasley and Ashworth, 2007; Marton, 1981, 1994; Trigwell, 2000) however, is aimed mainly at learning, and the learning processes used, by individuals and not its impact on enterprises. Similarly phenomenology (Denzin and Lincoln, 2000; Guest et al., 2011; Lester, 1999a; Lincoln and Guba, 1985; Patton, 2002) is concerned with the study of experience from the perspective of the individual rather than phenomena in a broader social and cultural setting. Grounded theory, (Denzin and Lincoln, 2000; Guest et al., 2011; Lester, 1999a; Lincoln and Guba, 1985; Patton, 2002) as its name implies, is aimed at building theory - the nature of this research is exploratory and not theory building.

This research study is concerned with learning not at an individual level, but on how EPD impacts the enterprise. The research will examine individuals’ perceptions of the value derived from EPD; and on the relevance and impact of the factors which influence the policies and practices of EPD. Interviews with principals of enterprises provide evidence of the value of EPD to enterprises and of the influences affecting EPD. The impact of factors which influence the policies and practices of EPD will affect employees across an enterprise and therefore a questionnaire which includes open-ended questions is a suitable method to obtain a broader range of perceptions. It should be noted that perceptions collected during interviews and from the questionnaire represent a snapshot at a given point in time and may be influenced by pressures occurring at the time and also may change over time.

Interviews with principals and the questionnaire of employees will be "enterprise centred" examining what CPD means to the enterprise not the individual; and will result in a dataset which provides a rich view of EPD across enterprises. The study does not look specifically at
how CPD is delivered e.g. whether it is online, packaged training programs and/or a traditional classroom.

There is an emphasis placed in this research on participants reflecting on their experiences in relation to the enterprise rather than simply describing these experiences from a personal perspective (Greasley and Ashworth, 2007). Reflective analysis is suitable for case-based studies and will involve the researcher’s intuition and judgement when analysing data and identifying themes. It does not rely on technical procedures with explicit classification systems (Dooley, 2002). Entwistle (1997) advises that the procedures used in identifying categories should be clearly specified from data collection through inference to classification, otherwise the findings arrived at may be unconvincing.

Ramsden (2003) states that students in higher education experience learning in different ways and that their conceptions of learning are related to their previous learning experiences, the approaches taken to learning, and the quality of their learning outcome. In relation to CPD: the students (professionals) have significant learning experience both formal and ongoing; may approach learning in a strategic, pragmatic way recognising work and social pressures; and aim to achieve outcomes which satisfy individual and/or enterprise needs. It is suggested that greater understanding of the value of EPD to enterprises and of the factors which contribute to this value may lead to changes in the EPD policies and practices of enterprises and/or individuals.

Details of how the thematic analysis has been conducted will be shown in each of Chapters 4, 5 and 6 where the data are presented.

3.6. Rationale for a Case Study

As the research aims to determine the value that enterprises get from EPD, a qualitative case-based approach is appropriate for the study. The case consists of an examination at the corporate level of enterprises, which employ members of an association(s) and provide units for analysis and synthesis. The corporate level is a beneficiary of advances made through CPD and can influence and develop learning cultures within each enterprise which support, encourage and/or direct CPD undertaken by professionals.
A thematic analysis approach is used involving a case-based study of a profession (in this case the accounting profession) involving participation by a number of enterprises. The variables concerned in constructing the case include:

- This research is constrained to PD post credentialing or certification;
- The enterprises studied are governed by regulations of a professional association (note this may preclude unregulated professions, although some unregulated associations such as ACS have a professional partner program which enterprises join on a voluntary basis and as such would meet these requirements (ACS, 2007);
- Enterprises will be professional practices which are small/medium enterprises. Sole practitioners will have inherent biases in their approach to professional development. Individual biases can be balanced within small/medium professional practices. Large professional enterprises are in a position to structure their CPD programs to meet compliance requirements without relying on a professional association; and
- The enterprises are predominantly knowledge based enterprises which gain their income from professional services rather than from the marketing of products. As such these enterprises will rely on its staff’s knowledge and ability which needs to be maintained and updated.

The research looks at the application of Informal Learning models which are workplace based e.g., apprenticeship models, mentoring, work-integrated learning, and Communities of Practice/communities of Interest for professional development as well as the use of more traditionally accepted forms of professional development as set out in Rothwell and Herbert (2007).

Case study research is valuable in providing an understanding of particular issues at a particular point in time and in a particular context using a bounded and well attested methodology. The research uses a sample of enterprises to provide a basis to analyse the value of PD to enterprises within a given profession. The process uses the four commitments required for case study research (Denzin and Lincoln, 2000) viz. to:

1) Bring expert knowledge to the study;
2) Collect all the relevant data;
3) Examine alternative interpretations; and
4) Wonder about and explore the relevance of the findings to other cases.

The study is a bounded scenario or phenomenon and by concentrating on the single entity of EPD the study allows in-depth and holistic examination of a bounded case (Merriam, 1998; Stake, 1995).
Because this research is focused on EPD it may be construed that there are many and varied manifestations to be studied. However, this research is to be bounded and defined uniquely for a particular program i.e. small/medium enterprises which offer accounting services to business and the public at large.

This study focuses on enterprises which are regional/suburban small/medium enterprises, and as such it is doubtful that they would be enterprises with high entrepreneurial intensity. They are unlikely to look for solutions at the leading edge but rather for proven solutions which offer continuous improvement in their methods of service delivery and allow steady growth and stability for the enterprise.

The unit of analysis (Mertens, 1998; Tellis, 1997b; VanWynsberghe and Khan, 2007) for the case study of professional accounting enterprises is the individual accounting enterprise or practice. The scenario provided is seen as programmatic rather than problematic and able to be bounded but remaining a "complex functioning thing" (Stake, 1995 p.2).

The methods employed within the case study of accounting enterprises are consistent with qualitative methods endorsed by Dooley (2002) and include: analysis of regulatory documents and statements made by relevant professional associations, peak bodies, and government agencies regarding CPD; semi-structured interviews with principals of professional enterprises; and a survey of the professional level employees within those enterprises.

The use of case study for this research is appropriate as:

- The objective is to develop understanding rather than to prove an hypothesis (Cousin and Jenkins 2008; Stake, 1995; Tellis, 1997b; Yin, 1994);
- Case study is an appropriate method for developing understanding of complex issues. Dooley (2002, p.335) has defined case study as: “scholarly inquiry that investigates a contemporary phenomenon within its real-life context, when the boundaries between phenomenon and context are not clearly evident; and in which multiple sources of evidence are used” (based on Yin, 1994, p. 33). The real-life context concerning EPD will include examining the essences as well as the intent of the enterprise and the structure associated with EPD. Merriam (1998) points towards the suitability of case study to develop an understanding of learning phenomena with a view to influencing policy and practice;
Case study enables consideration of a great number of variables and the capturing of reality. It is particularly suitable for:

- interpretation of approaches taken by organisations or groups, and/or
- theory building/theory testing (Galliers, 1992).

The research uses an instrument designed to evaluate how EPD is assessed and practiced within enterprises and how the objectives, policies, procedures and practices impact on the effectiveness of, and the value derived from, PD.

3.7. Limitations of the Study

The scope and focus of the research is a limited study of enterprises within a profession. Professional enterprises are defined for this study as enterprises which provide professional services to the public at large, based on a Body of Knowledge recognised by a professional association. The study has been conducted in an Australian context only. The enterprises selected to be studied are confined to small/medium accounting enterprises managed by between two and ten partners/principals who participate in the business and who therefore can be construed as being employees of the enterprise. The number of professionals employed in these enterprises range from 5 to 25. The understanding which emerges will be capable of transferability to a broader sample within that profession; to other professions; and to other knowledge-based enterprises.

The research does not address CPD for accountants working across a broad spectrum of employment such as business, government, and not-for-profit organisations as the enterprise focus of CPD is likely to be appreciably different. In a study conducted for CPA Australia 23% of respondents worked in organisations with fewer than 50 employees and only 22% work in the professional services organisation that specialises in accounting (Williams, 2008). There is no correlation between these two percentage figures. The profile of the enterprises participating in this study was chosen as these enterprises are the first line of professional contact made by many consumers of accounting services and these enterprises may be impacted by Professional Standards legislation.

The way that enterprises use various Methods/Models for the delivery of PD and the efficacy of individual Method/Models is not specifically looked at. The research does, however, look at the way enterprises make use of Informal Learning.
3.8. Research Sample

Selection of cases determines in many respects how the research is conducted (Cousin and Jenkins c2008; Dooley, 2002; Eisenhardt, 1989; Merriam, 1998; Stake, 1995; Tellis, 1997b; Yin, 1994) as the process:

- Draws boundaries around the study and needs to reflect the research question(s) posed;
- Identifies the units of analysis making up each case in the study; which in turn determines the:
  - Sampling required to recruit participants; and
  - Data collection methods which are suitable for this population.

The first selection for this study involved choosing a relevant profession. The role and functions of associations are in most instances multi-purpose. Friedman and Mason (2007) discussed the following functions of associations: pure Professional Association, representing members interests and developing standards; Regulatory body; Learned Society; Awarding Body; Accrediting Body; Research Institute; and Trade Association. This research is restricted to the on-going or CPD of professionals within enterprises with a focus on knowledge development rather than skills training. The definition of a profession adopted by Professions Australia (2007) is:

"A profession is a disciplined group of individuals who adhere to ethical standards and who hold themselves out as, and are accepted by the public as possessing special knowledge and skills in a widely recognised body of learning derived from research, education and training at a high level, and who are prepared to apply this knowledge and exercise these skills in the interest of others.

It is inherent in the definition of a profession that a code of ethics governs the activities of each profession. Such codes require behaviour and practice beyond the personal moral obligations of an individual.

They define and demand high standards of behaviour in respect to the services provided to the public and in dealing with professional colleagues. Further, these codes are enforced by the profession and are acknowledged and accepted by the community."
This definition is similar to the requirements set out by the Professional Standards Council (PSC, 2006a) for associations wishing to Register a Scheme under Professional Standards legislation.

There are three professional associations in Australia for accountants: CPA Australia; Institute of Chartered Accountants in Australia (ICA); and the Institute of Public Accountants (IPA). These three associations have combined to form the Accounting & Ethical Standards Board - "an independent, national body that sets the code of ethics and professional standards by which members of Australia’s three professional accounting bodies must abide" (APESB, 2011). The mission of the board is to ensure consistency of practice and advance public confidence.

Any of the enterprises participating in the study may employ members of any of the three associations. Some enterprises also have employees who are members of other associations e.g. ACS and/or specialist associations such as Insolvency, Financial Planning, and Internal Audit. These associations have specific compliance requirements for PD. Activities which meet the compliance requirements of one association may also meet the requirements of the relevant specialist association.

The nature and size of the enterprises may enable each enterprise to engage as practical exemplars of one or more Communities of Practice (Boud and Middleton, 2003; Brown and Duguid, 1991; Wenger et al., 2002a) i.e. employees of each enterprise have a common Body of Knowledge; share the need to solve similar problems; work in an environment where sharing of knowledge is feasible. The application of the knowledge-base of all employees - the Enterprise’s Body of Knowledge - is the primary source of income for the enterprise, rather than deriving revenue from the supply of products, facilities or other packages.

Accounting association were among the first associations to register schemes under Professional Standards legislation (PSC, 2011b;c). Members of each association may be employed in industry in general or be employees of professional practices or enterprises. Those employed in industry in general may not have the requirements for specialised knowledge which those in public practice require and in many instances these accountants may not be part of a Community of Practice within their organisations as there is not a critical mass of accountants who need to share relevant experiences.
The research focuses on enterprises providing professional services based on their Body of Knowledge to the public at large. Accounting associations are not the unit of analysis as enterprises are not members of an association. The only function specified above of an association which is not performed by any of the three accounting associations is as a trade association. Selected enterprises are the Unit of Analysis. These enterprises may have employees who are members of one or more of the accounting association – these enterprises will be analysed individually and collectively as a representative group of accounting enterprises.

This case study uses a multi-site study examining CPD within small/medium enterprises operating within a professional setting. Within each enterprise the number of principals/partners varies between 2 and 10. With a ratio of 1-5 (professional) employees per partner the maximum number of employees would not exceed 50 and in most cases is below 20, still sufficient to function as a Community of Practice. Sole practitioners have less opportunity to share knowledge and learn informally with colleagues and their approach to PD may reflect individual bias. Large enterprises, particularly multi-national accounting firms, have the potential to have formal training sections with internally organised PD unlike small/medium enterprises which will need to rely predominantly on external sources for their Formal and Non-Formal Learning – Informal Learning may define the effectiveness of PD within these enterprises.

Enterprises approached to become involved were selected based on purposeful sampling (Merriam, 1998; Neergaard, 2007) trying to obtain a balance between: size of the enterprise; geographic diversity; and ethnic diversity. It was considered important that a number of enterprises were included in the case study rather than conducting an in-depth examination of a single enterprise where the findings would be less likely to be generalisable across the profession.

There were 4061 listings for Accounting, Auditors and Tax Services located in Greater Melbourne, Victoria in the Yellow Pages as at 3 May 2012. These would include a number of multiple listings and include many sole practitioners. Approaches were made to a cross-section of practices based on the sample profile required and eight enterprises agreed to participate (approximately 25% acceptance rate). Documentation sent to participating enterprises is shown in Appendix 4. CPA Australia was approached to endorse the study and help recruit enterprises. A letter was sent out by CPA Australia to enterprises identified by the
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researcher asking them to participate. These letters were followed up by telephone by the researcher. A further four enterprises agreed to participate (approximately 15% acceptance rate). A total of 12 enterprises participated (approximately 15% acceptance rate). This rate while disappointing had little impact on the purposeful sample.

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Table 3-2 Services Provided within the Sample of Participating Enterprises

3.9. Research Questions and the Data Needed to Be Collected

The research questions: the impact on, or the value of, EPD to enterprises; and the impact that an enterprise has on the outcomes of EPD. Detailed questions evolve from the research questions and can be used as the basis to provide answers to the main research problem. The study may be classified in three parts: the need to satisfy compliance requirements; the outcomes derived from EPD; and the impact of the aspirations, culture, and practices associated with EPD within enterprises.

This section sets out the research questions (RQ) and the contextual questions (CQ) arising from these; and identifies the appropriate source of the data required and shows the questions from both the interview (IQ) and the questionnaire (QQ) which provide the data.

Compliance Requirements

Does compliance drive the PD policies and practices within enterprises; has there been a change in the way that accounting enterprises approach CPD following the introduction of Professional Standards legislation; and there been improved outcomes for the public as a result of this legislation? If enterprises believe that the outcomes obtained from PD are valuable they are likely to sponsor and support PD - therefore there is a need to establish within this research: what is the value perceived and/or realised and therefore the reasons enterprises sponsor and support PD. The sponsorship and support offered by enterprises will
in turn be affected by the aspirations of the enterprise and ensuing culture and practices established which will impact the way that CPD is conducted and the success of EPD.

This data relate to the strategic and tactical directions of each enterprise and is therefore obtained from interviews with the principals of these enterprises.

**RQ1**  *Are EPD policies and practices within accounting enterprises driven by the need to meet compliance requirements?*

**CQ**  Do Accounting enterprises' EPD policies and practices focus on protection of the public or do they focus on protection of the enterprise and the individuals within the enterprise?

**IQ**  Does the organisation monitor and plan CPD or is it left to the individual?

**IQ**  What is the breakdown between CPD provided internally and externally?

**IQ**  As CPD can be used for compliance and/or the development of knowledge can you breakdown the costs into those for compliance; knowledge development and those where knowledge development is used as part of compliance?

**IQ**  What is the importance to the enterprise of employees meeting compliance requirements for CPD?

**IQ**  Does compliance drive PD within the enterprise?

**IQ**  What is the proportion of CPD used for compliance compared with developing knowledge?

**RQ2**  *Has Professional Standards legislation changed the way that accounting enterprises approach CPD?*

**CQ**  Are Accounting enterprises' EPD policies and practices driven by the need to minimise civil liability and concentrate on compliance to reduce civil liability and also to assist in marketing the enterprise?

This data relates to the strategic and tactical directions of each enterprise and is therefore obtained from interviews with the principals of these enterprises.

**IQ**  What is the impact of compliance requirements and Professional Standards legislation on the organisation’s CPD policies and practices?

**RQ3**  *Does Professional Standards legislation result in improved outcomes for the public?*

**CQ**  Has Professional Standards legislation resulted in increased protection of the public through enterprises changing their policies and practices relating to EPD (these policies
Developing and Conducting the Research

Chapter 3

and practices would have been influenced in the past by the need to comply with professional association requirements as well is meeting the needs of the business)?

IQ Has Professional Standards legislation had any impact?

**Outcomes of CPD**

Data has been obtained from that part of the semi-structured interview with the principals of the professional enterprises, which focus specifically on the CPD as practised: expectations; the value derived and the costing and evaluation processes; and from the survey of employees - benefits of CPD (Part C) and examples of positive and negative outcomes attributable to CPD (Part E).

**RQ4** *Do and if so why do: accounting enterprises sponsor and support CPD?*

CQ How do enterprises demonstrate to professionals within the practice: the enterprise’s need for EPD; and the value the enterprise places on EPD?

IQ The overall theme of the interview was: What do you expect from CPD? and how would you define success (adapted from Kirkpatrick, 2009a)? (This question was asked at the beginning of each interview and when summarising the interview at the end.)

IQ What is the relationship between CPD and the enterprise?

**RQ5** *What is the value, perceived and/or realised, that accounting enterprises gain from CPD?*

CQ What are the expectations of the enterprise for PD and how is success defined:

- Do enterprises assess the value of EPD to the enterprise? If so, how is this done?
- What benefit is gained through EPD?
- What corporate support for learning is provided? and
- How are the costs of EPD calculated?

IQ How does the professional organisation value professional development?

a) Is the value of CPD to the organisation assessed using standard accounting techniques? If so, how

- Breakeven analysis
- Return on Investment

b) Is Balanced Scorecard used – if so how is the value of CPD incorporated into the balanced scorecard?

c) Is the value added by staff each year assessed? How?
IQ  What are successful outcomes of CPD?

IQ  What value does CPD bring to the organisation?
   a) Have there been instances where CPD has resulted in noticeable tangible benefits?
   b) Overall would you see that CPD provides value for the organisation?

IQ  Are there any negative aspects regarding CPD?

IQ  Do you have a measurement of cost of CPD as a percentage of fees?
   a) As CPD can be used for compliance and/or the development of knowledge can you
      breakdown the costs into those for compliance; knowledge development and those
      where knowledge development is used as part of compliance?
   b) What items do you use in calculating costs e.g. time lost; and/or fees paid; any other
      costs
   c) In your costs of CPD do you include costs for Formal Learning, Non-Formal Learning or
      Informal Learning? Give examples.

The Impact of Aspirations Culture and Practice

The data for this section has been obtained from those parts of the semi-structured interview
examining: the planning, processes, and practices used; and the focus placed on learning
content; and on models of knowledge transfer used to develop knowledge; and Parts A, B, D
and E of the survey.

RQ6    How do the aspirations, culture and practices of a professional enterprise impact the
way EPD is conducted and consequently the learning resulting from EPD?

QQ    Part D: survey data collected related to the Entrepreneurial Intensity for growth and
      for risk consciousness of the enterprise influences the corporate goals and
      expectations for PD;

QQ    Part A: survey data collected related to obtaining, sourcing, and disseminating
      knowledge (Organisational Learning Profile); and

QQ    Part B: survey data collected related to developing a learning culture in which learning
      is encouraged and supported (Facilitating Factors);

Contextually questions which follow from this research question include:

CQ    Is there a relationship between the Entrepreneurial Intensity of professional
      enterprises (a Driver for EPD) and the Organisational Learning Profile?
QQ The survey addresses the issues of: Organisational Learning Profile (Part A) and Entrepreneurial Intensity (Part D).

CQ What Facilitating Factors for learning (policies, practices and processes) are in operation within professional enterprises?

QQ The survey addresses the issues of: Facilitating Factors (Part B).

CQ Does the Organisational Learning Profile and/or the Facilitating Factors impact on the level of learning achieved by individual professionals?

QQ The survey addresses the issues of: Organisational Learning Profile (Part A) and Facilitating Factors (Part B).

CQ What are the goals for CPD which motivate professional enterprises? Is there a relationship between these goals and the level of learning achieved?

IQ Theme: What do you expect from CPD? and how would you define success (adapted from Kirkpatrick, 2009a)?

QQ Part C of the survey (Benefits) addresses: the goals set by the enterprise regarding CPD, and the impact of CPD on the enterprise.

CQ How tolerant is the enterprise to risk? Are the risks associated with CPD? Can CPD used to minimise risk?

The interview asked Principal/Partners:

IQ What are the risks to the enterprise associated with EPD?

IQ What risks do you associate with CPD

a) Loss of Body of Knowledge through employee leaving

b) Body of Knowledge is not passed on within organisation

c) Body of Knowledge is not extended within the organisation?

IQ How does CPD impact the enterprise’s efforts to minimise risk?

RQ7 What Informal Learning is conducted within professional enterprises and how does the enterprise value this in comparison with more Formal Learning?

Principal/partners were asked during the interview:
IQ  Give examples of how the organisation supports learning through recognising the need for CPD and developing learning cultures which enhance the potential of CPD particularly models such as:

a) Work-Integrated Learning (WIL): Situated learning provides more meaningful learning as it is seen to be relevant for, and by, the learner (Billett, 2001; Boud and Solomon, 2001; Calway and Murphy, 2007; Dewey, 1938; Eraut, 2004; Kolb, 1983; Lave and Wenger, 1991).

b) Mentoring (Brown et al., 1989; Brown and Duguid, 1991; Friedman and Phillips, 2002; Orr, 1990): supporting the growth and focus of their members in a caring and helpful environment.

c) Apprenticeship models (Cross, 2007): these models support a learning focus with steps undertaken by master and apprentice at varying levels as knowledge, skills and understanding.

d) Communities of Practice/Communities of Interest (Brown et al., 1989; Collins et al., 1991; Davenport and Prusak, 1998; Lave and Wenger, 1991; Wenger et al., 2002c): To enable the professional to engage in professional conversations through participation in specialist interest groups, exchanging war stories, interactive forums, accessing expert knowledge etc. – either internal or external to the organisation.

e) Other forms of non-formal professional learning e.g. authorship of technical papers (internal or external to the organisation); full or part-time teaching in a subject area related to profession etc.

IQ  How would you value these models in their contribution to the organisation?

3.10.  Data Collection Methods

Within a case study framework, mixed-methods - semi-structured interviews and a questionnaire - provide broad sources of data. Interviewing provides a means obtain deeper understanding of trends or issues (Coll and Chapman, 2000; Denzin and Lincoln, 2000; Mertens, 1998; Minichiello et al., 1995; Patton, 2002).

Interviews

Semi-structured interviews use an interview plan or guide which acts as a checklist to ensure relevant topics are covered (Coll and Chapman, 2000). The wording and sequence of these questions may vary from interview to interview depending on the circumstances at the time regarding the context of the interview and the participants. Questions can be open-ended,
neutral, singular and clear (Patton, 2002) so there is the opportunity for interviewees to provide responses which express a full range of views in relation to the question. Structured interviews, in common with questionnaires, are based on preset questions asked in a predetermined sequence and are less likely to provide opportunities to interviewees to express perceptions and views outside the parameters of each question. Unstructured or informal conversational interviews rely on the skill or the interviewer to control conversation in order to achieve the researcher’s goals. Interviewees are encouraged to fully express views and perceptions in a process where interviewer does not follow preset questions asked in a predetermined sequence (Minichiello et al., 1995).

Within a theme of:  
*What do you expect from CPD? and how would you define success*  
(adapted from Kirkpatrick, 2009a), semi-structured interviews with the CEO or senior partner of each enterprise are conducted to ascertain:

a) How the value of CPD is assessed by the enterprise;

b) What is the value gained by the enterprise through CPD;

c) How enterprise support for learning can facilitate learning;

d) What models of Informal Learning are used and what are their effectiveness; and

e) What are the costs of CPD?

Demographic information about the enterprise is obtained in the interview. Interviews provide an opportunity to ascertain more than the manifest situation. Interviews provide allow scope to find about the assumed, extant, and desired situations.

The interview plan (see Appendix 5) includes qualitative questions such as:

- How does the organisation demonstrate to professionals within the practice:
  - The organisation’s need for CPD; and
  - The value the organisation places on CPD?

- What is the impact of compliance requirements and Professional Standards legislation on the organisation’s CPD policies and practices?

- Give examples of how the organisation supports learning through recognising the need for CPD and developing learning cultures which enhance the potential of CPD.
Questionnaire

Questionnaires are a suitable means to obtain data from a wide number of people who may (or may not) be geographically spread. Questionnaires allow participants to complete the questionnaire at their own convenience (Oppenheim, 1991). Questionnaires involve providing identical questions so that standardised data can be obtained. Risks associated with using questionnaires can be categorised under four headings: coverage; non-response; sampling; and measurement errors (Lumsden and Morgan, 2005).

A web-based questionnaire (Andrews et al., 2003; Lumsden and Morgan, 2005) was used as the survey instrument (see Appendix 1). Web-based questionnaires provide advantages in terms of cost, speed, accessibility, appearance, flexibility, functionality, and usability through faster delivery and response; and automated data entry which reduces error. Coverage errors exist when potential participants are not given an equal opportunity to contribute e.g. inability to access the research instrument. In this research, the principal/partner of each enterprise was asked to e-mail employees with the appropriate link to the questionnaire. This was considered a way to ensure that employees’ space was not invaded by what might be considered spam e-mail.

Table 3-4 sets out the number of responses given to each part of the survey and number of comments made. Three enterprises did not respond to the survey, others had only a minimal response. This may have been a decision made by the principal/partner who may have: felt disinterest; questioned the relevance to the enterprise; or considered the time requirement too great. Alternatively within these enterprises, individual professionals simply did not respond. Other enterprises ensured that all professionals (in one case all within a section) completed the questionnaire. It should also be noted that there is an attrition rate with the number of responses falling from one part of the survey to the next. The case study for this research is based on a purposeful sample of accounting enterprises and low response rates have the potential to influence the sample as one or more units of the sample may be excluded. There is no evidence that this is the case.

Measurement errors occur when questions are poorly worded or presented in such a way that inaccurate or an uninterpretable answers are obtained resulting in respondents being confused and/or frustrated with questions answered incorrectly and/or abandonment of the questionnaire (Dennis, n.y.; Lumsden and Morgan, 2005). In this research, questions were
sourced from previous research by DiBella and Nevis; Friedman et al; and Ireland et al. The wording of questions was amended to suit the context of research and pretested by focus group. The questions in Parts A-D of the survey used a Likert scale which includes a neutral point which was deemed to be a valid response rather than forcing an "agree/disagree" answer. Part A use the five-option Likert type scale as used in DiBella and Nevis' research - Parts B-D have standardised on a seven-option Likert scale.

The closed, predetermined questions in the survey are supplemented by open-ended questions in Parts A, B, and C. Part E consists of entirely open-ended questions. Respondents were able to answer open-ended questions in their own words as no predetermined responses are given. Analysing these responses is more difficult as there is no uniformity in the answers given. The richness of meaning may also be compromised as responses may be less superficial than those which may be obtained in an interview (Dennis, n.y.). The open-ended questions were noted as being optional; approximately 40% of respondents provided answers to these questions. This response rate was higher than expected and is consistent with suggestions that web-based surveys encourage higher response rates to open-ended questions (Andrews et al., 2003; Lumsden and Morgan, 2005).

The questionnaire was directed to all “consulting level” employees to ascertain:

1. Policies and practices which enterprises use to support EPD (Supporting EPD Factors).
   This measure relies on the Enterprise Learning Profile (DiBella and Nevis, 1998) which addresses the emphasis and value placed by the enterprise on knowledge and its acquisition (Appendix 1 Part A); this combines with

2. The Facilitating Factors (DiBella and Nevis, 1998) for PD which identify:
   (a) the attitude which the enterprise has to PD and
   (b) how the culture of the enterprise impacts the level, method and content of learning (Appendix 1 Part B);

3. The way the enterprise uses PD to satisfy corporate goals (Friedman et al., 2000) (Appendix 1 Part C); and

4. The enterprise’s Entrepreneurial Intensity (Ireland et al., 2006b) as this will drive corporate goals, the expectations that the enterprise has for EPD and may influence EPD policies and practices to the extent that these are developed to satisfy corporate goals (Appendix 1 Part D); and

5. The risk that EPD poses to the enterprise’s Body of Knowledge (Appendix 1 Part D);
The open ended questions provide participants the opportunity to elaborate on:

- examples of CPD’s contribution at an individual or corporate level (Appendix 1 Part E);
- The understanding the employee has of how:
  o The enterprise goes about acquiring and disseminating knowledge and its approach to learning within the organisation;
  o The factors which may facilitate CPD within professional enterprises;
  o The relevance of CPD in contributing to the enterprise; and
  o The entrepreneurial outlook of the enterprise.

These research instruments combine to obtain data which can be used by enterprises to understand their approach to EPD and how this impacts the outcomes achieved.

3.11. Data Analysis and Synthesis

Techniques used for data analysis and synthesis are described in Chapters 4, 5 and 6 where the data are presented. The research does not attempt to test hypotheses nor is it a theory building exercise. The research attempts to develop understanding of phenomena in the area of EPD through thematic analysis (Aronson, 1994; Boyatzis, 1998; Braun and Clarke, 2006) which requires categories to be built and then refined; similarities identified; patterns discovered and any evidence which departs from the norm is reported.

Interview data were analysed using Thematic Analysis which is a method used to explore complex, multidisciplinary data as a beginning point to observe and interpret activities and attitudes of people, groups, organisations, cultures and events (Boyatzis, 1998).

"Thematic Analysis is a method for identifying, analysing, and reporting patterns (themes) within data. It minimise organises and describes your data set in (rich) detail. However, it also often goes further than this, and interprets various aspects of the research topic" (Braun & Clarke, 2006 p.6).

Thematic Analysis is considered to be a form of Content Analysis whereby data are grouped into themes or patterns on a broader basis than merely counting the number of times a term or equivalent term is used (Aronson, 1994; Boyatzis, 1998; Braun and Clarke, 2006; Hsieh and Shannon, 2005).
Themes may be generated inductively from raw data and/or deductively from theory and prior research (Boyatzis, 1998; Stemler, 2001). Theory and prior research identified themes for the study which are represented in the interview plan (see Appendix 5). Examination of data recorded during interviews resulted in further refinement of these themes. These refinements provide a basis of seeing and understanding large quantities of qualitative data; and a method to more easily communicate observations, findings and interpretations of meaning. Following finalisation of the themes, data from all interviews was coded under each theme. The coding was validated independently by an analyst experienced in PD.

3.12. Ethical Considerations

Participants in qualitative research should take part in the research freely after being informed about the research and after giving informed consent with an expectation that no harm will be caused to them (Ticehurst and Veal, 2000). Ethics approval was obtained from the Human Research Ethics Committee of Swinburne University of Technology. The information required for this is shown in Table 3-Error! Reference source not found.. The application for Ethical Clearance which was approved for this research is in Appendix 3.

All data are anonymous and data cannot be traced to a particular individual or enterprise. Individual professionals and professional organisations have not been identified in any work resulting from this research. Individuals were not required to give their name during the interview. Each participating organisation was assigned a unique identity number for the purpose of grouping questionnaire responses and matching these with the interview. This number is the only identifying material in the questionnaire. The enterprise code is known only to participants of that organisation and to the researcher.

Notes were taken during the interview, which was also digitally recorded, then transcribed. Questionnaire responses were directly forwarded to the researcher via the web. The transcribed interview data and the questionnaire responses were available only to the researcher. All electronic records (audio and computer) were available only to the researcher. All processed data has been stored electronically with password protection. Files have been stored securely at Swinburne and separately at a backup site. Data and consent forms have been stored separately in a locked filing cabinet. No information about any individual or professional organisation has been given to Swinburne University, or to any other individual or organisation.
3.13. Issues of Trustworthiness

This research is concerned with developing an understanding of EPD which operate in complex settings with: multiple and changing expectations; processes; and measurements. Case study has been chosen to provide the basis of this research as it is suitable to bring an understanding of complex issues and to build on what is already known from previous research (Dooley, 2002). Case study is a form of qualitative research which aims to explore a deeper understanding of a phenomenon within an environment rather than investigating at a surface level. Qualitative research is designed to produce findings arrived from real-world, context-specific settings in order to establish valid propositions regarding: illumination; understanding; and extrapolation to similar situations (Golafshani, 2003).

Whether the findings of research can be relied upon sufficiently by the research community to act upon them, depends upon the validity and reliability of the research (Guba and Lincoln, 1994). Validity and reliability are essential terms in quantitative research to determine credibility and assessment requires ensuring the research actually measures what it intends to measure and determining whether measurement is accurate (Golafshani, 2003). Credibility in quantitative research depends upon instrument construction whereas in qualitative research credibility depends on the ability and rigour of the researcher (Patton, 2002).

As the primary instrument of qualitative research, the researcher needs: appropriate knowledge; appreciation of the importance of the data over process; and the ability to extract, synthesise and move beyond data coding to make strategic decisions which will ensure the validity, reliability and effectiveness of the research (Morse et al., 2002). Validity may be affected by the researcher’s perceptions of what is valid and the assumptions made. This will impact the quality, rigour and trustworthiness of the research (Golafshani, 2003; Lincoln and Guba, 1985).

In qualitative research, the terms validity and reliability could arguably be replaced by the parallel concept of trustworthiness which embraces: credibility; neutrality or confirmability; consistency or dependability; and applicability or transferability as the essential criteria for quality (Lincoln & Guba, 1985). Morse, et al. (2002) argue that rather than focusing on the trustworthiness of research at the end of a study, it is critical that researchers should actively pursue processes to verify the reliability and validity incrementally during the study while it is not too late to make corrections. The aim of verification is to ensure reliability and validity as...
the researcher moves backwards and forwards between design and implementation ensuring that the research questions, literature, data collection strategies and data analysis are consistent with the focus of the research. As part of this process there may be a need to review the sampling selection, data collection and analysing strategies, accept new ideas emerging from the data and/or reject previously developed theories, and develop new theories.

Dooley (2002) warns that prediction and/or generalisation does not always flow from case study research as this needs to be developed over time and done through the addition of new cases and increased data collection and analysis (multiple case study).

The trustworthiness of this research can be assessed by the appropriateness of: research questions; literature; data collection strategies; and data analysis to provide an understanding of EPD within professional enterprises.

- **Research questions**: a focus group was used to advise on the appropriateness of the research questions for the pilot study. After completion of the pilot study, the research questions were redeveloped to enable a focus on PD and the value it adds to enterprises and the way that enterprises may impact the outcomes. Feedback on the revised research questions was obtained from a focus group.

- **Data collection strategies** include:
  - Selection of an appropriate case(s): professional practices within the accounting profession met the criteria set for this case study viz.: knowledge-based professional enterprises with employees required to undertake CPD to maintain professional status.
  - Selection of sample Units of Analysis: 12 enterprises were selected in a purposeful sample (Merriam, 1998; Neergaard, 2007) and met the criteria of: small/medium enterprises with 2-10 principals engaged principally in providing general accounting and tax services but also offering other services. The enterprises should include a degree of geographic and ethnic diversity in order to be representative of accounting enterprises operating in Melbourne. Table 3-3 shows the diversity of these elements within the sample. Specifically the majority of enterprises (10) are involved in general accounting and tax advice but there are two enterprises with other major business activities. There are a range of other specialisations offered by the participating enterprises. To guard against bias in the sample a degree of diversity was purposely chosen.
both geographically (which may have an impact on the socio-economic spread of clients), and ethnically to recognise that some enterprises obtain their staff and clients from a specific ethnic base which may have some impact on attitudes to EPD/CPD.

- Development and validating of a research instrument(s): the use of focus of a groups and the pilot study to develop the research instrument has been discussed earlier in this chapter and further details are in Appendix 2. Test interviews took place prior to commencing the formal study. Parts A - D of the questionnaire were derived from prior research - Organisational Learning Profile and Facilitating Factors (DiBella and Nevis, 1998); Benefits of CPD (Friedman et al., 2000); and Entrepreneurial Intensity (Ireland et al., 2006a;b) - and provided a proven base with which to test these concepts in this case study. The entire questionnaire including Part E - asking for examples of successful and unsuccessful CPD - was tested by a focus group.

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<th>Diversity Element</th>
<th>Specific Diversity and the Number of Enterprises</th>
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<tr>
<td>Major business activity</td>
<td>General Accounting and Tax (10); Insolvency (1); Internal Audit (1)</td>
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<tr>
<td>Other specialisations</td>
<td>Financial Planning (4); Audit (2); Business Valuation (1); IT Certification (1); Human Resources (1); Payroll (1); Corporate Secretariat (1); Migration (1); General Accounting and Tax (1)</td>
</tr>
<tr>
<td>Geographic diversity</td>
<td>Eastern Suburbs (6); Outer East (3); Northern (2); Southern (1)</td>
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<tr>
<td>Predominant ethnicity</td>
<td>General (9); Chinese (1); Indian (1); Middle East(1)</td>
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Table 3-3 Breakdown of the Diversity within Participating Enterprises

- Collecting the data: Table 3-4 shows the number of responses given by the 12 enterprises which participated in interviews. Nine enterprises provided responses to the survey. It can be seen that the number of responses to the survey fell off from one part to the next - 41 responses for part A, Organisational Learning Profile (OLP), 35 for Facilitating Factors (FF), 33 for Benefits of CPD, and 34 Entrepreneurial Intensity (EI). Eight enterprises responded to all parts of the survey providing a diversity of enterprises.

The sample, consisting of participants who are representative of small/medium accounting practices, is appropriate for the goals of the study. The breadth and diversity of enterprises ensures validity with the potential to provide aspects that may be less than obvious and sufficient data through replication which enable verification and ensures comprehension and completeness.
• **Data analysis:** the coding into appropriate themes of the qualitative data obtained from interviews was verified by an experienced analyst with education and evaluation qualifications. Advice on appropriate methods to analyse quantitative data from the survey was obtained from an associate professor of statistics.

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Table 3.4 Nos. of Responses for Each Survey Part and No. of Comments Made

Triangulation can be used to control bias and establish valid propositions and thereby enhance the validity and reliability of qualitative research. Triangulation involves using mixed-methods research to obtain two or three viewpoint on the things being studied (Olsen, 2004) and is appropriate for research which is interdisciplinary. Triangulation bridges the gap between qualitative and quantitative research achieving not only validation but a deepening and widening of understanding particularly where a pluralistic approach is needed in situations involving multiple variables. This research involves disciplines including learning and knowledge development; knowledge management; organisational behaviour; and evaluation. Triangulation is a method whereby research can be made less dependent on the researcher and generalised (Blakie, 1991; Kimchi et al., 1991; Patton, 2002). This research: examines multiple viewpoints concerning EPD - the value of EPD to enterprises and the factors within enterprises which impact EPD; and combines methods such as interviews, questionnaires and inspection as well as considering ideas and explanations of other researchers to enable the researcher to construct reliable and diverse propositions.
The viewpoints of the principals of the enterprises interviewed can be triangulated with other data in order to examine commonalities, inconsistencies and variations in the research areas of:

- Compliance: with regulations of the various accounting bodies;
- Outcomes of CPD: with the findings of Friedman et al. (Friedman et al., 2000) in relation to the outcomes claims by professional associations; with the survey responses of employees in relation to the benefits of CPD; and with the examples given in the survey of outcomes which have a positive and/or negative outcome; and
- Aspirations, Culture and Practices associated with CPD: the findings of DiBella and Nevis (DiBella and Nevis, 1998) in relation to the Organisational Learning Profile and Facilitating Factors for CPD; with survey responses of employees in relation to the Organisational Learning Profile and Facilitating Factors. There were no available findings by Ireland et al. in relation to Entrepreneurial Intensity of the data produced in relation to the survey of employees and therefore there is no basis for external comparisons.

For each area of the study, the various units of analysis provide a basis of comparison in order to identify commonalities and/or divergences (space triangulation).

3.14. Chapter Summary

This research uses a case study of small/medium accounting enterprises to examine the value that EPD brings to these enterprises and how the aspirations, culture and practices of each enterprise may influence the impact of EPD. This chapter has set out the research questions to be used in the study; provided an overview of the data needed to answer these questions and how the data will be collected. The overall research design has been discussed and reviewed in relation to issues related to ethical considerations; the trustworthiness of the research process; and the limitations of the study.

The next three chapters will present the data collected for the study: Chapter 4 will present data related to Competency and the effect of Professional Standards legislation; Chapter 5 will present data related to the Outcomes achieved by enterprises from CPD; and Chapter 6 will present data related to the impact on CPD of the Aspirations, Culture and Practices of enterprises. Analysis and synthesis of the data will also be presented. A summary, conclusions and implications for the future will be presented in Chapter 7.
4. Chapter 4: Meeting CPD Compliance Requirements

4.1. Introduction

The prior chapters outline the rationale for conducting research of continuing professional development (CPD) within professional enterprises and the reasons why the accounting profession was chosen as a suitable case study. Professional enterprises are defined as enterprises which provide professional services to the public at large, based on a Body of Knowledge recognised by a professional association. The study has been conducted in an Australian context only. Data collected for the study are presented and analysed in three parts examining whether: the primary use of CPD is to comply with requirements specified by professional associations and by Professional Standards legislation (this Chapter); the outcomes achieved by professional enterprises through EPD (Chapter 5); and the factors influencing or driving the way that EPD is practised by professionals enterprises and their employees (Chapter 6).

CPD is compulsory for professionals who are members of professional associations and for enterprises who wish to register under Professional Standards legislation. Therefore the question is posed: does mandating of CPD for enterprises and for the professionals who work in these enterprises result in compliance practices designed to satisfy regulatory requirements and consequently the level of learning achieved being sufficient to maintain professional accreditation and to practice publicly; or does a mandatory policy result in advancing professional practice and protection of the public?

This chapter reports the first part of the study reporting the data collected which provide evidence of the influence that CPD compliance requirements for accountants has on small/medium accounting enterprises. This chapter also documents the impact of Professional Standards legislation on the way enterprises sponsor and support CPD, looking at:

- The aims behind the establishment of Professional Standards legislation as enacted in Australia;
- The introduction of Professional Standards legislation to the accounting profession; and
- Has Professional Standards legislation changed CPD within enterprises? If so, why and how; if not, why not?
4.2. Research Questions/Premises/Issues

Evidence presented in this chapter addresses the premises that:

1. EPD policies and practices within accounting enterprises are driven by the need to meet compliance requirements;
2. Professional Standards legislation changes the way that accounting enterprises approach EPD; and
3. Professional Standards legislation results in improved outcomes for the public.

Contextual issues related to points 1 and 2, above test the premises that:

- Accounting enterprises’ EPD policies and practices focus on protection of the public; or alternatively focus on protection of the enterprise and the individuals within enterprises;
- Accounting enterprises’ policies and practices are driven by the need to minimise civil liability and concentrate on compliance to reduce civil liability and also to assist in marketing the enterprise; and
- Professional Standards legislation has resulted in increased protection of the public through enterprises changing their policies and practices relating to CPD/EPD (these policies and practices would have been influenced in the past by the need to comply with professional association requirements as well as meeting the needs of the business).

4.3. Positioning the Study

This study is of professional enterprises offering knowledge based services to the public constructed as a case study for the accounting profession. Chapter 3 declared that the study is limited to small/medium accounting enterprises (SMEs) managed by between two and ten partners/principals. Partners/principals participate in the business and can be construed as being employees of the enterprise. The number of professionals employed in these enterprises range of from 5 to 25. In a survey of accountants for CPA Australia, Williams (2008) found that only 23% of accountants in general work for organisations with fewer than 50 employees; and only 22% of accountants work for professional service organisations specialising in accounting. The enterprises chosen for the study are likely to be the first line of professional contact made by many consumers of accounting services and these enterprises may be impacted by Professional Standards legislation.
There are three professional associations for accountants in Australia: CPA Australia; Institute of Chartered Accountants in Australia (ICA); and the Institute of Public Accountants (IPA). These three associations have combined to form the Accounting & Ethical Standards Board (APESB) - "an independent, national body that sets the code of ethics and professional standards by which members of Australia’s three professional accounting bodies must abide" (APESB, 2011). The mission of APESB is to ensure consistency of practice and advance public confidence.

CPD is a requirement specified by:

- Professional associations for Individuals who are members of the association and who want to be certified by that association (e.g. ACS, 2008; CPA Australia, 2009a; Engineers Australia, 2008). This requirement is long accepted; and
- Professional Standards legislation for enterprises that are registered under the legislation. The requirement for CPD has been mandated for enterprises which wish to be covered by the legislation and which offer professional services (PSC, 2011b) e.g. Barristers and Solicitors; Building Consultants; Engineers; Surveyors; Valuers; and Computer Professionals. Professional Standards legislation requirements for CPD focus on regulation of professional practice and consumer protection (Professions Australia, 2006a) and appear to be based on beliefs that CPD is ‘good’ and therefore necessary and requires little or no further justification.

Any of the enterprises participating in the study may employ members of any of the three associations. Some enterprises also have employees who are members of specialist associations such as Insolvency, Financial Planning, and Internal Audit. These specialist associations have specific compliance requirements for PD, some of which can be jointly met by compliance requirements of the various accounting associations e.g. attendance at technical sessions of professional societies, seminars and conferences will meet the compliance requirements of all societies (see Table 4-1).

The nature and size of the enterprises may enable each enterprise to engage as practical exemplars of one or more Communities of Practice i.e. employees of each enterprise have a common Body of Knowledge; share the need to solve similar problems; work in an environment where sharing of knowledge is feasible (Boud and Middleton, 2003; Sharp, 1997; Wenger et al., 2002c). The application of the knowledge base of all employees - the enterprise's Body of Knowledge - is the primary source of income for the enterprise, rather than deriving revenue from the supply of products, facilities or other packages.
Rothwell and Herbert (2007) identified a theme in the literature regarding the stakeholders in CPD related to the "professional and organisational identity of individuals and thus who ‘owns’ CPD, the individual, the employer, or the profession?" This research examines whether the employer (enterprise) owns and controls CPD - the value of EPD and influence that the enterprise has on EPD.

4.4. Method of Analysis

Data collection for this part of the study was from semi-structured interviews with a principal of each of 12 accounting enterprises described in Chapter 3 and by examination of the regulations of: the relevant professional associations; Professions Australia; and the Professional Standards Council. As part of the interview process, evidence was gathered regarding: compliance requirements and monitoring of CPD by the enterprise; and the impact that the introduction of Professional Standards legislation has had on the enterprise's attitudes to EPD.

Thematic Analysis was used to analyse interview data in order to identify and analyse and report patterns (themes) within the data. Complex, multidisciplinary data can be explored by thematic analysis to observe and interpret activities and attitudes of people, groups, organisations, cultures and events (Boyatzis, 1998). Thematic analysis establishes a broader base than merely counting the number of times a term or equivalent term is used and enhances interpretation of various aspects of a research topic (Aronson, 1994; Boyatzis, 1998; Braun and Clarke, 2006; Hsieh and Shannon, 2005).

Initial themes were derived from theory and prior research and are reflected in the interview plan (see Appendix 5). These themes were further refined inductively from examination of the raw data obtained. This provided a basis to see and understand the qualitative data obtained and to communicate the observations, findings and interpretations derived from the data. Following finalisation of the themes, data from all interviews was coded under each theme. The coding was validated independently.

The identified themes relating to meeting CPD compliance requirements within accounting enterprises provide the basis for analysis of interview data documented in this chapter are:

- Does the organisation monitor and plan EPD or is it left to the individual?
• How important is it for employees to meet compliance requirements for CPD?
• What is the proportion of EPD used for compliance compared with developing knowledge?

It is worth noting that these questions/themes are not the same as the research questions. However, they provide the basis to understand and interpret the data in order to answer the research questions.

4.5. Professional Standards Legislation

Professional associations have codes of ethics and codes of conduct which provide the framework and culture to ensure that risk to the public is minimised within the constraints of the practice of the profession. Professional Standards legislation is a response by governments and professions to ensure that professionals are aware of concerns that risk to the public is minimised. The specification of CPD within Professional Standards legislation echoes a pre-existing requirement by Professions Australia (the peak body for professions in Australia) and professional associations in general that professionals undertake on-going PD (e.g. ACS, 2008; Australian Library Association, 2008; CPA Australia, 2010c; Engineers Australia, 2008; Pharmaceutical Society of Australia, 2003; Professions Australia, 2006a). Mandating CPD is supported by authors such as Jones and Fear (1994 p.52) who suggest "it is always those who need CPD most who are least likely to do it ... a voluntary policy would have no effect on those who most need to develop."

The aim of the legislation is to enable professions and other occupations to work better for the community through a system of self-regulation of the professions. All states and territories have established a system of nationally consistent Professional Standards legislation (Marden, 2003). Each jurisdiction has a Professional Standards Council (PSC) - all Councils have common membership with administration of each through the New South Wales Attorney General’s department (PSC, 2006a). October 2011, there were seven professions represented by 16 professional associations with schemes registered in Australia. As the legislation has been available nationally since 2003, the uptake by professional associations appears to be slow.

The PSC administers Professional Standards legislation and is required to "supervise the preparation and application of schemes and to assist in the improvement of occupational standards and protection of consumers" (Object D of the act) (PSC, 2006b). To comply with the requirements of Professional Standards legislation, professional associations are required
to develop and administer monitoring systems which verify that professionals operating under Professional Standards legislation are not only professionally qualified but that they have been involved in ongoing PD (PSC, 2006a).

An enterprise which is registered under a scheme obtains the right to use the Cover of Excellence® trademark provided by PSC in order to demonstrate that the enterprise complies with the requirements of a registered scheme. These requirements are designed to "facilitate improvements of occupational standards of professionals and others; and to protect consumers of the services provided by professionals and others" (Object B and C of the act) (PSC, 2006b). Emphasis on compliance may result in enterprises being satisfied with a sufficiency level of knowledge particularly one which can be satisfied by an emphasis on competency/proficiency measures.

Significantly PSC noted a tendency for some associations to focus on limiting the civil liability of professionals (Object (A) of the act) when proposing schemes to the Council. The effect of limitation of civil liability is to shift risk to consumers. PSC (Marden, 2003; PSC, 2006a) identified its role as ensuring Improvement of standards and protection of consumers (my emphasis). This is less likely to occur if the focus of associations is on limiting civil liability. The Guidelines for occupational associations to prepare an application to the Professional Standards Council for the approval or renewal of a scheme (PSC, 2007) shows that their standards are egalitarian (self regulation by professional associations); based on minimising risk for the community and focus on regulation and compliance. CPD policies and practices are specified by individual professional associations. Professional Standards legislation emphasises the need for compliance by both associations and professionals. However, compliance by itself does not prove that professionals are maintaining their Body of Knowledge and/or developing personally.

Professional Standards legislation's objective to improve standards and protect consumers has been accepted by accounting bodies such as CPA Australia (CPA Australia, 2008) and the Institute of Chartered Accountants (ICA, 2010b;d). This brings into question what is meant (or should be meant) by improvement of standards; what is the impact of Professional Standards legislation on PD; and how can standards be improved? Have the professional services provided by enterprises improved as a result of the introduction of Professional Standards legislation? Professional Standards legislation contains no mention of learning theories or methodologies required or associated with CPD (PSC, 2007).
A Framework for Compliance (PSC, 2011a) is a 31 page document which sets out Professional Standards legislation compliance requirements. The requirements for various schemes are documented individually for each scheme (e.g. PSC, 2008). Compliance requirements which relate to individuals have been incorporated into the regulations of the various associations (see Table 4-1).

Figure 4-1 illustrates the regulations and processes of Professional Standards legislation: the Professional Standards Council (PSC) administers the acts (enacted by all states and territories) and publishes guidelines for any professional association which has a scheme registered under an act; the operation of the scheme is delegated to individual professional associations, which, under a PSC policy of self-regulation of professions, are responsible for the development of PD policies and practices. The knowledge that an individual requires is specified within the Body of Knowledge of each association. The Body of Knowledge of new entrants to a profession is assessed prior to admission to an association but there are not always clear processes in place to ensure that the Body of Knowledge is maintained and enhanced throughout a professional’s career. The PSC also delegates specification and assessment of knowledge to professional associations under a system of self-regulation.
The PSC has established the generic processes for CPD and delegated implementation to individual professions, see Figure 4-1. Has the effect of Professional Standards legislation been to promote a culture whereby EPD is used for compliance purposes (conforming to process) rather than the growth of knowledge?

If enterprises sponsor and support EPD only to the extent that employees meet the CPD requirements of Professional Standards legislation then EPD would be seen merely as achieving sufficiency learning i.e. maintaining the status quo of knowledge and skills and not extending knowledge. Alternatively, do enterprises engage in EPD to increase capability and/or capacity which will enable them to provide improved and/or higher level services to clients? Does this enterprise perspective match the individual professional’s desire for more knowledge and skills?

4.6. Compliance Requirements Specified by Associations

Individual accountants are required to comply with the CPD requirements of their professional association. Table 4-1 sets out the guiding principles of, and the requirements to undertake, CPD specified by the relevant associations. In addition to the policies and requirements of the three accounting associations, the Institute of Internal Auditors (IIA) has been included in the analysis, as one enterprise participating in this study specialises in internal auditing the majority of its staff are not members of an accounting association and its employees will be affected by the requirements of IIA. Unlike the accounting associations, IIA does not have a registered Professional Standards legislation scheme. CPD requirements for members of the Financial Planning Association (FPA) are not specified as precisely as for the other associations; and are included as an addendum to Table 4-1.

The CPD regulations for the three accounting associations in Table 4-1 are similar and therefore individual enterprises are unlikely to differentiate CPD requirements between employees who may belong to different associations. The documentation prepared for members of each association have similar regulations for the:

- Principles and obligations relating to: the responsibilities to engage in; and the breadth of; CPD. These include: maintaining and extending professions knowledge and skills; having an awareness and understanding of relevant technical, professional and business developments; in order to benefit the member, the employer and the community;
• Processes specifying how CPD is provided i.e. approved providers and formats e.g. extensive list of providers; approved formats both internal and external; and the processes required to ensure that activities meet approval guidelines; and

• Compliance requirements: including the scope and breadth of coverage; minimum number of hours; and required compliance documentation. The requirements of IIA are less onerous - an average of 30 hours per annum compared with an average of 40 hours per annum for accountants.
## Meeting CPD Compliance Requirements

### Chapter 4

### Principle

<table>
<thead>
<tr>
<th>Obligation</th>
<th>Compulsory</th>
<th>Compulsory/mandatory</th>
<th>Compulsory</th>
<th>Compulsory</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsibility to</td>
<td>Commit to the highest standards of integrity and professionalism and undertake continuing professional education throughout their careers. to ensure that their clients, or their employers, receive the advantages of competent professional services based on the latest developments in practice, law and business.</td>
<td>yourself, your employer and the community</td>
<td>Assist members in coping with rapid legislative and technological changes and changing responsibilities, and to demonstrate concern for the public interest by requiring members to enhance their technical skills to provide services reasonably expected of them.</td>
<td>Code of Ethics, which requires internal auditors to perform internal auditing services in accordance with the Standards. Therefore, the Standards are considered mandatory for all internal auditors who are CIAs or members of the IIA.</td>
</tr>
</tbody>
</table>

### Process

| Process | an organised, orderly framework | plan and participate in a continuing | Structured PD | Plan and participate in a continuing |

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<table>
<thead>
<tr>
<th><strong>Meeting CPD Compliance Requirements</strong></th>
<th>Chapter 4</th>
<th>126</th>
</tr>
</thead>
</table>

## CPD Requirements

<table>
<thead>
<tr>
<th>ICA (ICA, 2010c)</th>
<th>CPA (CPA Australia, 2010a;b)</th>
<th>IPA (IPA, 2011)</th>
<th>IIA(Aust) (IIA, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Provided by</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>An Institute course or workshop, completing a self-study program or some form of distance learning, participating in a local discussion group, enrolling in a short, or even long, tertiary education course, studying a specialist publication or audio or visual presentation or reading technical publications. Preparing and delivering a paper or address on a topic relevant to a member's profession or occupation are acceptable Training and Development activities. can be pursued at home, in the city or the country, alone or with others in or outside working hours.</td>
<td>Professional bodies, educational institutions or by in-house training from your employer. Also home study course or your own developed structured program of study.</td>
<td>IPA Other relevant bodies In-house Tertiary/TAFE institutions Commercial Education organisations</td>
<td>IIA and other professional association seminars and conferences; formal in-house training programmes; college or university courses; formal distance learning programs. Publications Books; Articles; Research. Oral Presentations Participation as an officer or committee member in a professional or industry organisation related to internal auditing. Quality Assurance: Undertaking Quality Assurance Review activities.</td>
</tr>
</tbody>
</table>

## Breadth of PD

<table>
<thead>
<tr>
<th>ICA (ICA, 2010c)</th>
<th>CPA (CPA Australia, 2010a;b)</th>
<th>IPA (IPA, 2011)</th>
<th>IIA(Aust) (IIA, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Individual or affiliate member to decide the form and frequency of Training and Development to meet that member's particular requirements… Participation in courses provided by institutions and bodies other than the Institute and other professional accounting bodies is encouraged, where it is seen as a means of broadening the members’ knowledge, skill, and expertise to the ultimate benefit of the individual and the profession, and may be claimed. As members of a professional body, those participating in the activity are in the best position to judge its relevance in terms of the foregoing.</td>
<td>Activities claimed, while relevant to employment, need not be directly related to accounting or finance.</td>
<td>The implementation of new concepts and ideas, learned through CPE programs, can improve business practices and environment; to maintain and enhance the level of technical knowledge among its members, to assist members in coping with rapid legislative and technological changes and changing responsibilities, and to demonstrate concern for the public interest by requiring members to enhance their technical skills to provide services reasonably expected of them.</td>
<td>Topics focus on the latest industry trends and changes to the regulatory environment and events are designed to encourage peer-to-peer collaboration and professional networking.</td>
</tr>
</tbody>
</table>

## Requirements

<table>
<thead>
<tr>
<th>ICA (ICA, 2010c)</th>
<th>CPA (CPA Australia, 2010a;b)</th>
<th>IPA (IPA, 2011)</th>
<th>IIA(Aust) (IIA, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Requirements</strong></td>
<td>120 hours</td>
<td>120 Hours</td>
<td>80</td>
</tr>
<tr>
<td><strong>Period</strong></td>
<td>triennium</td>
<td>triennium</td>
<td>two years</td>
</tr>
<tr>
<td><strong>Minimum p.a.</strong></td>
<td>20</td>
<td>20</td>
<td>10</td>
</tr>
<tr>
<td><strong>Format</strong></td>
<td>at least 90 hours of formal plus up to 30 hours of technical reading</td>
<td>At least 90 hours of formal development plus up to 30 hours of structured relevant reading over the triennium.</td>
<td>Members accumulate CPE 'points' based on the number of hours of approved activity undertaken.</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td>Self regulating in relation to content based on Code of Ethics.</td>
<td>Contemporaneous permanent record of the precise nature of your professional development including Biennial random CPE audit</td>
<td>Members must attest compliance annually with their membership renewal.</td>
</tr>
</tbody>
</table>

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Gerald A Murphy PhD Thesis: Enterprise PD: Adding Value to Enterprises?
### CPD Requirements

<table>
<thead>
<tr>
<th>ICA (ICA, 2010c)</th>
<th>CPA (CPA Australia, 2010a;b)</th>
<th>IPA (IPA, 2011)</th>
<th>IIA(Aust) (IIA, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recording</td>
<td>required to keep a personal record of the time spent on Training and Development activities to satisfy enquiries by the Board if called upon to do so.</td>
<td>CPA provides On-line diary Logbook or spreadsheet record:</td>
<td>Members are required to monitor and keep a record of their own CPE points</td>
</tr>
<tr>
<td>CPD includes</td>
<td>Lectures, courses, seminars, workshops, conventions, discussion groups, congresses. Professional Development Forums, symposiums, etc conducted by the Institute, other reputable bodies, educational institutions and in-house. Researching and writing technical publications, preparation and delivery of technical papers; Actual time engaged in researching material and writing technical publications may be claimed, whether the final product be in the form of a text book, an article in a professional journal or the presentation of an address. Time spent in preparation and presentation of lectures, courses and seminars and at workshops and discussion groups, Service on technical or research committees under the auspices of the Institute or other professional bodies or organisations; Membership of technical or research committees or study groups where objectives are defined and specific contributions required</td>
<td>a. Congress, conventions or video conferences b. Courses, seminars or workshops c. Discussion Groups d. In-House training e. Tertiary or Post Graduate courses presented by accredited Educational Institutions. f. Developmental Activities, presented by experts g. Member of a technical or research committee h. Self-study, including self paced learning packages i. Structured* relevant reading, video or audio j. Mentoring under the CPA Program * Structured means it must have a clear set of objectives and a logical framework. Courses, conferences (technical), seminars and workshops University/TAFE accounting studies or fields related to professional responsibilities Service on technical committees Learning new software Mentoring On-line learning – self study programs Researching/authoring professional and academic technical papers/lectures Developing and delivering CPE training to others Participation in discussion groups</td>
<td>Attendance at technical sessions of professional societies; seminars and conferences; formal in-house training programmes; college or university courses passed; formal distance learning programs. Publications Books up to 50 hours; Articles up to 25 hours; Research papers up to 25 hours. Oral Presentations First presentation, twice the length of the presentation. Later presentation, the length of the presentation. Participation Participating as an officer or committee member in a professional or industry organisation related to internal auditing, up to 10 hours per annum. Quality Assurance: Undertaking Quality Assurance Review activities.</td>
</tr>
<tr>
<td>Specific Expertise</td>
<td>the IT and Financial Planning Chapter statutory registrations or specialties e.g. tax agent, registered company auditor may be required to do more than the minimum hours required to adequately discharge their responsibilities to the public.</td>
<td>Certified Internal Auditor®(CIA®) Certification in Control Self-Assessment™(CCSA™) Certified Financial Services Auditor™(CFSA™) Certified Government Auditing Professional™(CGAP™)</td>
<td></td>
</tr>
<tr>
<td>In-house</td>
<td>“In-house” courses, schools or similar activity arranged by the member’s employer and presented either by that employer or an external party. In-House training as listed above. The CPA Australia employer recognition program recognises that</td>
<td>IPA recognises CPE delivered by… In-house by employers…</td>
<td>formal in-house training programmes</td>
</tr>
</tbody>
</table>
Meeting CPD Compliance Requirements

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CPD Requirements

<table>
<thead>
<tr>
<th>ICA (ICA, 2010c)</th>
<th>CPA (CPA Australia, 2010a:b)</th>
<th>IPA (IPA, 2011)</th>
<th>IIA(Aust) (IIA, 2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>employer's staff, by individuals or organisations engaged by the employer, or a combination of these; Training activities provided by employers are acceptable Training and Development providing they relate to the development, maintenance or expansion of professional competence. However, training involving purely administrative tasks of essentially a non-professional nature such as completing employer time sheets would not count towards Training and Development;</td>
<td>many members meet their CPD obligations in the context of the learning and development support provided by their employer. While you are employed at a knowledge partner, add 40 hours for each year to your CPD diary.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 4-1 CPD Requirements of Professional Associations

The CPA Australia employer recognition program recognises that many members meet their CPD obligations in the context of the learning and development support provided by their employer. While you are employed at a knowledge partner, add 40 hours for each year to your CPD diary (CPA Australia, 2010b).

FPA Code of Ethics (FPA, 2011)

FPA: Eight Principles of Code of Ethics

Principle 6: Competence

Maintain the abilities, skills and knowledge necessary to provide professional services competently. Competence requires attaining and maintaining an adequate level of knowledge, skills and abilities in the provision of professional services. Competence also includes the wisdom to recognise one’s own limitations and when consultation with other professionals is appropriate or referral to other professionals is necessary. Competence requires the financial planner to make a continuing commitment to learning and professional improvement.

The Practice Standards aim to:
- Establish the level of practice expected of a Member engaged in the provision of financial planning services to a client;
- Establish standards of professional practice to ensure consistent provision of financial planning services by a member;
- Clarify the roles and responsibilities of Members and their clients in financial planning engagements;
- Ensure all clients receive quality advice and services; and
- Align with global standards and expectations.

Competencies

Rule 7.32 A Member must satisfy all continuing professional development requirements set by the FPA from time to time.

Rule 7.33 A Member must offer advice only in those areas in which the Member is professionally competent. In areas where the Member is not professionally competent, the Member shall seek the counsel of qualified individuals and/or refer clients to such parties.

Continuing Professional Development (CPD)

In a constantly changing world, a professional recognises the need for ongoing training and development. CFP certification is dependent on ongoing professional development of 120 approved CPD points over a three (3) year cycle.

Continuing Professional Development (CPD)

I agree to undertake the quantity and quality of ongoing CPD as required by the FPA from time to time and I understand that my failure to satisfy these conditions is a material breach of my membership and that consequently my membership may be immediately cancelled.
Usage of the CFP Marks
The applicant acknowledges and agrees that permission to use CFP®, CERTIFIED FINANCIAL PLANNER and is granted by the Financial Planning Association of Australia Limited as the licensing authority for the CFP Marks in Australia, through agreement with the Financial Planning Standards Board Ltd.
At the end of the time period, if the right to use the CFP Marks will terminate upon expiration of the FPA or FPSB may have against the applicant for any antecedent breaches of the Code of Ethics, Rules of Professional Conduct and the Constitution and/or the misuse of the CFP Marks prior to the termination if the applicant fails to comply with use of the CFP Marks immediately.
Finding 1
The evidence suggests that all accounting associations require CPD as a condition of membership and have developed extensive regulations and guidance to ensure members are aware of the requirements.

4.7. CPD Compliance and the Enterprise

Accountants who work in a general commercial setting (76% of the sample of all accountants in the CPA survey (Williams, 2008)) rather than in a professional enterprise may be involved in PD not only to develop their technical accounting skills but also in the development of knowledge skills and understanding of a generic nature with activities designed to satisfy organisational needs such as: management; IT skills interpersonal/communication skills; business leadership; and work related personal skills e.g. time management. For accountants working in general commercial setting, corporate support for CPD for: PD which enhances the technical capabilities: and satisfying compliance requirements may not be a high priority as it is not considered core business.

Theme 1: Does the enterprise monitor and plan CPD or is it left to the individual?

<table>
<thead>
<tr>
<th>Individual.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Records kept of firm sponsored (external) activities (full records not kept). Individuals are required to keep CPD diary for CPA compliance – often need to ask for access to firms records for help. Time sheets also useful (only when not out of hours).</td>
</tr>
<tr>
<td>Individuals are asked to attend relevant PD activities. It does happen without formalisation. Report back to internal weekly seminars.</td>
</tr>
<tr>
<td>External mainly used for compliance – financial planning and audit... Senior staff work out programs of PD, Various members then prepare papers, circulated internally and sometimes published or distributed to clients, eventually will publish them on web.</td>
</tr>
<tr>
<td>CPD left to the individual to meet compliance requirements – informal development although Team meetings identify needs.</td>
</tr>
<tr>
<td>Insolvency - compliance is individual, knowledge gaps may be identified but up to individual to address topic.</td>
</tr>
<tr>
<td>Internal planning but monitoring of external sessions.</td>
</tr>
<tr>
<td>No monitoring. Internal PD ensures compliance. Staff reviews and supervision identify areas where lacking in knowledge and skills.</td>
</tr>
<tr>
<td>Not directly but time budget is essential to know when people are taking time off for PD.</td>
</tr>
<tr>
<td>CPD activities monitored by principal, select activities for staff– no compliance checking. CPA compliance forms reasonable.</td>
</tr>
<tr>
<td>Don’t directly monitor. No need to worry about the hours – sufficient hours.</td>
</tr>
<tr>
<td>Monitoring is a bit of both (planning requires monitoring to happen). Business has a view of what is required. I.A. doesn’t enforce CPD requirements in the way the CPA does.</td>
</tr>
</tbody>
</table>

Table 4-2 Planning and Monitoring CPD Interview Responses

For accountants in public practice, development of technical capabilities is a core business activity as it provides the Body of Knowledge used to provide services to clients. The three tables following together with the related discussion refers to three themes relevant to the
compliance requirements of CPD and the importance that enterprises place on meeting compliance requirements. The data document the responses given by principals of the enterprises studied regarding: whether CPD of employees is monitored and planned (Table 4-2); how important is it for enterprise that employees meet compliance requirements (Table 4-4); and what is the proportion of CPD aimed at achieving compliance when compared with CPD aimed primarily at developing knowledge (Table 4-6).

The data in Table 4-2 can be analysed under three headings: who is responsible for planning; who is responsible for controlling (monitoring); and does the enterprise ensure compliance requirements are met? As professionals it is given that individuals have a responsibility to ensure they satisfy compliance requirements.

<table>
<thead>
<tr>
<th>Planning</th>
<th>Enterprise Control</th>
<th>Enterprise Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. -</td>
<td></td>
<td>No</td>
</tr>
<tr>
<td>2. -</td>
<td>Enterprise &amp; Individual: Records kept of firm sponsored (external) activities</td>
<td>No</td>
</tr>
<tr>
<td>3. Individual/enterprise</td>
<td>Enterprise</td>
<td>-</td>
</tr>
<tr>
<td>4. Enterprise - Identify needs</td>
<td>Enterprise: Monitor External</td>
<td>No</td>
</tr>
<tr>
<td>5. Enterprise identify knowledge gaps</td>
<td>-</td>
<td>No</td>
</tr>
<tr>
<td>6. Enterprise Internal Plan</td>
<td>Enterprise: Monitor External Sessions</td>
<td>No</td>
</tr>
<tr>
<td>7. Identify lack of knowledge and skills</td>
<td>None</td>
<td>Internal PD ensures compliance</td>
</tr>
<tr>
<td>8. Enterprise: Time Budget</td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td>9. Enterprise: Select Activities</td>
<td>Monitored by principal</td>
<td>No</td>
</tr>
<tr>
<td>10. - Don’t Directly</td>
<td>No</td>
<td>Sufficient hours</td>
</tr>
<tr>
<td>11. Business has a view of what is required.</td>
<td>Monitoring is a bit of both: Enterprise &amp; Individual:</td>
<td>-</td>
</tr>
</tbody>
</table>

Table 4-3  Planning and Monitoring CPD: Analysis

Finding 2

Data in Table 4-2 show that there is no evidence of monitoring by enterprises regarding whether individual professionals meet the compliance requirements of their professional Association - it is seen as an individual responsibility. Planning and control of PD varies significantly between enterprises often under the guidance and direction of senior staff who may be involved in selecting topics; determining who attends; and ensuring that knowledge is shared among all staff.

Meeting the compliance requirements for CPD has been a long established obligation for individual professional accountants. Accounting enterprises are required to ensure that their employees undertake CPD in order to comply with Professional Standards legislation requirements specified to retain Cover of Excellence status. Table 4-4 records comments by
principals of accounting enterprises as to how important meeting these compliance requirements is to the enterprise.

**Theme: How important is it for employees to meet compliance requirements for CPD?**

<table>
<thead>
<tr>
<th>Description</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compulsory part of the job – required by profession to maintain accreditation, employer and individual drive to maintain professional skills.</td>
<td></td>
</tr>
<tr>
<td>Meet code of ethics of insolvency profession e.g. OH&amp;S; knowledge of particular industries e.g standards on hotel industry, nursing homes etc. Required to do PD</td>
<td></td>
</tr>
<tr>
<td>Obligation from institute to do PD but not the driver – continually train staff.</td>
<td></td>
</tr>
<tr>
<td>Focus on advanced work rather than compliance.</td>
<td></td>
</tr>
<tr>
<td>Need CPD but a lot is done for compliance. Without requirement for PD people won’t allocate the time.</td>
<td></td>
</tr>
<tr>
<td>Many professionals do CPD in order to tick the boxes – although they won’t admit it publicly – do activity purely because hours are required. Problems of what is counted by CA for compliance – reading not counted. networking used for problem solving – immensely valuable. Difficult to count as PD – valuable training but doesn’t easily tick the boxes. PD should look at how referral processes work and work processes are developed within the firm particularly about how compliance problems are handled. Frightening when accountants meet CPD compliance but do not give client proper advice. ... Provide a resource to the client.</td>
<td></td>
</tr>
<tr>
<td>CPD is valuable for its own sake. Professional standards legislation does not apply.</td>
<td></td>
</tr>
<tr>
<td>No visible effect – firm already complies.</td>
<td></td>
</tr>
<tr>
<td>Penalties occur if mistakes are made. Ticking the box for CPD is not important. Staff do, and need to do, more than minimum compliance. PSL has had little impact – more interested in tax issues.</td>
<td></td>
</tr>
<tr>
<td>Meet compliance needs because we have to. Find out relevant areas. Major firms have high jacked PD. CPAs etc have gorged themselves on fees. Relevant PD met by NTAA rather than professional associations. ... Very easily meet compliance requirements.</td>
<td></td>
</tr>
<tr>
<td>PSL results in overburdened formal policies and procedures requirements for reporting compliance. Keeping records major problem – unnecessary paper work doesn’t stop rogue accountants. Standards are needed but compliance does not of itself guarantee anything. PSL is there to protect the firm as firm has limited resources. Impact has never been measured.</td>
<td></td>
</tr>
<tr>
<td>Compliance CA CPA and Insolvency practitioners – all individual requirements... PSL has had no impact but is worthwhile gave a view of why firm does things in a particular way.</td>
<td></td>
</tr>
<tr>
<td>Compliance is not the driver. Driver is to ensure staff is kept up-to-date... PSL not considered in relation to CPD. ... PSL - would do PD regardless.</td>
<td></td>
</tr>
<tr>
<td>No impact. Quality control audit resulted in improvement in level of internal work papers</td>
<td></td>
</tr>
<tr>
<td>Compliance easily met e.g. writing articles 2 per week for 42 weeks, other staff have to be aware. Compliance is not prime reason for doing PD but does give an extra impetus.... CPD is a requirement but is a way to keep up-to-date as well as a requirement.</td>
<td></td>
</tr>
<tr>
<td>PSL makes it harder, always in the back of mind – QA every 5 years puts pressure on smaller practices in terms of time and cost.</td>
<td></td>
</tr>
<tr>
<td>Need to show basis of advice to clients. Taxation services bill requires that you know your clients and keep up-to-date.... PSL requirements audited last year and part of CPA compliance and covered by CPA -not too worried about meeting compliance– enough CPD hours.</td>
<td></td>
</tr>
<tr>
<td>No impact - PSL does not apply.... Compliance not an issue.</td>
<td></td>
</tr>
</tbody>
</table>

**Table 4-4 Importance of Meeting Compliance Requirements: Interviews**

The data in Table 4-4 was obtained from responses to the interview questions: What do you expect from CPD; how would you define success; and what is the impact of compliance requirements and Professional Standards legislation on the organisation’s CPD policies and practices? The data can be analysed under four headings: how important is it that PD is...
outcomes of EPD for accounting enterprises

Chapter 4

Gerald A Murphy PhD Thesis: Enterprise PD: Adding Value to Enterprises?

compulsory; is PD used to meet a business need; has Professional Standards legislation had any impact; and does compliance drive PD within the enterprise?

<table>
<thead>
<tr>
<th>Compulsory</th>
<th>Need CPD for the business</th>
<th>Professional Standards legislation</th>
<th>Compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. compulsory part of the job</td>
<td>Required by employer and individual drive to maintain professional skills</td>
<td>-</td>
<td>Required by profession to maintain accreditation</td>
</tr>
<tr>
<td>2. Required to do PD</td>
<td>knowledge of particular industries</td>
<td>-</td>
<td>Meet code of ethics of insolvency profession e.g. OH&amp;S;</td>
</tr>
<tr>
<td>3. Obligation from institute to do PD</td>
<td>not the driver – continually train staff</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Focus on advanced work</td>
<td>-</td>
<td>Rather than compliance.</td>
</tr>
<tr>
<td>5. Without requirement for PD people won’t allocate the time.</td>
<td>Need CPD</td>
<td>-</td>
<td>A lot is done for compliance</td>
</tr>
<tr>
<td>6. Many professionals do CPD in order to tick the boxes – although they won’t admit it publicly</td>
<td>PD should look at how referral processes work and work processes are developed within the firm particularly about how compliance problems are handled Frightening when accountants meet CPD compliance but do not give client proper advice. ... Provide a resource to the client</td>
<td>-</td>
<td>Do activity purely because hours are required .... Problems of what is counted by CA for compliance – reading not counted. Networking used for problem solving – immensely valuable. Difficult to count as PD</td>
</tr>
<tr>
<td>7.</td>
<td>CPD is valuable for its own sake</td>
<td>Professional standards legislation does not apply</td>
<td>-</td>
</tr>
<tr>
<td>8.</td>
<td>-</td>
<td>No visible effect – firm already complies.</td>
<td>-</td>
</tr>
<tr>
<td>9. Staff do, and need to do, more than minimum compliance.</td>
<td>Penalties occur if mistakes are made. - more interested in tax issues</td>
<td>PSL has had little impact</td>
<td>Ticking the box for CPD is not important</td>
</tr>
<tr>
<td>10. Meet compliance needs because we have to.</td>
<td>Find out relevant areas. Relevant PD met by NTAA rather than professional associations. ...</td>
<td>-</td>
<td>Very easily meet compliance requirements</td>
</tr>
<tr>
<td>11.</td>
<td>-</td>
<td>PSL results in overburdened formal policies and procedures requirements for reporting compliance. Keeping records major problem – unnecessary paper work doesn’t stop rogue accountants. Standards are needed but compliance does not of itself guarantee anything. PSL is there to protect the</td>
<td>-</td>
</tr>
</tbody>
</table>
Table 4-5  Importance of Meeting Compliance Requirements: Analysis

Finding 3
Evidence recorded in Table 4-5 shows that enterprises generally recognise that CPD is an individual requirement; however, no participating enterprise has a problem in ensuring that employees meet the CPD compliance requirements of their association and most indicate that they would engage in EPD regardless of compliance requirements because of the intrinsic value gained from EPD.

As all enterprises already have processes in place to comply with the CPD requirements of the respected associations, there is no evidence to suggest that Professional Standards legislation has had an impact on the attitudes of the enterprises towards EPD although two enterprises expressed disquiet about the pressure that the quality assurance audit required under
Professional Standards legislation places on smaller practices in terms of time and cost. Three principals comment that merely achieving minimum compliance level is not adequate - a ‘tick the boxes’ approach does not stop either poor performance or ‘rogue accountants’.

Finding 4

Compliance with Professional Standards legislation requirements was not specifically identified as an outcome of engaging in EPD (this is developed further in Chapter 5 - Outcomes of EPD).

Table 4-6 records responses to a question which was added to the interview plan after a number of interviews had been conducted in order to attempt to assess the relative importance enterprises place on compliance and knowledge development. In Qualitative studies which aim to develop understanding through inductive approaches, the process of reviewing and analysing the adequacy of the data collected during the collection phase may result in modifications to the data being collected as the research is conducted (Eisenhardt, 1989; Glaser and Strauss, 1967; Guba and Lincoln, 1994; Merriam, 1998; Minichiello et al., 1995).

The data in Table 4-6 have been arranged in sequence with those principals stating that EPD is not used for compliance through progressively more emphasis on compliance through to one principal who did not have any measurement of this. As all enterprises in this study provide more than the stipulated 40 hours p.a. required by each association principally through the use of PD conducted in-house which is recognised by all accounting associations (see Table 4-1), it can be argued that EPD is used for more than compliance.

Finding 5

Responses shown in Table 4-6 reinforce comments made in Table 4-4 that EPD is used to develop knowledge within the enterprise.

**Theme:** What is the proportion of CPD/EPD used for compliance compared with developing knowledge?

| Not for compliance– easy to get up the hours. |
| no [not for compliance]. |
| 80% Knowledge. |
| Cost split between compliance and knowledge development– all put together both important. |
| Both compliance and knowledge development particularly important. |
| ATO, CPA, Taxpayer Australia Inst of Taxation, Portals have wonderful reference material available more cheaply and as required at leisure. |
| Balancing act to ensure Junior staff go on PD events at least twice a year. |
| No measurement. |

Table 4-6  Proportion of CPD – Compliance/Knowledge Dev. Interviews
4.8. Comparison with other studies

Table 4-7 summarises some of the findings of a survey conducted of accountants in general - not just in public practice - for the CPA (Williams, 2008). In constructing the table, responses which have minimal level of support have been eliminated and therefore the table does not record all responses.

<table>
<thead>
<tr>
<th>Survey question</th>
<th>Response</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>What is your role in relation to decision-making about CPD Please tick all that apply</td>
<td>&quot;I decide only on my own CPD needs&quot;</td>
<td>76%</td>
</tr>
<tr>
<td></td>
<td>&quot;My CPD needs are negotiated jointly during my appraisal process&quot;</td>
<td>29%</td>
</tr>
<tr>
<td></td>
<td>&quot;My manager decides on my CPD needs&quot;</td>
<td>12%</td>
</tr>
<tr>
<td>&quot;Who pays for your CPD? Please tick all that apply</td>
<td>&quot;I do&quot;</td>
<td>66%</td>
</tr>
<tr>
<td></td>
<td>&quot;my employer does&quot;</td>
<td>66%</td>
</tr>
<tr>
<td></td>
<td>&quot;the CPD I do is free&quot;</td>
<td>21%</td>
</tr>
<tr>
<td>&quot;If your CPD is funded or part funded by your employer what are the criteria for agreeing this funding? Please tick all that apply</td>
<td>&quot;The CPD must meet my employer's needs&quot;</td>
<td>59%</td>
</tr>
<tr>
<td></td>
<td>&quot;Cost&quot;</td>
<td>39%</td>
</tr>
<tr>
<td></td>
<td>&quot;I can do any CPD I choose to meet my needs&quot;</td>
<td>28%</td>
</tr>
<tr>
<td></td>
<td>&quot;It must be approved/accredited by my professional body&quot;</td>
<td>15%</td>
</tr>
<tr>
<td>&quot;In the last 12 months how many hours of CPD have you undertaken&quot; Please tick only one</td>
<td>40 hours or less</td>
<td>68%</td>
</tr>
<tr>
<td></td>
<td>&gt;40 hours</td>
<td>31%</td>
</tr>
</tbody>
</table>

Table 4-7  CPA CPD survey results summarised from Williams (2008)

Observation 1

Table 4-7 shows that within the profession, accountants:

- Determine their CPD activities on an individual basis;
- Only 31% exceed the average minimum annual hourly requirement;
- Only 12% state that their employer decides on CPD needs, however 59% claim that CPD must meet employer's needs which would seem to indicate that accountants are conscious of employer's needs when planning CPD and possibly when asking for cost to be recompensed - 66% record that their employer contributes to some or all of the cost; and
- Individual accountants contribute to some or all of the cost of CPD in 66% of responses.

These observations are different to the data obtained in interviews for this research which indicate that participating enterprises: provide in excess of the mandated 40 hours CPD p.a. for their employees; actively participating determining the content of CPD; and contribute to the cost of CPD The reason for the difference may be that professional enterprises recognise the
need to ensure that employees maintain and extend their Body of Knowledge in order to acquire; maintain; and provide services to their clients which are up-to-date and relevant. Accountants employed more generally in industry, and their employers, appear to have less recognition of the need to engage in CPD. Employers are less involved and appear to provide less support to CPD.

4.9. Professional Standards legislation, CPD: Examination of RQs

The data presented in this chapter address the Research Questions/Premises/Issues (RQ) and the Contextual Questions (CQ) specified in Chapter 3 in relation to CPD compliance:

RQ 1  Is there evidence to show that EPD policies and practices within accounting enterprises are driven by the need to meet compliance requirements?

All enterprises claim that the PD they provide "very easily meet compliance requirements"; in most cases staff meetings alone exceed the compliance requirements. It is considered more important to meet the business needs of the enterprise by identifying relevant areas of need and sourcing relevant providers. The data shows that many feel that it is more important to focus EPD on advanced work e.g. taxation; in avoiding penalties when mistakes occur; and/or being able to state the basis on which advice is given to clients ("Taxation Services bill requires that you know your clients and keep up-to-date") rather than using EPD merely to meet compliance requirements.

CPA explicitly states that

"The CPA Australia employer recognition program recognises that many members meet their CPD obligations in the context of the learning and development support provided by their employer. While you are employed at a knowledge partner, add 40 hours for each year to your CPD diary" (CPA Australia, 2010b).

This clause was not mentioned by any principal in interviews. Compliance requirements therefore do not appear to be a dominating factor in the EPD policies and practices of the enterprises studied, although, a number of enterprises do acknowledge that PD compliance may be equally important as knowledge development. Enterprises do not focus directly on meeting compliance requirements of individual professionals but on enhancing the enterprise's capabilities and capacity.
One principal expresses concern about what is counted for compliance e.g. "reading is not counted [n.b. CPA’s requirements specifically include this] ... networking which is used in problem solving is immensely valuable but difficult to count ... [it provides] valuable training but doesn’t easily tick the boxes". He also considers that PD compliance requirements should look at how “referral processes work and work processes are developed within the firm particularly about how compliance problems are handled”. Another principal voices concern that “major firms have high-jacked PD and that Professional Associations have gorged themselves on fees”. There is a general feeling that Professional Associations are not a major source of knowledge for these smaller enterprises. Comments such as “relevant PD meet by (bodies such as) NTAA rather than the Professional Association” are not uncommon.

RQ 2 Is there evidence that Professional Standards legislation changes the way that accounting enterprises approach EPD?

Professional Standards legislation (PSL) specifies the CPD requirements for compliance under the acts but these have had no impact on the way any participating enterprise approaches EPD - "CPD is valuable for its own sake. PSL does not apply"; "no visible effect – the firm already complies"; "ticking the box for CPD is not important; Staff do, and need to do, more than minimum compliance; PSL has had little impact"; "would do PD regardless of PSL"; "PSL has had no impact but CPD is worthwhile as it gave a view of why the firm does things in a particular way". PSL requirements are satisfied by meeting the requirements of the relevant association and are assessed when the enterprise is audited. One principal states that Professional Standards legislation results in “overburdened formal policies and procedures requirements for reporting compliance”. He further claims “the record keeping required for PSL is a major problem for a small practice ... unnecessary paperwork won’t stop rogue accountants”. Another comment made about Professional Standards legislation is: "standards are needed but compliance does not of itself guarantee anything. Professional Standards legislation is there to protect the firm as firm has limited resources. The impact [of PSL] has never been measured". This is supported by a different principal who said "PSL makes it harder, always in the back of mind – QA every 5 years puts pressure on smaller practices in terms of time and cost”. Professional Standards legislation and its associated audit, however, is supported by one principal who says "the quality control audit resulted in improvement in level of internal work papers".
Enterprises which comply with Professional Standards legislation requirements are able to: access reduced professional indemnity insurance; and display the Cover of Excellence® trademark on the enterprises’ corporate documentation (CPA Australia, 2008; ICA, 2010a; Marden, 2003; PSC, 2011c). However, these outcomes did not feature significantly in enterprises’ perceptions of the overall outcomes emanating from EPD. Professional Standards legislation is not a driving factor in influencing policies and practices related to EPD. This contrasts with, and in some ways supports, the findings of the Centre for Applied Philosophy and Public Ethics (CAPPE, 2006) that professionals perceived that the most significant benefit of participating in a Professional Standards legislation scheme was that registration provided evidence that professionals have an (or have improved their) ethico-professional reputation. CAPPE found that this benefit was more important than insurance capping as an incentive to register under Professional Standards legislation. The difference in the findings is likely to be that CAPPE surveyed individual professionals; this study has placed an emphasis on Professional Standards legislation as applied to professional enterprises.

*RQ 3* Is there evidence that Professional Standards legislation resulted in improved outcomes for the public?

While Professional Standards legislation has resulted in lower premiums and reduced civil liability and made it easier for enterprises to obtain professional indemnity insurance, the public’s capacity to claim for professional incompetence has been diminished specifically as a result of the object (a) of the professional standards act which sets out to limit the civil liability of (Marden, 2003; PSC, 2006b, 2011b). Professional Standards legislation has therefore provided value to enterprises but little direct value to the public. The discipline imposed by the legislation may have indirect value to the public as enterprises become more conscious of the need to sponsor and/or conduct CPD for their employees. The emphasis placed on documentation in Professional Standards legislation reporting may also have indirect benefits for the public.

From the data collected, accounting enterprises have low awareness of Professional Standards legislation. This low awareness has an impact on the findings below in relation to the three contextual questions derived from research questions (2 and 3 above) regarding Professional Standards legislation.
CQ  *Is there evidence to show that accounting enterprises’ EPD policies and practices focus on protection of the public or do they focus on protection of the enterprise and the individuals within the enterprise?*

Accounting enterprises are concerned about the quality of their work product. Production of quality work brings significant benefits to an enterprise and is reviewed in Chapter 5. This concern is an ongoing one and exists regardless of Professional Standards legislation. Professional Standards legislation does offer benefits to the enterprise through protecting individual professionals and the enterprise. Accounting enterprises were required to take out professional indemnity insurance prior to Professional Standards legislation and as a result Professional Standards legislation has not made a significant difference in providing increased protection to the public. Individual professionals and accounting enterprises have obtained greater certainty of access to professional indemnity insurance and received the benefit of limitation of liability. EPD is used by a number of enterprises as a means of mitigating risk to the enterprise.

CQ  *Is there evidence to show that: Accounting enterprises’ EPD policies and practices are driven by the need to minimise civil liability and concentrate on compliance to reduce civil liability and also to assist in marketing the enterprise?*

The relevant associations (e.g. accounting, insolvency, financial planning, and internal audit) all require their members to undertake CPD to maintain accreditation. Individual staff members value their membership of a professional association and undertake CPD to meet compliance requirements as well as maintaining and enhancing their professional skills and knowledge. Enterprises expect that their employees undertake CPD not only to keep up-to-date but also to firstly provide quality service to clients; and secondly they could market themselves to their clients by making known the qualifications of staff.

One principal comments that "many professionals do CPD in order to tick the boxes – although they won’t admit it publicly – they do an activity purely because hours are required". He also states that it is "frightening when accountants meet CPD compliance but do not give clients proper advice". The overall view of all enterprises is that the obligation from professional associations to do CPD is not the predominant driver of EPD - there is a need to continually train and develop employees. A number of enterprises support the concept of compliance requirements specified by professional associations with comments such as "compliance is not the prime reason for doing PD but it does give an extra impetus"; "without the requirement for PD people won’t allocate the time... need CPD, but a lot is done for compliance".
In addition to complying with regulations of professional associations, regulatory authorities set minimum standards compliance requirements in areas such as auditing and taxation registration. It is worth noting that two enterprises have decided not to continue with auditing registration as the compliance requirements are considered in excess of the outcomes the enterprise obtains that from registration.

Professional Standards legislation gives accounting enterprises access to Professional Indemnity insurance at lower rates primarily through reducing the civil liability of the enterprise. Each enterprise is aware that if they are compliant with the requirements of Professional Standards legislation that they will limit their civil liability. They are also aware that the use of the Cover of Excellence® trademark adds credibility to the enterprise. Achieving the compliance level required by Professional Standards legislation is not considered an issue.

**CQ** Is there evidence to show that Professional Standards legislation has resulted in increased protection of the public through enterprises changing their policies and practices relating to CPD/EPD - these policies and practices would have been driven in the past by the need to comply with professional association requirements as well is meeting the needs of the business?

Enterprises do not monitor the PD activities of individual staff in order to ensure that they meet compliance requirements of the Professional association. In most cases there is no need to worry about meeting the hours requirements as internal training within each enterprise easily meets the requirements of the associations. Individuals are required to keep records by their Professional Association e.g. CPD diary for CPA compliance When diaries are not maintained, employees often need to access the firm’s records for help. Time sheets may be used, but only when activities take place within normal office hours and PD is specifically coded within the enterprise’s systems.

Enterprises identify knowledge gaps sometimes through formal review and supervision processes, staff meetings, or through managerial processes which set strategic or operational directions. In some cases it is left to individuals to address the specific knowledge gap or topic, in others individuals will be asked to attend relevant PD activities. A critical issue is to set a "time budget" particularly for regular PD events (both internal and external) as it is "essential to know when people are taking time off for PD".
Accounting enterprises have not changed their policies and practices relating to EPD. They more than adequately meet the compliance requirements regarding the volume of CPD done by staff. There is no scrutiny of the: methods used; topics covered; and depth of learning achieved. There is no evidence that there has been any significant change in the ways that enterprises approach EPD as a result of Professional Standards legislation. If this is so, then Professional Standards legislation has had no effect on the protection of public and in fact as Professional Standards legislation specifically limits the liability of professional the redress available to the public has been diminished.

4.10. Summary of Findings/Observations

Evidence from this research suggests that:

1. All accounting associations require CPD as a condition of membership and have developed extensive regulations and guidance to ensure members are aware of the requirements.

Complying with the requirements of Professional Standards legislation for CPD has not proved a problem for these enterprises.

2. There is no monitoring by enterprises regarding whether individual professionals meet the compliance requirements of their professional association - it is seen as an individual responsibility.

Planning of PD varies significantly between enterprises often under the guidance and direction of senior staff who may be involved in selecting topics; determining who attends; and ensuring that knowledge is shared among all staff.

3. Enterprises generally recognise that CPD is an individual requirement, however, no enterprise has a problem in ensuring that employees meet the CPD compliance requirements of their association and most indicate that they would engage in EPD regardless of compliance requirements because of the intrinsic value gained from EPD.

All enterprises provide employees with more PD than the minimum requirements of their associations and therefore the specifications of Professional Standards legislation.

4. Compliance with Professional Standards legislation requirements was not specifically identified as an outcome of engaging in EPD.

Professional Standards legislation has had no impact on the way that these enterprises conduct or support EPD. Enterprises benefit from Professional Standards legislation compliance in: lower premiums and reduced civil liability; and improved accessibility to
professional indemnity insurance. The cost is that the public's capacity to claim against professional incompetence has been diminished. Professional Standards legislation therefore provides value to enterprises but little direct value to the public.

Professional Standards legislation provides only indirect value to the public through the discipline imposed by the legislation as enterprises may become more conscious of the need for CPD for their employees.

5. **EPD is used to develop knowledge within the enterprise.**

EPD is used to mitigate risk to the enterprise by ensuring that employees have great knowledge and awareness of potential risk. This explored further in Chapter 5.

These findings contrast with the broader body of the accounting profession whereby accountants:

- **Determine their CPD activities on an individual basis;**
- Only 31% exceed the average minimum annual hourly requirement;
- Only 12% state that their employer decides on CPD needs, however 59% claim that CPD must meet employer's needs which would seem to indicate that accountants are conscious of employer’s needs when planning CPD and possibly when asking for cost to be recompensed - 66% record that their employer contributes to some or all of the cost; and
- Individual accountants contribute to some or all of the cost of CPD in 66% of responses.

**4.11. Conclusion**

Compliance requirements are specified for: individuals to retain professional certification by professional associations; and by the Professional Standards Council (this is delegated to professional associations) for enterprises to retain registration under Professional Standards legislation. Enterprises are required to provide data to associations which prove that they satisfy the requirements specified. Meeting these requirements provides an enterprise with: access to Professional Indemnity insurance; and to obtain Cover of Excellence registration which can be displayed on all the enterprise’s documentation. There is no evidence that a mandatory policy results in advancing professional practice and the protection of the public.

The level of learning required is not specified and minimum compliance could result in learning which is at a sufficiency level. However, there is no evidence that compliance is the major
factor influencing EPD within the enterprises studied - growing the technical Body of Knowledge of employees and enhancing the use of a deeper level of knowledge of accounting enterprises in order to improve the services offered to clients is considered more important.

The depth of learning achieved within the accounting enterprises from CPD/EPD is examined further in Chapter 5, which continues this case study documenting an examination of the outcomes of EPD for the accounting enterprises participating in this study. The outcomes achieved by accounting enterprises from EPD are contrasted with the benefits claimed by professional associations (Friedman et al., 2000). The chapter provides evidence regarding why accounting enterprises sponsor and support EPD examining how and what value it adds to the business.

Chapter 6 will complete the documentation of the case study covering how accounting enterprises go about sponsoring and supporting EPD. This is affected by an enterprise's:

- Entrepreneurial Intensity related both to growth and risk aversion (Ireland et al., 2006a;b);
- Facilitating Factors put in place to support learning (DiBella and Nevis, 1998); and
5. Chapter 5: Outcomes of EPD for Accounting Enterprises

5.1. Introduction

Chapter 4 presented analysis for the initial part of the study of accounting enterprises; documenting the impact that compliance requirements have on the way that enterprise professional development (EPD) is practised within the enterprises studied. It examined data regarding the impact that the introduction of Professional Standards legislation have had on the practice of EPD. This chapter continues the case study reporting the data under analysis which provide evidence of the outcomes of EPD for small and medium accounting enterprises in an Australian context only. Chapter 6 will present analysis of the factors which may influence the direction and success of EPD within accounting enterprises.

This chapter documents the aims/benefits claimed for continuing professional development (CPD) by professional associations for the professional development (PD) of individual professionals; and examines whether the outcomes derived by professional enterprises (referred to as enterprises) from CPD/EPD match the benefits claimed. Friedman et al’s (2000) study of professional associations in the UK identified the claims made by professional associations of the benefits of CPD. Are these claims relevant to, and achievable by, enterprises? Do they contribute to the goals of the enterprise? Will EPD result in increased capability and/or capacity of the enterprise? Does EPD make a meaningful contribution to improve professional services?

In framing Professional Standards legislation, governments have reinforced the belief that CPD will provide benefits to the community (Marden, 2003). Do enterprises as a key stakeholder in CPD/EPD believe that it is a worthwhile activity and what is the value, if any, that they gain from sponsoring and supporting EPD?

CPD should add to a professional’s ability to gain and apply knowledge which in turn should contribute to the enterprise in which they are employed. Enterprises may sponsor and support CPD by: providing time off; meeting costs of various activities; providing facilities to support learning and development; providing a working context as a basis for learning; and/or developing a learning culture within the enterprise. A potential downside of enterprise involvement in CPD is that enterprises may decide what knowledge is to be valued and worth learning; and restrict access to CPD to activities which address chosen topics or areas
Outcomes of EPD for Accounting Enterprises

Chapter 5

(WEBSTER-WRIGHT, the 2006 p.25). Accounting enterprises are likely to support CPD/EPD provided that they believe that the business obtains value for the time and money expended, otherwise CPD will be seen as an individual responsibility. To achieve value from CPD/EPD, do enterprises determine what knowledge is required and control the methods by which learning is achieved?

Chapter 3 identified research questions (RQ) and the contextual questions (CQ) for this part of the study - Outcomes of EPD. The research seeks evidence regarding:

**RQ4** Do and if so why do: accounting enterprises sponsor and support CPD?

**CQ** How do enterprises demonstrate to professionals within the practice:
- The enterprise’s need for EPD; and
- The value the enterprise places on EPD?

**RQ5** What is the value, perceived and/or realised, that accounting enterprises gain from CPD?

**CQ** What are the expectations of the enterprise for PD and how is success defined:
- Do enterprises assess the value of EPD to the enterprise? If so, how is this done?
- What benefit is gained through EPD?
- What corporate support for learning is provided? and
- How are the costs of EPD calculated?

5.2. Positioning the Research

CPD is a requirement specified by:
- Professional associations for Individuals who are members of the association and who want to be certified by that association; and
- Professional Standards legislation for enterprises which are registered under these provisions.

Studies have been undertaken to investigate CPD as it affects individuals (e.g. Hennessy et al., 2006; Rothwell and Herbert, 2007; WEBSTER-WRIGHT, 2006; Williams, 2008) and professional associations (e.g. Friedman et al., 2000; Friedman et al., 2009; Friedman and Mason, 2007; Friedman and Phillips, 2001, 2002, 2004; Watkins, 1999).

Chapter 4 shows that accounting professionals need to undertake CPD to comply with the regulations of professional associations in order to maintain their professional status. The
sponsorship and support given by the accounting enterprises participating in this study exceeds the minimum requirements specified by professional associations. The analysis and interpretation of the data gathered will provide insights into the reasons which influence accounting enterprises in the way that they engage with CPD/EPD.

Enterprises participating in the study are managed by between two and ten partners/principals with the number of professionals/consulting employees ranging from 5 to 25. The size of each enterprise may enable the enterprise to develop knowledge through becoming practical examples of Communities of Practice. Employees provide the knowledge base for the enterprise which is the enterprise's primary source of income i.e. income is from professional service delivery rather than the supply of products facilities or other packages.

These enterprises may employ members of any of the three accounting associations in Australia: CPA Australia; Institute of Chartered Accountants in Australia (ICA); and the Institute of Public Accountants (IPA). These associations have formed the Accounting & Ethical Standards Board which is “an independent, national body responsible for setting the code of ethics and professional standards by which Accountants must abide” (APESB, 2011). The mission of the board is to ensure consistency of practice and advance public confidence. Employees may also be members of specialist associations such as Insolvency, Financial Planning, and Internal Audit.

The nature and size of the enterprises participating in this study may enable each enterprise to become effective Communities of Practice where employees: have a common Body of Knowledge; share the need to solve similar problems; and work in an environment where sharing of knowledge is feasible.

The outcomes derived by an enterprise from PD may depend on whether PD is seen as:

- A means of compliance and obtaining sufficient learning to retain professional certification; or
- Enabling a deeper level of learning as a means of growing capability and capacity of the enterprise and of the individuals within it.
5.3. Sources of data

Data collection for this part of the study was derived from a semi-structured interview with principals of twelve accounting enterprises and a survey of all ‘consulting’ level staff (accountants and any other billable professionals) within these enterprises. How enterprises were selected and the profile of the enterprises is set out in Chapter 3. Data were gathered regarding the outcomes of EPD for the enterprise.

Semi-structured interviews provided qualitative data on the Outcomes of EPD for this part of the study concerning:

- Perceived expectations;
- The value derived by the enterprise;
- Costing and evaluation processes;
- Whether the benefits are considered to be long-term or short-term; and
- Whether the enterprise expects development of professional knowledge and understanding or of generic skills.

The interview plan is shown in Appendix 5.

Responses were made by forty-four staff from nine enterprises who responded to the survey. These enterprises became the primary unit of analysis for the study. For seven of these enterprises, the number of responses was five or less, as a result a secondary unit of analysis has been used with these lower responding enterprises grouped under a heading "Other Accountants" and compared with the larger responses received from the enterprises "A090 and A513" respectively.

The survey consists of five parts (A - E) - the parts which are relevant to this chapter are:

- Part C: survey data collected related to the outcomes obtained from CPD/EPD (Friedman et al., 2000) and an open-ended question which provides qualitative data; and
- Part E: descriptive data - positive and negative outcomes attributable to CPD /EPD.

The Survey Form is shown in Appendix 1.

5.4. Method of Analysis

Thematic Analysis has been used to process interview data. Thematic analysis can be used to observe and interpret activities and attitudes of people, groups, organisations, cultures and
Thematic analysis has been discussed in Chapters 3 and 4. The initial themes, *a priori* categorisation, were developed for the interview plan (Appendix 5 and refined as *emergent* themes informed by examination of the data (Stemler, 2001).

The data from all interviews were coded under each theme. Coding was validated independently. The responses to the open-ended questions in the survey are shown as entered by respondents and have also been thematically analysed.

Responses to the survey were received from nine of the twelve enterprises participating in the interview process and these nine become the primary unit of analysis. Interview data, provided by enterprises, which did not respond to the survey, have been included in the qualitative analysis. For seven enterprises, the number of responses was five or less, as a result a secondary unit of analysis has been used with these enterprises grouped under a heading "Other Accountants". This grouping was compared with the two enterprises where a larger number of responses were received - "A090" and “A513".

The survey asked respondents to respond to questions using Likert scales regarding the Benefits of CPD identified by Friedman et al (2000). The data obtained indicate the relevance of the various questions to each enterprise as perceived by staff and enable a ranking to be made within each of the four elements. Survey data obtained are recorded in Appendix 6. The data obtained from the survey are displayed in graphical format.

Survey data have been analysed firstly using weighted averages taking into account Likert scale values (Carifio and Perla, 2007; Clason and Dormody, 1994; Jamieson, 2004; Kislenko and Grevholm, c2008; Munshi, 1990). The number of responses at each point of the Likert scale has been weighted by that scale’s value in order to represent the value indicated by respondents. This assumes that each possible response is perceived as being evenly spaced along a continuum. This may not be entirely true but the amount of information lost by the approximation is held to be slight (Ray, 1982). A weighted average provides an analysis in which Likert responses "strongly agree or disagree" are accorded greater emphasis than responses for which the level of agreement or disagreement is more marginal or less strongly indicated. Table 5-1 illustrates how weighted averages are calculated.
Weighted average = Total Weighted Score/Total No. of Responses
= 120/30 = 4.0 (which is the midpoint)

Weighted averages permit the analyst to take into account the comparative significance given by the respondent to each question. A ranking can be made within a group based on the weighted average of responses to questions within the group.

In addition to obtaining a ranking of the benefits, it is important to ascertain whether the rankings were unduly influenced by one Unit of Analysis or group (A090, A513 and Other Accountants) i.e. are the characteristics distributed differently between enterprises? The Index of Dissimilarity (Gee, 2008; Kayani et al., 1990; Lopez, 2001; Peach, 2007; Rowland, 1979; Taylor et al., 2000) calculates the percentage of a group which would have to switch between categories to make two distributions the same i.e. an index of 10% (a low index of dissimilarity) would indicate that one in ten in a group would need to change their response for two groups to be similar; while an index of 50% (a high index of dissimilarity) would indicate one in two would need to change. An index of dissimilarity of 25% or more can be regarded as significant or noteworthy i.e. for a unit of analysis one in four people would need to change their response for that unit to record the same results as the comparative group. Index of Dissimilarity comparisons have been made: A090 with (A513 combined with Other Accountants); A513 with (A090 combined with Other Accountants); and Other Accountants with (A090 combined with A513).

5.5. Expectations of EPD and Outcomes Achieved: Data Analysis

Semi-structured interviews with the principals of the 12 accounting enterprises being studied provide rich data regarding:

- The importance that accounting enterprises place on EPD to:
  - add value to the enterprise;
  - maintain or enhance the enterprise’ s knowledge base; and/or
  - minimise risk to the enterprise as a result of not meeting minimum standards of performance; and

- The costs involved.

Open questions in the survey provided additional data.
Data have been broken down into a number of emergent themes. The data obtained are in Appendix 7. Identified themes, relevant to this chapter, are shown in Table 5-2:

<table>
<thead>
<tr>
<th>Outcome Themes (ThemeO)</th>
<th>Table No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. What is the relationship between EPD and the enterprise?</td>
<td>Table 5-3, Table 5-4</td>
</tr>
<tr>
<td>2. What are successful outcomes of EPD?</td>
<td>Table 5-5, Table 5-6</td>
</tr>
<tr>
<td>3. How does EPD impact the enterprise’s efforts to minimise risk?</td>
<td>Table 5-7, Table 5-8</td>
</tr>
<tr>
<td>4. Overall does EPD provides value for the enterprise?</td>
<td>Table 5-9, Table 5-10, Table 5-11, Table 5-12, Table 5-13, Table 5-14</td>
</tr>
<tr>
<td>5. Are there any negative aspects regarding EPD?</td>
<td>Table 5-15, Table 5-16</td>
</tr>
<tr>
<td>6. Is EPD used to generate long-term or short-term benefits?</td>
<td>Table 5-17</td>
</tr>
<tr>
<td>7. Does the enterprise have a measure of the value of EPD?</td>
<td>Table 5-18</td>
</tr>
<tr>
<td>8. How is the value of EPD demonstrated?</td>
<td>Table 5-19, Table 5-20</td>
</tr>
<tr>
<td>9. Do you know the cost of EPD; and if so; what is it?</td>
<td>Table 5-21, Table 5-22</td>
</tr>
<tr>
<td>10. What are the costs?</td>
<td>Table 5-22, Table 5-23</td>
</tr>
<tr>
<td>11. What items are included in the cost?</td>
<td>Table 5-23</td>
</tr>
<tr>
<td>12. What are the benefits of EPD to the enterprise?</td>
<td>Figure 5-1, Figure 5-2</td>
</tr>
</tbody>
</table>

Table 5-2  Outcomes Themes

Comments made by principals, relevant to each theme, are presented in table format below. Each data subset or table is then summarised and findings presented for each theme.

The data obtained in interviews and presented in Table 5-3 are analysed in Table 5-4 under three headings: the Importance of EPD to the enterprise; Specific Benefits; and Other Important Issues which are relevant to the enterprise in relation to PD.

ThemeO1: What is the relationship between EPD and the enterprise?

<table>
<thead>
<tr>
<th>Essential activity:</th>
</tr>
</thead>
<tbody>
<tr>
<td>PD contributes a lot.</td>
</tr>
<tr>
<td>Vital part of our organisation.</td>
</tr>
<tr>
<td>Huge value.</td>
</tr>
<tr>
<td>Always get benefit.</td>
</tr>
<tr>
<td>Expectations are high. CPD is a big part of what we do.</td>
</tr>
<tr>
<td>40% of fees gained because CPD maintained ... Danger of falling behind if CPD not done ... Definitely does add value.</td>
</tr>
<tr>
<td>CPD is part of the business.</td>
</tr>
<tr>
<td>Objective to maintain skills, particularly tax in its broadest sense not primarily accounting.</td>
</tr>
<tr>
<td>To run a successful practice need to know how to run a business. ... Invaluable – it is a requirement but it is a necessity for the business – couldn’t exist without it.</td>
</tr>
<tr>
<td>Professional accountants need to: comply with standards and legislation and keep up-to-date with all changes ... Increased skills reflect on client’s perception and the professionalism of the firm.</td>
</tr>
<tr>
<td>PD should enable you to walk the walk not talk the talk ... CPD has to be part of the whole approach. Emphasis on providing same professional to clients on an on-going basis ... Larger firms have turn over chasing growth – lack of continuity – lose personal understanding.</td>
</tr>
<tr>
<td>CPD is part of the business. Always need to pay attention to the need to balance CPD and workloads which can be heavy. ... Yes provides tools to run successful business – without CPD professional accounting practice as business will fail. Necessity for a professional accounting firm. Catch up with changes in legislation etc.</td>
</tr>
</tbody>
</table>
CPD is a two way street required by: Individual; Business Profession.
Can improve in the way we deal with external communities.
CPD is very important. To have the necessary knowledge wherever it comes from and it comes in many shapes and sizes.

Table 5-3 Relationship between EPD and the Enterprise: Interviews

<table>
<thead>
<tr>
<th>Importance of EPD</th>
<th>Specific Benefits</th>
<th>Other Important Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Essential activity</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. PD contributes a lot ... Vital part of our organisation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Huge value</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Expectations are high. CPD is a big part of what we do ... Always get benefit</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Vital part of our organisation Definitely does add value</td>
<td>40 % of fees gained because CPD maintained ... Danger of falling behind if CPD not done ...</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td></td>
<td>Objective to maintain skills, particularly tax in its broadest sense not primarily accounting</td>
</tr>
<tr>
<td>7. Invaluable –for the business – couldn’t exist without it</td>
<td>to run a successful practice need to know how to run a business</td>
<td>it is a requirement but it is a necessity</td>
</tr>
<tr>
<td>8. part of the business</td>
<td>Professional accountants need to: comply with standards and legislation and keep up-to-date with all changes.... Increased skills reflect on client’s perception and the professionalism of the firm</td>
<td></td>
</tr>
<tr>
<td>9. CPD has to be part of the whole approach</td>
<td>PD should enable you to walk the walk not talk the talk</td>
<td>Emphasis on providing same professional to clients on an on-going basis ... Larger firms have turn over chasing growth – lack of continuity – lose personal understanding</td>
</tr>
<tr>
<td>10. CPD is part of the business provides tools to run successful business</td>
<td>Without CPD professional accounting practice as business will fail. Necessity for a professional accounting firm. Catch up with changes in legislation etc</td>
<td>Always need to pay attention to the need to balance CPD and workloads which can be heavy.</td>
</tr>
<tr>
<td>11. CPD is required by ... employer and individual</td>
<td>drive to maintain professional skills</td>
<td></td>
</tr>
<tr>
<td>12. CPD is very important</td>
<td></td>
<td>To have the necessary knowledge wherever it comes from and it comes in many shapes and sizes. Can improve in the way we deal with external communities</td>
</tr>
</tbody>
</table>

Table 5-4 Relationship between Enterprise and EPD: Analysis

The comments presented under the heading Importance of EPD in Table 5-4 are consistent in each principal’s view that EPD adds value to the business. Comments made by principals indicate that CPD/EPD is: “essential; vital part of our enterprise/organisation; couldn’t exist
without it; big part of what we do; part of the business (X2); part or whole approach; required by the employer; and very important”.

**Finding 6**

EPD is valuable and critical to the success of the enterprise. It is regarded as an “essential activity” for each enterprise.

The Specific Benefits shown in Table 5-4 indicated that EPD can be used both for technical PD (keep up-to-date and comply with standards and legislation); as well as to increase the professionalism of the enterprise (“danger of falling behind if CPD not done; to run a successful practice need to know how to run a business; PD should enable you to walk the walk not talk the talk; and without CPD professional accounting practices as business will fail; Increased skills reflect on client’s perception and the professionalism of the firm”).

**Finding 7**

CPD/EPD provides accountants with increased skills which influence the client’s perception of the professionalism of the enterprise.

The Other Important Issues shown in Table 5-4 provide evidence of the need to have the necessary knowledge and skills for professional practice (object to maintain skills particularly tax; providing the same professional clients on an ongoing basis -this means that the professional needs to develop knowledge to meet the changing demands of the client; maintain professional skills; and have the necessary knowledge wherever it comes from).

**Finding 8**

CPD is recognised as a requirement but also add real value by enabling the enterprise to “keep up-to-date with all changes”.

**ThemeO2: What are successful outcomes of EPD?**

| improves skills and knowledge. |
| Attract and maintain clients (clients are clever enough to detect lack of professional knowledge). |
| Clients need innovative solutions. |
| 20 years ago practice was Tax based – low level knowledge required. Competition was based on price, difficult to charge for services. Change the way we service clients. Strategic decision made to use PD. As a result: better staff, larger clients. Business grew and better quality staff attracted and retained. |
| Look at real practical point of view current issues, software technical. |
| Expectation is that it gives individual tools to perform required tasks. |
| Enables you to pitch yourself for new work. Success - continual improvement, satisfies a need to know. Need to stay on top and we do this successfully – feedback is positive from referring professions. |
| Success – no KPIs – measuring is difficult – fewer mistakes, greater confidence in discussing matters with |
clients. Program success is development of individual staff - fewer mistakes. Success cannot be given a measure.

Success is related to standard of work given to clients: fully meets with legal compliance requirements; no or as few errors as possible; strive to give best advice possible
Success = quality of work produced represented by: reduced rework; reduced exposure to PI claims; cost efficiency and recoverability of fees.

Practice Management - more efficient in way handle business enhances ability to value add for clients Success is assessed at the coalface – ability to talk through issues. Success - Practice continued growth as a business & professionalism philosophy not tax agents but accountants.

Knowledge transfer define success e.g. trust distribution when rules are followed and less follow up and rework.

Believer in CPD. Strategy used when recruiting staff is to tell them they will be sent on PD – good for recruiting and for morale. CPD helps them learn (CPA journal not generally read and therefore not effective for CPD). provide CPD on computer and communications technology.

Increased skills reflect on client’s perception and the professionalism of the firm

Success = customer happy with the level of service provided -- and customer is happy to pay the bill. Customer retention and referral means you doing work at a professional level.
Also staff assessment with staff feel at the end of the year they have learnt and developed. They know more at end of year than they did at the beginning.

Table 5-5  Successful Outcomes of EPD: Interviews

The data in Table 5-5 have been divided into sub-themes regarding the successful outcomes of EPD: growing knowledge and skills enabling higher level performance; improved relations with clients; improved efficiency; and other outcomes such as the ability to offer new and/or more profitable services. These sub-themes are shown in Table 5-6.

<table>
<thead>
<tr>
<th>Growing knowledge and skills</th>
<th>Improved Relations with Clients</th>
<th>Improved Efficiency</th>
<th>Other Outcomes and Issues</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Improves skills and knowledge</td>
<td>Attract and maintain clients. Clients need innovative solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. clients are clever enough to detect lack of professional knowledge</td>
<td></td>
<td>20 years ago practice was Tax based – low level knowledge required. Competition was based on price, difficult to charge for services. Change the way we service clients. Strategic decision made to use PD. As a result: better staff, larger clients. Business grew and better quality staff attracted and retained</td>
<td></td>
</tr>
<tr>
<td>3. Look at real practical point of view current issues, software technical</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Expectation is that it gives individual tools to perform required tasks</td>
<td>Enables you to pitch yourself for new work.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. continual improvement, satisfies a need to know</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growing knowledge and skills</td>
<td>Improved Relations with Clients</td>
<td>Improved Efficiency</td>
<td>Other Outcomes and Issues</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---------------------------------</td>
<td>---------------------</td>
<td>---------------------------</td>
</tr>
<tr>
<td>Need to stay on top and we do this successfully – feedback is positive from referring professions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Program success is development of individual staff.</td>
<td>Greater confidence in discussing matters with clients. fewer mistakes</td>
<td></td>
<td>Success – no KPIs – measuring is difficult – fewer mistakes ... Success cannot be given a measure</td>
</tr>
<tr>
<td>7.</td>
<td>Success is related to standard of work given to clients: fully meets with legal compliance requirements; no or as few errors as possible; strive to give best advice possible Success = reduced exposure to PI claims; cost efficiency and recoverability of fees</td>
<td>Success = quality of work produced represented by: reduced rework; cost efficiency</td>
<td></td>
</tr>
<tr>
<td>8. Success is assessed at the coalface – ability to talk through issues</td>
<td>Enhances ability to value add for clients</td>
<td>Practice Management - more efficient in way handle business</td>
<td>Success - Practice continued growth as a business &amp; professionalism philosophy not tax agents but accountants</td>
</tr>
<tr>
<td>9. knowledge transfer define</td>
<td>Less follow up and rework</td>
<td></td>
<td>Success e.g. trust distribution when rules are followed</td>
</tr>
<tr>
<td>10. Believer in CPD. CPD helps them learn (CPA journal not generally read and therefore not effective for CPD). provide CPD on computer and communications technology</td>
<td></td>
<td></td>
<td>Strategy used when recruiting staff is to tell them they will be sent on PD – good for recruiting and for morale.</td>
</tr>
<tr>
<td>11. Improve knowledge of staff</td>
<td>Broaden knowledge and make sure no claims – have insurance but... Impact of claims are: black mark, increase in premiums and particularly time lost when preparing for possible or the actual contesting of claim</td>
<td></td>
<td></td>
</tr>
<tr>
<td>12. Increased skills reflect on client’s perception and the professionalism of the firm</td>
<td>Reflect on client’s perception and the professionalism of the firm</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5-6 Successful Outcomes of EPD: Analysis
Table 5-6 shows that Improving knowledge and skills is specifically mentioned by 11 of the 12 principals. Improved relations with clients is seen by seven of the principals as a factor which results from CPD/EPD. Evidence of improved relations is: the standard of work produced; attracting and maintaining clients; greater confidence in discussing matters; standards of work produced reduction in professional indemnity claims; and the client's perception of the firm. Improved efficiency was mentioned by three principals: less follow up and reduced rework (X2) and cost efficiency; and practice management results in more efficient way of handling the business. The success of the EPD for business may be difficult to measure but it can result in benefits such as: better staff, larger clients, more profitable work; continued growth of a business and of professionalism; and helping staff recruitment strategies.

Finding 9
EPD provides improved knowledge and skills enabling enterprises to attract and retain clients through: increased work quality resulting in reduced exposure to Professional Indemnity claims; increased recoverability of fees; improved efficiency; fully complying with legal requirements; and the ability to offer new and/or more profitable services.

Finding 10
Enterprises use EPD to increase both the knowledge base and the technical proficiency of staff in order to improve performance and to increase client satisfaction.

Finding 11
Enterprises use EPD to increase both the knowledge base and the technical proficiency of staff in order to improve performance and to increase client satisfaction.

In addition to generating knowledge to increase the capability and capacity of the enterprise, a specific outcome of EPD is that it can be used to minimise risk (see Table 5-7).

**ThemeO3: How does EPD impact the enterprise’s efforts to minimise risk?**

| Alerts them to what they need to do as well as the dangers and risks. |
| Fewer mistakes. |
| Fully meets with legal compliance requirements; no or as few errors as possible. |
| Make sure no claims – have insurance but... Impact of claims are: a black mark black mark, increase in premiums and particularly time lost when preparing for a possible claim or in actual contesting of claim. |
| Reduce potential problems for partners. |
| Results in fewer compliance mistakes mistakes low. |
| Partners more focussed on quality of work to reduce errors (causes are carelessness, motivation, and partly depth of knowledge). |
| Work life balance – can’t match salary levels of larger firms but don’t work long hours. |
| Accounting is a profession where you are judged by your mistakes. |
| Not an issue. |

Table 5-7 Minimising Risk through EPD: Interviews
Table 5-7 documents that enterprises use EPD to: alert staff to what they need to do; reduce mistakes and minimise risk; address problem areas in the business; provide a greater understanding of complex topics and therefore allow principals to feel more confident in the accuracy of work produced; and introduce new ideas for the business to implement.

The comments on this topic are classified in Table 5-8 under four headings: reducing errors and mistakes; meeting compliance requirements (i.e. legal and regulatory); risk associated with insurance/legal matters; and other comments.

<table>
<thead>
<tr>
<th>Errors and Mistakes Reduced</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fewer mistakes.</td>
</tr>
<tr>
<td>No or as few errors as possible.</td>
</tr>
<tr>
<td>Results in fewer compliance mistakes mistakes low.</td>
</tr>
<tr>
<td>Partners more focussed on quality of work to reduce errors (causes are carelessness, motivation, and partly depth of knowledge).</td>
</tr>
<tr>
<td>Accounting is a profession where you are judged by your mistakes.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Meet Compliance Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fully meets with legal compliance requirements.</td>
</tr>
<tr>
<td>Results in fewer compliance mistakes.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Insurance/Legal Risks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Make sure no claims – have insurance but... Impact of claims are: a black mark black mark, increase in premiums and particularly time lost when preparing for a possible claim or in actual contesting of claim.</td>
</tr>
<tr>
<td>Reduce potential problems for partners.</td>
</tr>
<tr>
<td>Alerts them to what they need to do as well as the dangers and risks.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work life balance – can’t match salary levels of larger firms but don’t work long hours.</td>
</tr>
<tr>
<td>Not an issue.</td>
</tr>
</tbody>
</table>

Table 5-8  Minimising Risk through EPD: Analysis

Table 5-8 shows that enterprises are conscious of the need to minimise mistakes; meet the compliance requirements of various standards legislation; and eliminate if possible insurance/legal claims.

Finding 12
Enterprises use EPD to minimise risk.

The survey asked respondents to give examples of CPD which have made positive contributions related to individuals and/or enterprises. These responses have been broken down into three separate tables - those which impact: the individual only (Table 5-9); both the individual and the enterprise (Table 5-10); and predominantly the enterprise (Table 5-11). Responses for the three stakeholder groups are summarised in Table 5-12. The tables record examples provided by the respondents of the successful PD activities only and do not record the entire range of PD activities undertaken either by individuals or their enterprises.
Table 5-9 Examples of Positive Impact EPD/CPD Activities: Survey

Table 5-9 shows the expected outcomes relating to *individuals* only: all the examples given are to grow knowledge; one response additionally mentions certification as a motivation. Increased confidence was mentioned as an additional outcome in two of these responses.
Table 5-10 shows that in relation to both the Individual and the Enterprise that for the examples given, 91% of the motivation for, and expected outcomes of, CPD/EPD, are to gain: knowledge; keep up-to-date; and increase understanding: two responses relate to increased efficiency; and two responses mention satisfying certification requirements; one response indicates an activity organised by management. Additional outcomes included: satisfying CPD requirements; and increasing business capacity and capability.

In response to the survey question Describe your views of the relevance of CPD in contributing to the organisation there were 13 responses which nominated that CPD/EPD was used to: improve and/or develop knowledge and skills (three responses); enabled teams and individuals to keep up-to-date (two); ensure PD compliance is met (two); improve job performance (one); career improvement (one); increase job satisfaction (one). Other responses to this question referred to the importance of Facilitating Factors: trusting relationships (three responses); learning resources (three); leadership (three); shared vision (two); empowerment of staff (one); and scanning imperative (one).

Table 5-11 presents the examples given in the survey of successful PD activities providing answers to the questions: who was the leading provider; in broad terms when did it occur; what was the motivation to undertake this activity; what were the expected outcomes; whether any additional or incidental outcomes were achieved; and the outcomes (both specific and incidental from this activity resulted in me and/or the organisation ...
<table>
<thead>
<tr>
<th>Activity</th>
<th>Provider</th>
<th>When</th>
<th>Motivation</th>
<th>Expected Outcomes</th>
<th>Additional Outcomes</th>
<th>Resulted in</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workplace group meetings</td>
<td>External org.</td>
<td>Monthly</td>
<td>Further knowledge/ skills</td>
<td>Further knowledge/ skills</td>
<td>Awareness</td>
<td></td>
</tr>
<tr>
<td>Australian Taxation Office session on tax changes for the new tax year</td>
<td>Australian Tax Office</td>
<td>July</td>
<td>To maintain knowledge on what the ATO were doing</td>
<td>Better informed personnel</td>
<td></td>
<td></td>
</tr>
<tr>
<td>External workshop</td>
<td>Prof. Association</td>
<td>August</td>
<td>Individual skillset and knowledge base required updating</td>
<td>Improved efficiencies in data processing</td>
<td>The staff member felt appreciated and that we recognized her contribution to the firm</td>
<td>Increased knowledge base and technical proficiency in the subject area</td>
</tr>
<tr>
<td>In house training from an external private tax trainer</td>
<td>Private provider</td>
<td>Generally during and after the sessions</td>
<td>Continuous improvement and development of our most important business resource - our people</td>
<td>Greater knowledge, interest and ownership in the job</td>
<td>Increased knowledge and job satisfaction</td>
<td>Often a sharing of knowledge amongst the professional group</td>
</tr>
<tr>
<td>Monthly internal training session run by external consultant</td>
<td>Prof. Consultant</td>
<td>Monthly</td>
<td>Sharing of knowledge amongst all staff</td>
<td>Increased knowledge and job satisfaction</td>
<td></td>
<td>Career development</td>
</tr>
<tr>
<td>Open staff meetings with discussion from all levels re changes in legislation readings, and issues we have come across on a day to day basis</td>
<td>Internal</td>
<td>Monthly</td>
<td>communicatio n and in house learning</td>
<td>an informed staff and uniformity of processes</td>
<td>yes efficiency</td>
<td></td>
</tr>
<tr>
<td>Technical Workshop &amp; Training</td>
<td>Private Provider</td>
<td>Monthly</td>
<td>Increased learning</td>
<td>Update staff knowledge</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Internal training sessions</td>
<td>External trainer</td>
<td>Every month</td>
<td>Increase awareness in tax knowledge</td>
<td>Increased knowledge in the topic</td>
<td>General discussion and questions reveal level of knowledge</td>
<td>Increased tax knowledge</td>
</tr>
</tbody>
</table>
Table 5-11 Examples of Positive Impact CPD/EPD activities: Enterprise

All responses recorded in Table 5-11 of benefits which relate to an enterprise only indicate that the motivation for, and expected outcomes of, CPD/EPD are to gain knowledge and/or keep up-to-date; two responses also relate to maintaining professional certification. Additional outcomes included: increase in staff morale; knowledge being shared within the enterprise; increase in efficiency; greater awareness and understanding; and increasing business capacity and capability represented by career development, development of specialist knowledge and design of new systems.

Table 5-12 summarises Table 5-9, Table 5-10, and Table 5-11.
Table 5-12 indicates that:

- the major outcome of CPD/EPD for both individuals and the enterprise is that it ensures that knowledge is kept up-to-date and increased;
- Increased knowledge may lead to increases in confidence; understanding; and staff morale;
- The enterprise may benefit as EPD may increase business capacity and capability; development of specialist knowledge leading to the introduction or extension of more profitable services to clients; and
- Proficiency may be enhanced through employees who are better trained and/or through the introduction of new systems.

The examples given in the survey and summarised in Table 5-12 are consistent with the comments made by principals in interviews shown in Table 5-13.

**Finding 13**
Enterprises universally believe that EPD adds value to the business.

**Finding 14**
Individuals and enterprises benefit from maintaining and increasing knowledge leading to increased confidence and understanding resulting in increased business capacity and capability.

Interviewees were asked to look at the overall value that CPD? EPD provides an enterprise. Comments made are included in Table 5-13.

**Theme: O4: Overall value CPD provides for the enterprise**

<table>
<thead>
<tr>
<th>Keep up-to-date.</th>
<th>Continually keep knowledge and skills up-to-date. Gives confidence in ability to perform the job and do required tasks ... required by individual, drive to maintain professional skills.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Keeps them informed.... Brings about a more informed workforce.</td>
<td>Continued development of staff – skill base not stagnant; improved skill levels, emphasis on tax as goal post change constantly - knowledge base not stagnant.</td>
</tr>
<tr>
<td>Continued development of staff – skill base not stagnant; improved skill levels, emphasis on tax as goal post change constantly - knowledge base not stagnant.</td>
<td>Professionals kept up-to-date – particularly over the full range of Taxation compliance areas and in Practice Management... CPD requirement but is a way to keep up-to-date as well as a requirement.</td>
</tr>
<tr>
<td>Smallish firm - hard to keep up. Broaden knowledge.</td>
<td>Keep up-to-date with all changes.</td>
</tr>
<tr>
<td>Keep up-to-date with all changes.</td>
<td>Continual growth in staff.</td>
</tr>
<tr>
<td>Continual growth in staff.</td>
<td>Continual development is continual improvement. People don’t stop learning need improvement if the way people relate to client.</td>
</tr>
<tr>
<td>Allow staff to develop - Haven’t worked out how to share knowledge of training courses undertaken by staff members.</td>
<td></td>
</tr>
</tbody>
</table>

**Table 5-13** Value to Enterprises of EPD: Interview Responses
Keeping up-to-date is a recurring theme in Table 5-13. Continuing development of staff results in a "more informed workforce" who will have "confidence in their ability to perform the job and do required tasks". Three principals note that the skill base required particularly for taxation work is "not stagnant" as "the goalposts change constantly"; keeping up-to-date "particularly over the full range of taxation compliance areas and in practice management" is essential. One principal commented that smallish firms find it difficult to keep up-to-date - an aim of CPD/EPD for him was to broaden the knowledge of employees. Table 5-14 classifies the comments made about the value of CPD/EPD for enterprises under two headings: the need to keep up-to-date; and the value CPD/EPD provides to individuals/enterprises which include having a more informed workforce who are more confident and therefore able to perform required tasks and to deal with clients more professionally.

<table>
<thead>
<tr>
<th>Need to keep up-to-date</th>
<th>Value to Individuals/Enterprises</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Keep up-to-date</td>
<td></td>
</tr>
<tr>
<td>2. Continually keep knowledge and skills up-to-date.</td>
<td>Gives confidence in ability to perform the job and do required tasks ... required by individual, drive to maintain professional skills</td>
</tr>
<tr>
<td>3. Keeps them informed</td>
<td>Brings about a more informed workforce</td>
</tr>
<tr>
<td>4. Continued development of staff – skill base not stagnant; improved skill levels, emphasis on tax as goal post change constantly - knowledge base not stagnant</td>
<td></td>
</tr>
<tr>
<td>5. Professionals kept up-to-date – particularly over the full range of Taxation compliance areas and in Practice Management... CPD requirement but is a way to keep up-to-date as well as a requirement</td>
<td></td>
</tr>
<tr>
<td>6. Smallish firm - hard to keep up.</td>
<td>Broaden knowledge</td>
</tr>
<tr>
<td>7. keep up-to-date with all changes</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Continual growth in staff.</td>
</tr>
<tr>
<td>9.</td>
<td>continual development is continual improvement. People don’t stop learning need improvement if the way people relate to client</td>
</tr>
<tr>
<td>10.</td>
<td>Allow staff to develop - Haven't worked out how to share knowledge of training courses undertaken by staff members</td>
</tr>
</tbody>
</table>

Table 5-14 Value to Enterprises of EPD: Analysis

During the interviews, principals were also given the opportunity to indicate where CPD/EPD has a negative impact on either individuals or the enterprise. The small number of negative comments made is recorded in Table 5-15.
Theme: O5: Are there any negative aspects regarding CPD?

A lot of PD has a negative orientation – creating situations where risk is stressed – often not really relevant. ... CPA compliance forms are overly demanding. ... Computer-based training is not necessarily the answer as there is no guarantee of learning (or learning being done) – no control of how knowledge is used and shared. ... Discussion groups focus on doom and gloom and irrelevant discussions e.g. football, cricket. ... Product disclosure statements and prospectuses seldom if ever read – doesn’t provide protection.

External PD frustrating - not an efficient use of time (cynical critical of providers with their own agendas). PD industry a self satisfying profession.

CPD of limited value – relevance factor – depends on the topic. ... Value of PD not as relevant as it used to be.

Does not really provide value – use on an “as needs basis”. Mindful of need to teach younger ones.

Table 5-15 Negative Aspects of CPD: Interviews

Table 5-15 shows that CPD is seen by two principals as creating situations where risk is stressed by learning providers who use the learning environment to promote their ability to solve problems which they have identified and therefore generate business for the provider.

The value of the knowledge provided by CPD/EPD is seen by two principals as being of limited value unless the topic is needed and relevant to the enterprise. CPD is also seen as not always as an efficient use of time.

The examples of detrimental effects of CPD/EPD given in the survey (see Table 5-16) can be classified as relating to the enterprise rather than to individuals.

<table>
<thead>
<tr>
<th>ID</th>
<th>Activity</th>
<th>Provider</th>
<th>When</th>
<th>Motivation</th>
<th>Expected Outcome</th>
<th>Detrimental Effect</th>
<th>Resulted in:</th>
</tr>
</thead>
<tbody>
<tr>
<td>A090</td>
<td>Monthly Workshop</td>
<td>Private Advisor</td>
<td>Within the last 12 months</td>
<td>Employment Requirement</td>
<td>To be informed of the legislative changes to our industry</td>
<td>Staff feeling overwhelmed lack of confidence in ability, lack of confidence in knowledge and uncertainty of wanting to continue in this profession</td>
<td></td>
</tr>
<tr>
<td>A278</td>
<td>Workplace exchange</td>
<td>Internal</td>
<td>This year</td>
<td>Improve overall knowledge internally</td>
<td>Improve overall knowledge internally</td>
<td>Negative attitudes of staff</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Being more negative towards the attitudes of some staff</td>
<td></td>
</tr>
<tr>
<td>A466</td>
<td>External workshop</td>
<td>Professional Association</td>
<td>August</td>
<td>Skillset improvement &amp; knowledge base</td>
<td>Improved data processing efficiencies</td>
<td>Work flow was interrupted for the time the member was away. This caused quite a back-log</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Having to put in extra hours to make up the time</td>
<td></td>
</tr>
<tr>
<td>A513</td>
<td>External speaker - boring and over the top for most staff</td>
<td>External Professional Person</td>
<td>Monthly until no one interested</td>
<td>Increase knowledge</td>
<td>Increased knowledge</td>
<td>A waste of time</td>
<td></td>
</tr>
</tbody>
</table>

Table 5-16 Examples of Negative Impact CPD Activities - Enterprise: Survey

Six responses were made to the question - two of which did not enter any detrimental effects therefore only four responses have been included in Table 5-16. The negative impact could be
classified for two examples as effecting staff morale; and for the other two as taking employees' time which could be better used within the business.

The motivation to undertake CPD given for the four negative examples was to gain knowledge and keep up-to-date while one indicated that it was employment requirement (and perhaps indicates a predisposition to a negative outlook). The outcomes of these unsuccessful activities are:

- “Staff feeling overwhelmed; lack of confidence in ability; lack of confidence in knowledge; and uncertainty of wanting to continue in this profession”;
- “Negative attitudes of staff”;
- “Work flow was interrupted for the time the member was away. This caused quite a back-log”; and
- “A waste of time”.

**Finding 15**

CPD/EPD can provide limited value unless the material is relevant; available on an as needed basis; and can be applied on a practical basis.

**Finding 16**

The providers of CPD may be self-serving and also promote situations where the risk of problems occurring is unnecessarily stressed.

When progressively reviewing and analysing the adequacy of the data being collected, it became apparent that there was a need to add an additional question regarding whether EPD is used to generate long-term or short-term benefits to the enterprise. This question was added after for interviews had been conducted. Changes to the research instrument in qualitative studies aimed at developing understanding through inductive approaches is permissible to enable greater understanding is obtained (Eisenhardt, 1989; Glaser and Strauss, 1967; Guba and Lincoln, 1994; Merriam, 1998; Minichiello et al., 1995).

**Theme:O6 Is EPD used to generate long-term or short-term benefits?**

This question was added after a number of interviews had been conducted and therefore there are a smaller number of responses recorded in Table 5-17. All principals with one exception believe that long-term benefits exceed short-term. These comments represent value judgements e.g. the percentage breakdown quoted were ‘top of the head’ figures. One principal states that the benefit is predominately short term; another estimates a 50-50
balance between short-term and long-term benefits. No principal states that there are no short-term benefits of EPD.

| Benefit which might be short-term or long-term sticks in mind not always immediately relevant but may be of benefit at a later point. |
| 80% of PD has long-term benefits – 20% is right here right now. |
| Ultimate measure of ability to have successful practice e.g. Division 7A rules – 2 sessions a year – most common issue of compliance – short-term return but is a massive issues as a long-term management issue ... both. |
| As PD builds knowledge, benefit is long term. There may be short-term benefits when specific knowledge is gained... Knowledge develops over time. |
| 60% long-term Pressing matters can be accessed online. Part of the package junior staff can be offered. |
| Always consider CPD as a long-term benefit, some part may be short term. |
| Don’t go to a single course to become an expert – takes internal training and many other activities. Demonstrated over time e.g. development of a specific field takes time. |
| Over 50% relates to short-term -- specific jobs, software etc. Get short-term benefit. |

Table 5-17  EPD Generates Long-term or Short-term Benefits?: Interviews

Principals consider that CPD/EPD is used to grow knowledge over time and as a result the outcome could be seen as mainly long-term even though there may be some short-term outcomes (note: survey responses are evenly split between long-term: improve and develop knowledge and support security/protection of individuals; and short-term: keep up-to-date and support individual career improvement). Examples of short-term outcomes include being able to meet taxation compliance requirements (essential), software training, and knowledge required for specific jobs (which can often be obtained online).

Analysis of data in Table 5-17 suggests that the outcomes of EPD can be both short-term and long-term. The opinion of one principal was that he "always considers CPD as a long-term benefit, some part may be short-term". From a practical point of view, some EPD focuses on short-term issues e.g. changes in laws and regulations (e.g. Division 7A), dealing with common accounting and taxation issues of compliance. In these cases the return is short-term but may reflect major issues as far as each enterprise is concerned because necessary, specific knowledge is obtained from activities such as tax office briefings. One principal notes that "pressing matters can be accessed online" another states that "short-term outcomes are gained when training is related to specific jobs, software etc".

From the data presented there appears to be a generally held view of the principals that the real outcomes of EPD are more likely to be long-term as knowledge develops over time, as evidenced by the following quotes from interviews: "80% of PD has long-term benefits – 20% is right here right now", "as PD builds knowledge, benefit is long term". Principals note that development of specific and detailed knowledge takes time; you don't "go to a single course to
Outcomes of EPD for Accounting Enterprises

Chapter 5

become an expert as development of expertise will involve a range of activities including internal training over a period of time. Also aligned with the concept of knowledge developing over time, is the realisation that not all the material covered in PD is immediately relevant but if it "sticks in the mind... it may be of benefit at a later point". In some cases, principals acknowledge that knowledge developed in the past is the building block for future knowledge growth.

Finding 17
The benefits of EPD are both short-term and long-term. As EPD is used to grow knowledge; long-term benefits are generally considered to be more significant than short-term benefits.

5.6. Valuing EPD

This section records the data provided by the principals of accounting enterprises in interviews regarding assessing the value of EPD and the costing of CPD/EPD. It also details the benefits of EPD as recorded in responses by employees to the survey Part C. Table 5-18 documents answers given by principals in relation to valuing CPD/EPD.

Theme: O7 Does the enterprise have a measure of the value of EPD?

<table>
<thead>
<tr>
<th>Theme: O7</th>
<th>(\text{Does the enterprise have a measure of the value of EPD?})</th>
</tr>
</thead>
<tbody>
<tr>
<td>Really a value judgment. Look at the overall training rather than individual courses.</td>
<td></td>
</tr>
<tr>
<td>No.</td>
<td></td>
</tr>
<tr>
<td>No systems in place for valuing PD. Value is reduction in rework – reduces costs and frees partner time; and greater confidence with clients. Don’t value specific value of PD—greatest benefit but hardest to quantify – confidence adds value. PD is of intrinsic value and critical. If we didn’t do PD – issues with rework – impacts partner’s time, and greatest factor is that it reduces client confidence. Need accountants up-to-date giving unqualified answers – value can’t be measured – impact would be loss of clients and add on value of referral business – gained new clients because staff member was able to give unqualified answer to problem.</td>
<td></td>
</tr>
<tr>
<td>Value – one measure is have we had any P.I. claims which can have significant impact – caused by not having the right competency levels. Others – more important: amount of rework which takes partners time and is lost productivity; job comes in on budget and meets compliance.</td>
<td></td>
</tr>
<tr>
<td>No – logical way of doing this. If person is knows what he is doing he will generate revenue – individual courses contribute little.</td>
<td></td>
</tr>
<tr>
<td>No one thing – general accumulation of knowledge – knowledge develops over time. Practice has designated specialists who need and provide depth of knowledge and act as first point of reference for other staff.</td>
<td></td>
</tr>
<tr>
<td>Have we improved knowledge within say past 12 months?</td>
<td></td>
</tr>
<tr>
<td>Assessed by feedback received – main assessment is relevance of material. Value is in the ability to do tasks. Meet other professionals who may provide referrals... Keeping everyone skilled up.</td>
<td></td>
</tr>
<tr>
<td>Trains and develops staff at all levels to a higher proficiency levels to service clients. Value is based on perceptions of clients. If we do good job then client is happy with professionalism and value for money, professionalism of service then business will grow through referrals from clients – 20% growth p.a. Don’t know how you can put a value but it is reflected in growth.</td>
<td></td>
</tr>
</tbody>
</table>
Training provided accreditation for superannuation advice – can be advertised – ups prestige and service of the business. IT mgr became a certified trainer – gets referrals. Both increase business opportunities for the firm & billable time. ... Value is the main driver. Requirement is an individual but firm would not spend money if there was no value.

Only have informal KPIs – did we learn something new and useful? ... Value in the $, experience, knowledge gained - measure knowledge in terms of enhancing ability to interpret situations.

Value is intangible.

No direct links – through CPA Australia link to website and reference to firm as a multi-cultural firm is used for marketing.

Definitely worthwhile, real world development, enhances the theory gained in university. Insolvency requires a broad knowledge. ... Need to understand why and how not just processing.

PD is valuable, essential. How staff complements learning and skill sets of staff providing training and understanding of issues they are dealing with.

Value is a difficult concept to assess at the best of times – not directly measured ... In the future: Methodware software will bring value to the business. [Basic course which brought back learning -- new ideas] possibly more valuable to the business than to the individual. No training in specific industries. ...

When recruiting talk about CPD in the interview process.

Table 5-18 Measuring the Value of EPD: Interviews

The evidence from Table 5-18 is that no enterprise participating in this study attempts to value CPD/EPD. 10 principals expressed the view that the value of EPD is a qualitative or value judgement and therefore intangible. PD is considered to be "of intrinsic value and critical".

Measurement of value is difficult as "knowledge accumulates over time". Two principals state that evaluation of CPD/EPD is based on perceptions such as "have we improved knowledge over the last 12 months".

Enterprises do not measure (or have even considered measuring) EPD. Basic evaluation techniques such as the Kirkpatrick Level 1 evaluation (Kirkpatrick and Kirkpatrick, 2006) do not occur for in-house staff meetings. Management prefers to rely on: informal discussions with staff as to the value of EPD; and gut-feel assessment. More sophisticated evaluation techniques e.g. Return on Investment and/or Return on Expectations (e.g. Anderson, 2007; Kearns, 2005; Kirkpatrick and Kirkpatrick, 2006; Phillips, 1996; Taylor, 2007; Tobin, 2010; Trochim, 2009); Balanced Scorecard (Kaplan and Norton, 2007); or other techniques (Jansen, 2006; Milost, 2007; Shulman, 2007; Taylor, 2007; Wenger et al., 2002b) are either considered unnecessary or require resource allocation which the enterprise cannot afford. The lack of reliable assessment measurements, either systemic or enterprise-based, makes it impossible to compare the degree of success each enterprise achieves through the use of EPD.

Finding 18

Enterprises do not attempt any quantitative assessment of EPD.

A measure used by one enterprise to value EPD is the number of Professional Indemnity claims made. While all enterprises must have insurance, the impact of a claim (or potential claim) can
have a significant impact and are "caused by not having the right competency levels". A claim represents a black mark against the enterprise and an unhappy client. As one enterprise pointed out, success is where the client is happy with the level of service and professionalism provided and is therefore happy to pay the bill. Clients are more likely to be retained and to offer referrals to the enterprise. Professional indemnity claims may result in an increase in premiums and importantly the enterprise will suffer through time lost preparing for a possible claim or in contesting the claim.

Two principals indicate that they stress the availability of CPD as a staff benefit when recruiting new staff.

Comments made by interviewees when asked how the value of CPD is demonstrated are recorded in Table 5-19.

**Theme:O8 The value of CPD/EPD is demonstrated by:**

<table>
<thead>
<tr>
<th></th>
<th>How the Value of CPD/EPD is Demonstrated: Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Increased confidence enabling staff &quot;to give unqualified answers&quot; the value of which &quot;can't be measured - the impact would be lots of clients and of the add-on value of referral business.</td>
</tr>
<tr>
<td>2.</td>
<td>Reduction in rework which reduces costs and free partners time and provides clients with greater confidence.</td>
</tr>
<tr>
<td>3.</td>
<td>If a person knows what he's doing he will generate revenue.</td>
</tr>
<tr>
<td>4.</td>
<td>Value is the ability to do required tasks.</td>
</tr>
<tr>
<td>5.</td>
<td>Value is reflected in the growth of the business (20%) - the professionalism of service offered will provide referral business.</td>
</tr>
<tr>
<td>6.</td>
<td>Value is in the dollars generated as the knowledge gained through continuing PD enhances the ability to interpret situations.</td>
</tr>
<tr>
<td>7.</td>
<td>Firm would not spend money if there was no value.</td>
</tr>
</tbody>
</table>

The comments recorded in Table 5-19 indicate that the value of EPD for accounting enterprises results from increasing the Body of Knowledge of individual professionals which enables the enterprise to provide improved services to clients. The comments can be classified under two headings: the impact that CPD has on individuals; and the outcomes resulting for the enterprise. Table 5-20 shows this breakdown with the numbers shown cross-referencing the corresponding respondents in Table 5-19.

The impact of CPD/EPD shown in Table 5-20 requires a deeper level of understanding by individuals which enables them to operate at a higher level and contributes to increased profitability of enterprises through a higher level of performance resulting in referrals and/or the ability to offer a wider range of services. This deeper level of understanding relies not on
just acquiring new knowledge but on applying knowledge to practical situations. Chapter 6 discusses the approach that accounting enterprises take to achieve deeper understanding.

<table>
<thead>
<tr>
<th>Impact of CPD on Individuals</th>
<th>Outcome for the Enterprise</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Increased confidence* enabling staff to give unqualified answers.</td>
<td>The impact would be lots of clients and of the add-on value of referral business*.</td>
</tr>
<tr>
<td>2. Greater confidence.</td>
<td>Reduction in rework which reduces costs and free partners time and provides clients with greater confidence.</td>
</tr>
<tr>
<td>3.</td>
<td>If a person knows what he's doing he will generate revenue.</td>
</tr>
<tr>
<td>4. Value is the ability to do required tasks.</td>
<td>Value is reflected in the growth of the business (20%) - the professionalism of service offered will provide referral business.</td>
</tr>
<tr>
<td>5. CPD enhances &quot;the ability to interpret situations.</td>
<td>Value is in the dollars generated as the knowledge gained through CPD [increases].</td>
</tr>
<tr>
<td>6.</td>
<td>Firm would not spend money if there was no value.</td>
</tr>
</tbody>
</table>

Table 5-20 How the Value of CPD/EPD is Demonstrated: Analysis

Finding 19
Increased understanding is considered a significant outcome of CPD/EPD.

The answers given to the questions *do you have measurement of cost of CPD as a percentage of fees* are shown in Table 5-21; *what are the costs* in Table 5-22; and *what items are included in the costs* in Table 5-23.

**Theme:** Do you know the cost of PD?

Table 5-21 Cost of PD as a Percentage of Fees: Interviews
Theme: O10 What are the costs?

$600 is average daily cost of a PD activity whether [conducted by] CPA or anyone else + time lost + wasted time. Hard to justify unless you have a special need.

Cost of attending ext in external events, costs of guest speakers, includes internally organised training. PD is an overhead.

Initial development of graduate $40K – wages paid to learn. Pay $45K p.a. - cost $20K (over two years). Internal meetings in terms of lost productivity $30k per annum. ... Total $90K.

External costs are recorded.

Pay - half the cost of the CA program ... costs of external PD providers are identifiable.

No. For an activity the cost is initially looked in deciding whether to approve + time lost. No formal approval processes. We don't attend exotic conference.

Record of the cost paid for CPD is in the practice accounts. Time for CPD and training recorded on timesheets but not directly costed - could be extracted if required.

Table 5-22 Costs Included in PD: Interviews

Theme: O11 What items are included in the cost?

n.a.

CPA certification costs reimbursed 12 months after the event (risk Factor) to encourage staff to stay. Various reasons why staff leave.

Training a new grad: $40,000 – 2 grads $20K p.a. each for 2 years
Lost productivity 8 people * 100 * 50
Lost productivity $30K
Seminars $20K
Total $90K

No – disservice if focus is on hours lost as it could limit discussion even unconsciously as pressure could be to wind things up – e.g. last week session went for 1.5 hours.

PD costs are overheads, not related to fees. Time lost is not recovered directly. Average opportunity cost = $150 per hour for 9 staff and 3 partners – 10 on average at each session.
$1100 per session to external providers
Opportunity cost not actual cost
$4100 per month + what is spent on event.
Over 100K per annum = approximately 5% of fees.

Cost not an issue if it adds value to the practice.
Practice management – Team Executive seminar quarterly discuss practice issues ... Costs of PD activities is too much - should be halved and more people would participate. Could be part of membership fees – doesn’t help the profession.

Fees paid are known. Time lost in attending and in preparing sessions not accounted for but would be at least 5times the direct cost.

Table 5-23 Items Included in the Cost of PD: Interviews

Table 5-21 shows that none of the accounting enterprises studied was able to state how much was spent on PD. Categories of cost identified by some enterprises in Table 5-23 include:

1. Reimbursement of costs for Certification programs conducted by the CPA and ICA:
   One enterprise reimbursed 50% of the fees while another reimbursed the fees after 12 months in order to encourage new graduates to stay;

2. Costs in training new graduates - one enterprise with two recent graduates estimated that Certification programs and the development costs associated with a new
employee cost them $20,000 per annum (slightly less than half of the annual salary) for each graduate over two years.

Two enterprises attempted ‘back of the envelope’ estimates of the cost of PD (see Table 5-23):

1. Sessions of two hours per month, 10 employees on average attend each session.
   
   Average opportunity cost per employee = $150 per hour (Opportunity cost not actual cost)
   
   Payment per session to external providers = $1100
   
   Cost per month = $4100 + what is spent on event.
   
   Approximate percentage of fees = 5%

   This ‘back of the envelope’ estimation does not include any overhead costs or any costs associated with organising events which would include identifying topics, negotiating with speakers and other preparatory work. This enterprise defines success as "related to standard of work given to clients: fully complies with legal compliance requirements; [with] no or as few errors as possible; strive to give best advice possible". CPD/EPD is seen as the means whereby enterprise can achieve its goals; and costs while significant do not significantly constrain the enterprise in achieving these goals nor diminish the need for professional development.

2. Training a new graduate is $40,000 i.e.:
   
   • 2 graduates@ $20K p.a. each for 2 years (each graduate is 50% productive compared with other professional staff);
   
   • Lost productivity = 8 people attending @ $100 * 50 hours per annum = $30,000;
   
   • Cost of seminars = $20,000.
   
   Total = $90K i.e. approximately 7% of fees.

   This estimation concentrates heavily on the costs of development of new graduates (Certification costs and lost productivity) which relates to acquiring professional status and therefore is not really continuing (ongoing) PD. This enterprise sees that CPD/EPD does "add value" ... "40% of fees gained because CPD maintained ...Danger of falling behind if CPD not done". This enterprise is prepared to invest in PD; both for developing new staff and in CPD as a necessity for the business; but it does not closely monitor the costs involved.
Neither estimate includes overhead costs or the costs of organising PD activities, details of which are itemised below.

Costs of activities such as CPD (Horngren, 1981; Hunter and Allport, 1979) may include:

1. **External PD:**
   a. **Direct costs:**
      i. Fees for PD events - conferences and short courses. This is one cost many of enterprises would be able to identify. One enterprise estimates that $600 is the average daily cost of PD activity whether it is conducted by the CPA or anyone else. A number of enterprises feel that this is expensive and hard to justify unless there is a special need – we "don't attend exotic conferences". One enterprise proposes that the cost of PD provided by Professional Associations should be halved and this would encourage more people to participate. This could be offset by an increase in membership fees and would provide a better qualified profession;
      ii. Travel and related accommodation plus per diem costs;

2. **Internal PD:**
   a. **Direct costs:**
      i. Fees paid to guest speakers and other external PD providers (generally known);
      ii. Hire of facilities (although much PD is done in-house) and catering costs;
   b. **Indirect costs:** Time spent planning, preparing and organising PD (generally absorbed and not known); and

3. The opportunity cost or non-billable time lost undertaking or preparing PD - as one enterprise states labour costs are the most significant (at least 5 times the direct cost) but this enterprise doesn't have a measure for this cost and estimated that it is possibly 5% of fees. One enterprise states that accountants have 20 to 30% non-billable time, a portion of which would include time lost through CPD.

Other estimations of costs as a percentage of fees in Table 5-21 were: "3 to 5% of fees", "possibly 5% of fees", "direct costs of $8000 total costs at least 4 to 6% of fees", "at least 5% plus the direct cost". The actual percentage will vary from enterprise to enterprise depending upon what is included in the costs e.g. most enterprises do not have regular external providers of PD (i.e. PD is organised and conducted internally) and few participate in PD supplied by
professional associations or externally by other learning providers. However, any business cost which is in the vicinity of 5% of revenue is significant and an argument can be mounted that it needs to be monitored.

One enterprise claims that direct costs are included in their accounts and the time for CPD is recorded on timesheets but not costed (it could be extracted if required). While the costing information could be obtained, this enterprise’s approach to PD is consistent with other enterprises that do not see real value in identifying precisely the cost of PD.

While most enterprises are conscious of the direct costs associated with PD and in most cases have approval process for these costs, there is overall resistance to costing PD fully. PD is considered by some as "not a cost but an investment" and therefore should not be expressed as "a percentage of revenue ... PD provides intrinsic value to the business - this value may degrade if we try to come up with a formula". Within the internal staff meetings there would be a "disservice if focus is on hours lost - as it could limit discussion even unconsciously as pressure could be to wind things up – e.g last week session went for 1.5 hours (rather than the normal one hour) as the discussion was generating real value". Another enterprise stated that they "probably would not want to know [the total cost of PD] ... [they] evaluated courses on the merits/relevance of the course". Knowing the total cost, or setting budgets for PD, may be counter-productive as it may result in less depth and/or breadth of knowledge being gained. As PD is seen as adding value to the enterprise as a whole, most PD costs will not be directly attributable to a single client.

A number of enterprises classify PD as an overhead and therefore a necessary cost of doing business - "cost is not an issue if it adds value to the practice". In most cases the direct cost of the activities are looked at in deciding whether to approve the expenditure as well as allowing for the time lost by staff. Direct costs for specific PD activity are evaluated by most enterprises on their merits and relevance. One enterprise states they probably would not want to know the total cost of PD.

**Finding 20**

Enterprises do not fully record the cost of CPD.

This finding is surprising as accounting enterprises might be expected to be conscious of all costs particularly when CPD/EPD may represent in the vicinity of 5% of revenue.
5.7. Benefits of CPD/EPD

Respondents to the survey were asked, specifically in relation to their enterprise, to agree or disagree with the significance of each benefit identified by Professional Associations in the UK in the study by Friedman et al (2000) based on a seven point Likert scale. Figure 5-1 presents the results of this study of the identified benefits in three groups: ‘disagree with’ (responses 1 - 3); "midpoint" (response 4) and ‘agree with’ ‘agree with’ (responses 5 - 7).

Figure 5-1 shows that accountants as a whole believe that the benefits, which were identified by the Friedman et al’s study UK study, are relevant in delivering benefits to their enterprises - the lowest ‘agree with’ ‘agree with’ score being 64% for Increased flexibility/adaptability; and Maintain and/or raise standards had an ‘agree with’ ‘agree with’ score of 91% with no midpoint responses.

**Theme: O12 What are the benefits of EPD to the enterprise?**

![Accountants: Outcomes of Continuing PD](image-url)

Figure 5-1 provides a further analysis to Figure 5-1 where Likert responses 5-7 (agree with) and 1-3 (disagree with) are not aggregated. In a weighted average "strongly agree or strongly disagree" are accorded greater weight than the responses for which the level of agreement or disagreement is more marginal (see Table 5-1).

Weighted averages provide the opportunity to assess both the significance to the respondents of individual items and to rank the relative importance of the items in the survey.
Figure 5-2 shows a ranking of the benefits based on weighted average calculation and also shows that the weighted average of responses to each question significantly exceeds the midpoint of 4 on Likert scale. The weighted average for all the responses (5.35) is higher than for all other parts of the survey detailed in Chapter 6, which examine other issues related to CPD/EPD.

**Finding 21**
The four major outcomes of EPD are: keep up-to-date; improve and develop knowledge; improve job performance; and maintain and/or raise standards.

These major outcomes relate to the importance of up-to-date knowledge and skills which will enable an enterprise to provide services to their clients at a level which demonstrates that the enterprise is committed to, and capable of, providing professional services at a high level.

The responses are consistent with the benefits identified by principals and recorded earlier in this chapter (Finding 6, Finding 8) and with the examples given in survey responses regarding the benefits of CPD/EPD. The specific benefits recorded in Table 5-4 indicated that EPD can be used both for technical PD (keep up-to-date and comply with standards and legislation); as well as to increase the professionalism of the enterprise (danger of falling behind if CPD not done; to run a successful practice need to know how to run a business; PD should enable you to walk the walk not talk the talk; and without CPD professional accounting practices as
business will fail; Increased skills reflect on client’s perception and the professionalism of the firm).

The analysis of the data recorded in Table 5-4 classifies successful outcomes of EPD as: growing knowledge and skills enabling higher level performance; improved relations with clients; improved efficiency; and other outcomes such as the ability to offer new and/or more profitable services. These classifications were shown in Table 5-6.

Analysis of the responses provided by three units of analysis (A090 - the largest enterprise: N = 9; A513 the second-largest and most risk averse enterprise (see chapter 6): N = 9; and Other Accountants the: N = 15) are shown in Figure 5-3 with the calculated weighted averages.

![Benefits Claimed Weighted Averages](image)

**Figure 5-3 Benefits of EPD: Weighted Averages by Unit of Analysis (n:A090 = 9, A513 = 9, Other Accountants = 15)**

**Finding 22**

Collectively all accountants believe that there is evidence that the benefits attributed to CPD in Friedman et al's study(2000) are relevant to Australian accounting enterprises.

Figure 5-3 shows that there is little difference between the three accounting groups i.e. they have a uniform view of the outcomes of EPD with the major differences related to A090, which apart from "keeping up-to-date", recorded uniformly lower weighted averages. Calculating an Index of Dissimilarity (Gee, 2008; Kayani et al., 1990; Lopez, 2001) for each Unit of Analysis i.e. the enterprises: A090, A513 and Other Accountants shows that each Unit of Analysis holds views of the benefits of EPD to enterprises that are not dissimilar.
Figure 5-4 shows the index of dissimilarity applicable to each benefit of EPD for each unit of analysis; and demonstrates that each index calculated is low, with no index exceeding the 25% significance or noteworthy level. Accountants as a whole and within the respective Units of Analysis universally respond that CPD/EPD produces worthwhile outcomes and this view is consistent across all groups.

An analysis of responses which indicate ‘disagree with’ shows that A513 is "not negative" to CPD/EPD - five of the ten outcomes did not record a single disagree response for this enterprise. A090 gave proportionately more disagree responses than other enterprises to items which might be seen as relating more to individuals than to enterprises: support individual career improvement; empowerment of staff; and increased flexibility/adaptability. This may suggest that larger enterprises perceive that EPD can add value to the business and that adding value to the business is more important than adding value to employees.

Principals of larger firms in their interviews indicated that they use EPD to develop new specialisations (see Table 5-5) which can be advertised and which "ups the prestige and service of the business" enabling these enterprises to attract larger and more profitable clients. A note of caution given by one principal was that "larger firms have turnover [of staff] chasing growth giving a lack of continuity – and as a consequence [they] lose personal understanding".
5.8. Comparisons with Other Studies

Table 5-24 presents the weighted averages of the outcomes of CPD for All Accountants responding to the survey and also for the three Units of Analysis: A090; A513; and Other Accountants. This table also presents a ranking of these outcomes: for responses to the survey; and for Friedman et al's (2000) study of professional associations in the UK.

The rankings of the outcomes of CPD/EPD given for accounting enterprises by Accountants in this survey and by UK professional associations as assessed by Friedman et al are quite consistent. The major differences being: Support the Security/protection of individuals’ jobs ranked lowest by Accountants and fifth that by the associations; and Improve job performance ranked third by Accountants seventh by the associations. Minor differences in ranking are: Increased flexibility/adaptability ranked higher by Accountants; and Contribute to increased job satisfaction ranked higher by associations. Collectively these differences seem to indicate that comparatively accountants in practice feel that CPD is more important for increasing capability and capacity; while associations rated more highly benefits specifically related to individuals. This is logical as associations are member-based organisations while the enterprises in this study the exhibit greater emphasis on benefits being achieved for the enterprise.

<table>
<thead>
<tr>
<th>Outcomes of CPD/EPD: Ranked by weighted average</th>
<th>All Accountants</th>
<th>All Accountants</th>
<th>A090</th>
<th>A513</th>
<th>Other Accountants</th>
<th>Prof. Assoc. (Friedman et al., 2000)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>W. Av N=33 Rank</td>
<td>W. Av N=9 Rank</td>
<td>W. Av N=9 Rank</td>
<td>W. Av N=15 Rank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Keep up-to-date</td>
<td>6.0 1</td>
<td>6.1 1</td>
<td>6.1 5</td>
<td>5.8 1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve and/or develop knowledge</td>
<td>5.8 2</td>
<td>5.4 6</td>
<td>6.1 5</td>
<td>5.9 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve job performance</td>
<td>5.6 3</td>
<td>5.3 5</td>
<td>5.9 5</td>
<td>5.6 7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maintain and/or raise standards</td>
<td>5.5 4</td>
<td>5.4 5</td>
<td>5.7 5</td>
<td>5.5 3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support individual career improvement</td>
<td>5.2 5</td>
<td>4.8 1</td>
<td>5.1 5</td>
<td>5.5 6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contribute to increased job satisfaction</td>
<td>5.2 6</td>
<td>5.3 4</td>
<td>4.9 5</td>
<td>5.2 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Empowerment of staff</td>
<td>5.1 7</td>
<td>4.6 1</td>
<td>5.4 5</td>
<td>5.2 8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Increased flexibility/adaptability</td>
<td>5.1 8</td>
<td>4.9 1</td>
<td>5.2 5</td>
<td>5.1 10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Demonstrate commitment</td>
<td>5.0 9</td>
<td>4.8 1</td>
<td>5.2 4</td>
<td>4.9 9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support Security - individuals</td>
<td>5.0 10</td>
<td>4.9 1</td>
<td>4.8 5</td>
<td>5.3 5</td>
<td></td>
<td></td>
</tr>
<tr>
<td>All outcomes: Weighted average</td>
<td>5.3 5.2</td>
<td>5.4 5.4</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 5-24 Comparative Rankings of Outcomes of CPD/EPD

Responses given by principals in interviews (see Table 5-5) identify that the goals of accounting enterprises are to: produce quality work; and to give the best possible advice as efficiently as possible. This involves ensuring employees have adequate knowledge, follow rules and
minimise rework for the benefit of both the client and the enterprise. Enterprises universally see that CPD/EPD is an important element in achieving these goals. The outcomes of CPD/EPD as ranked by survey respondents are consistent with these goals. The top-ranked outcomes: Keep up-to-date; Improve and/or develop knowledge; Improve job performance; Maintain and/or raise standards are all strongly oriented towards improving the capability and capacity of the enterprise.

5.9. Findings and Further Analysis

The findings identified in this chapter are:

6. EPD is valuable and critical to the success of the enterprise. It is regarded as an "essential activity" for each enterprise.

7. EPD provides accountants with increased skills which influence the client's perception of the professionalism of the enterprise.

8. CPD is recognised as a requirement but also adds real value by enabling the enterprise to "keep up-to-date with all changes".

9. EPD provides improved knowledge and skills enabling enterprises to attract and retain clients through: increased work quality resulting in reduced exposure to Professional Indemnity claims; increased recoverability of fees; improved efficiency; fully complying with legal requirements; and the ability to offer new and/or more profitable services.

10. Enterprises use EPD to increase both the knowledge base and the technical proficiency of staff in order to improve performance and to increase client satisfaction.

11. Enterprises use CPD/EPD: to attract and/or retain staff; increase staff confidence and motivation; and improve the work environment and work cultures.

12. Enterprises use EPD to minimise risk.

13. Enterprises universally believe that CPD/EPD adds value to the business.

14. Individuals and enterprises benefit from maintaining and increasing knowledge leading to increased confidence and understanding resulting in increased business capacity and capability.

15. CPD/EPD can provide limited value unless the material is relevant; available on an as needed basis; and can be applied on a practical basis.

16. The providers of CPD may be self-serving and also promote situations where the risk of problems occurring is unnecessarily stressed.
17. The benefits of CPD/EPD are both short-term and long-term. As CPD/EPD is used to grow knowledge long-term benefits are generally considered to be more significant than short-term benefits.

18. Enterprises do not attempt any quantitative assessment of EPD.

19. Increased understanding is considered a significant outcome of EPD.

20. Enterprises do not fully record the cost of EPD.

21. The four major outcomes of EPD are: keep up-to-date; improve and develop knowledge; improve job performance; and maintain and/or raise standards.

22. Collectively all accountants believe that there is evidence that the benefits attributed to CPD in Friedman et al’s study (2000) are relevant to Australian accounting enterprises. These findings are further analysed in the following paragraphs.

Enterprises are motivated to sponsor and support EPD in order to grow knowledge. Mostly the examples of successful PD activities given by respondents to the survey, involve specific (technical) knowledge development rather than general knowledge development (this is consistent with the comments made in the survey in relation to the Organisational Learning Profile (see chapter 6) which highlights development of technical knowledge as the major emphasis of EPD).

- The need to maintain and grow knowledge is illustrated in Findings 7, 8, 9, 10, 14, 17, and 21.

More knowledgeable employees enable an enterprise to supply professional services with increased accuracy and confidence in the work produced. In addition, less time is spent in researching and in rework resulting in increase in profits and staff morale. EPD is used to enhance the knowledge of employees - the top four benefits ranked: Keep up-to-date; Improve and/or develop knowledge; Improve job performance; and Maintain and/or raise standards all relate to increasing capability and capacity and at the same time enabling the enterprise to provide improved service to clients.

The outcomes from EPD result in: better informed and more confident personnel with increased job satisfaction and ownership of their jobs. EPD is essential to enterprises to prevent them falling behind and provides the ability to attract and retain clients; improve efficiency; reduce follow-up and rework and perhaps to offer new and more profitable work.
The value of EPD to the enterprise has been identified in Findings 6, 7, 8, 9, 14, 17 and 19. Participants in the study identified a number of outcomes which were additional to the benefits identified by Friedman et al (2000).

- EPD can be used to: minimise risk caused by lack of knowledge and/or awareness (Finding 12);
- Improve the culture of the enterprise through attracting and retaining staff; increasing confidence and motivation of employees (Findings 11 and 14).

The value of EPD may be limited unless: the content addresses real needs of the enterprise on an as needed basis, not just promoting situations where the provider of CPD can market further services; and the knowledge gained can be applied in real life situations.

- Potential problems associated with CPD/EPD were identified in Findings 15 and 16.

Surprisingly for accounting enterprises no enterprise attempted any quantitative assessment of EPD (Finding 18) nor did any enterprise fully record the cost of EPD (Finding 20).

5.10. Outcomes of EPD: Examination of Research Questions

The research questions addressed in this chapter are:

RQ4  **Do and if so why do: accounting enterprises sponsor and support CPD?**

EPD is strongly supported and valued within the accounting enterprises. Comments included: “essential activity”, “vital part of our organisation”, “increased skills reflect on client’s perception and the professionalism of the firm”, “CPD is a big part of what we do”. All accounting enterprises in this case study actively sponsoring support CPD/EPD.

CQ  **How do enterprises demonstrate to professionals within the practice: the enterprise’s need for EPD; and the value the enterprise places on EPD?**

Enterprises demonstrate that they want to improve the performance of employees by being prepared to invest in time and resources. Employers are actively encouraged to participate in team meetings in which senior staff are actively involved and work to ensure that the learning obtained can be practically applied.
RQ5 What is the value, perceived and/or realised, that accounting enterprises gain from CPD?

None of the enterprises surveyed fully measure the cost of EPD; none attempt to value EPD. This was a surprising finding particularly for accountants, who would be expected to be more conscious of monitoring costs for activities likely to represent over 5% of gross revenue. The outcomes of EPD are likely to be long-term and therefore difficult (and some claim undesirable) to quantify. “Value is based on perceptions of clients - if we do a good job, the client is happy with our professionalism and the value for money, then the business will grow through referrals from clients”.

CQ What are the expectations of the enterprise for PD and how is success defined:
- Do enterprises assess the value of EPD to the enterprise? If so, how is this done?
  Enterprises believe that EPD adds value enterprise but make no attempt to quantify the benefits.
- What benefit is gained through EPD?
  EPD enables enterprise to keep up-to-date with all changes and as a result improve and develop the knowledge of employees with the subsequent improvement in job performance and maintain and/or raise the standards. This will improve the capabilities and capacity of the enterprise service clients.
- What corporate support for learning is provided?
  All enterprises provided PD in excess of that required for membership compliance of the various professional associations. The way that external PD was made available to employees varied between enterprises.
- How are the costs of EPD calculated?
  Enterprises do not have a PD budget and therefore both direct and indirect costs are not allocated against PD.

5.11. Summary and Conclusion

Enterprises have a vested interest in ensuring that PD sponsored and supported by the enterprise provides benefits which both contribute to employees in their career development and to an enterprise’s ability to function and to grow. Measuring the value added e.g. by Return of investment (ROI) and/or Return on Expectations (ROE) by enterprise PD is possible only in limited circumstances where revenue generation is directly attributable to PD activity and/or specific costs are directly attributable e.g. acquiring specific technical knowledge which will enable the enterprise to: provide new services; or to service a particular client. In many
instances, the focus of PD is knowledge development which may not have an immediate payback. Overall PD is considered more a long-term than a short-term benefit - PD adds to the employees' and the enterprise's Body of Knowledge increasing both capability and capacity.

The accounting enterprises studied all believe that CPD/EPD is an essential activity for the business but are unable or unwilling to assess its value. Evaluations such as ROI and ROE; or the Balanced Scorecard would enable comparisons to be made between enterprises - these comparisons cannot be made as figures are not kept. These assessments are either considered too demanding or unnecessary.

None of the enterprises in this study fully costed EPD. The lack of quantifiable data may be typical of smaller businesses in general where the cost of detailed record keeping may not be justifiable, particularly when the owners of the business are actively involved day-to-day and therefore they are more aware of the value generated from an activity and how costs are incurred. The lack of data within accounting enterprises is however surprising.

This study has evidenced that for professional accounting enterprises:

- EPD is regarded as critical to the ongoing success of each enterprise;
- EPD is perceived as adding value through increasing knowledge and raising standards;
- This added value is not quantified or measured in any way by any of the enterprises;
- The costs associated with EPD are not rigorously monitored; and
- EPD is used both for short-term and long-term outcomes. The outcomes can add value through building capability and capacity. EPD enables enterprises to adequately service their clients.

Enterprises recognise that the benefits of CPD identified by Friedman et al (2000) were relevant to their enterprise. Principals identified additional benefits which they considered significant outcome of EPD viz:

- Reduced risk to the enterprise;
- Improved performance by employees leading to increased client satisfaction through:
  - The ability to attract and/or retain staff;
  - Increased staff motivation and confidence; and
  - Improved work environment and work cultures.
Chapter 6 will complete the documentation of this study covering how accounting enterprises go about sponsoring and supporting EPD. This is affected by an enterprise’s:

- *Entrepreneurial Intensity* related both to growth and risk aversion (Ireland et al., 2006a;b);
- *Facilitating Factors* put in place to support learning (DiBella and Nevis, 1998); and
6. Chapter 6  Aspirations, Culture and Practices Related to EPD

6.1. Introduction

Chapters 4 and 5 presented evidence regarding continuing professional development (CPD) and its impact on professional accounting enterprises - enterprise professional development (EPD). The enterprises involved can be classified as small/medium enterprises (SMEs) with between two and ten principals. These enterprises offer professional services to the public based on their employees’ Body of Knowledge. Employees may be members of any of the three accounting associations in Australia: CPA Australia; Institute of Chartered Accountants in Australia (ICA); and the Institute of Public Accountants (IPA) and/or specialist associations such as Insolvency, Financial Planning, and Internal Audit.

Chapter 4 presented the first part of a case study documenting the impact that CPD compliance requirements specified by professional associations and by Professional Standards legislation has on the way that CPD/EPD is practised within the enterprises studied. Chapter 5 examined evidence of the outcomes achieved by these enterprises from CPD/EPD.

This chapter concludes the documentation of this study of professional accounting enterprises offering professional services to the public. The chapter documents that part of the study which looks at the issues which may influence the direction and success of EPD examining:

1. Whether the Entrepreneurial Intensity of the enterprise for growth and for risk consciousness influences the corporate goals and expectations that the enterprise has for PD;
2. The planning, processes, practices related to EPD evidenced by the emphasis that the enterprise places on:
   a. obtaining, sourcing, and disseminating knowledge (Organisational Learning Profile); and
   b. developing a learning culture in which learning is encouraged and supported (Facilitating Factors); and
   the impact these have on EPD and therefore knowledge development within the enterprise; and
3. The focus that the enterprise places on learning content; and on models of knowledge transfer used to develop knowledge.
The analysis reported in this chapter documents the investigation of EPD as it affects, and is influenced by, professional enterprises. These enterprises rely on the adequacy of the Body of Knowledge of employees to function effectively and to generate revenue. Enterprises use EPD to maintain and grow their corporate Body of Knowledge through policies and practices which can be referred to as enterprise professional development, unlike PD within non-professional enterprises which may be designed primarily to develop skills and to ensure competency of workers often at a lower level. The PD of enterprises employing knowledge workers is concerned with maintaining and growing knowledge and understanding. The size of each enterprise in this study may enable the enterprise to develop knowledge through becoming effective Communities of Practice where employees have a common body of knowledge; share the need to solve similar problems; and work in an environment where sharing of knowledge is feasible.

The research questions (RQ) and contextual questions arising (CQ) which are addressed in this chapter are:

**RQ6** How do the aspirations, culture and practices of a professional enterprise impact the way EPD is conducted and consequently the learning resulting from EPD?

**CQ** Is there a relationship between the Entrepreneurial Intensity of professional enterprises (a Driver for EPD) and the Organisational Learning Profile?

**CQ** What Facilitating Factors for learning (policies, practices and processes) are in operation within professional enterprises?

**CQ** Does the Organisational Learning Profile and/or the Facilitating Factors impact on the level of learning achieved by individual professionals?

**CQ** What are the goals for CPD which motivate professional enterprises? Is there a relationship between these goals and the level of learning achieved?

**CQ** How tolerant is the enterprise to risk? Are there risks associated with CPD? Can CPD used to minimise risk?

**RQ7** What Informal Learning is conducted within professional enterprises and how does the enterprise value this in comparison with more Formal Learning?

### 6.2. Positioning the Study

CPD is a requirement specified by:

- Professional associations for Individuals who are members of the association and who want to be certified by that association; and

**Gerald A Murphy PhD Thesis: Enterprise PD: Adding Value to Enterprises?**
• Professional Standards legislation for enterprises which are registered under these provisions.

Studies have been undertaken to investigate CPD as it affects individuals (e.g. Hennessy et al., 2006; Rothwell and Herbert, 2007; Webster-Wright, 2006; Williams, 2008) and professional associations (e.g. Friedman et al., 2000; Friedman et al., 2009; Friedman and Mason, 2007; Friedman and Phillips, 2001, 2002, 2004; Watkins, 1999).

As shown in Chapter 5, professional enterprises will invest in EPD if they believe that it adds value to the business through contributing to the enterprise’s ability to function and grow even though they have no established methods to quantify the value added. It is difficult to attribute revenue generation directly to a PD activity or to recoup the costs from specific clients as in most circumstances for accounting enterprises, the focus of PD is for knowledge development at a more general level, which may not have an immediate payback - it adds to the employees’ and the enterprise’s Body of Knowledge increasing both capability and capacity.

There is a hierarchy of accounting enterprises: the Big 4; the next rung - often referred to as Tier 2; smaller practices; and sole practitioners. Enterprises participating in the study will be managed by between two and ten partners/principals with the number of professional/consulting employees ranging from 5 to 25. The size of each enterprise may enable the enterprise to develop knowledge through becoming practical examples of Communities of Practice. Employees provide the knowledge base for the enterprise which is the enterprise's primary source of income i.e. income is from professional service delivery rather than the supply of products, facilities or other packages.

These enterprises may employ members of any of the three accounting associations in Australia: CPA Australia; Institute of Chartered Accountants in Australia (ICA); and the Institute of Public Accountants (IPA). These associations have formed the Accounting & Ethical Standards Board which is “an independent, national body responsible for setting the code of ethics and professional standards by which Accountants must abide” (APESB, 2011). The mission of the board is to ensure consistency of practice and advance public confidence. Employees may also be members of specialist associations such as Insolvency, Financial Planning, and Internal Audit.
The effectiveness of EPD will be enhanced where the enterprise has a culture which values learning and knowledge (Brown et al., 1989; Brown and Duguid, 1991; Leonard and Swap, 2005; Wenger et al., 2002a). This culture is likely to drive the policies and processes related to EPD. Understanding the drivers of EPD may improve the outcomes both for individuals and for the enterprise.

The nature and size of the enterprises participating in this study may enable each enterprise to become effective Communities of Practice where employees: have a common Body of Knowledge; share the need to solve similar problems; and work in an environment where sharing of knowledge is feasible. Enterprises derive their income from services dependent upon their corporate Body of Knowledge, rather than from the supply of products, facilities or other sources.

The outcomes derived by an enterprise from PD may depend on whether PD is seen as:
- A means of compliance and obtaining sufficient learning to retain professional certification; or
- Enabling a deeper level of learning as a means of growing capability and capacity of the enterprise and of the individuals within it.

### 6.3. Sources of data

Data collection for this part of the study consisted of semi-structured interviews with principals of twelve accounting enterprises and a survey of all “consulting” level staff (accountants and any other billable professionals) within these enterprises. Data were gathered regarding the factors influencing or driving the way that EPD is practised by the enterprise and its employees.

The data set presented in this chapter provides details of:
- Policy and Practices from:
  - Survey Part D (Entrepreneurial Intensity (Ireland et al., 2006a;b)) (32 responses);
o Survey Part E through examples given of both successful and unsuccessful PD. This part of the survey also provides additional data regarding the way enterprises go about learning through PD and developing a culture of learning;

o Interviews

• Organisational Learning Profile (DiBella and Nevis, 1998) from:
  o Survey Part A (44 responses) including an open-ended question;
  o Interviews

• Facilitating Factors (DiBella and Nevis, 1998) from:
  o Survey Part B (35 responses) including an open-ended question;
  o Interviews

The interview plan is shown in Appendix 5; the Survey Form in Appendix 1.

Interviews with principals of the enterprises provide a rich understanding of the importance of PD to each enterprise and of the way that each enterprise supports PD and encourages learning. Interviews were conducted with principals of twelve enterprises.

Forty-four staff, from nine of the twelve enterprises, responded to the survey. These nine enterprises became the primary unit of analysis for the study. For seven of these enterprises, the number of responses was five or less, as a result a secondary unit of analysis has been used with these lower responding enterprises grouped under a heading "Other Accountants " and compared with the larger number of responses received from the enterprises "A090 and A513” respectively.

6.4. Method of Analysis

Thematic analysis can be used to observe and interpret activities and attitudes of people, groups, organisations, cultures and events (Aronson, 1994; Boyatzis, 1998; Braun and Clarke, 2006; Hsieh and Shannon, 2005). "Thematic Analysis is a method for identifying, analysing, and reporting patterns (themes) within data” (Braun & Clarke, 2006 p.6) and has been discussed in Chapters 3, 4 and 5. Thematic Analysis has been used to process interview data. The initial themes, a priori categorisation, were developed for the interview plan (Appendix 5) and refined as emergent themes informed by examination of the data (Stemler, 2001).
The data from all interviews were coded under the themes developed for the study. Coding was validated independently. Responses to the open-ended questions in the survey are shown as entered by respondents and have also been thematically analysed.

The data obtained during interviews is reported under the themes related to the Aspirations Culture and Practices (Theme:ACP):

Theme: ACP1 How is the content of EPD determined, how is it broken down?

Theme: ACP2 What processes are followed within the enterprise for EPD?
- Processes Involved in Acquiring and Sharing Knowledge
- CPD/EPD in Practice
- Conducting PD to Enhance Learning
- Providing Access to CPD/EPD

Theme: ACP3 How is CPD/EPD monitored by the enterprise?

Theme: ACP4 What is the breakdown between EPD provided internally and that provided externally?

Theme: ACP5 In relation to Informal Learning:
- Is Work-Integrated Learning used?
- Is Mentoring used?
- Are there models of Apprenticeship used?
- What are the examples of Communities of Practice?
- What are other examples of Informal Learning exist?
- What are your views on Informal Learning generally?

Theme: ACP6 Other Learning Issues
- Does experience/gender etc have an impact on CPD/EPD?

Theme: ACP7 Entrepreneurial Intensity
- Interview Theme: What are the reasons for engaging with CPD/EPD?

Theme: ACP8 How important is the management of risk to the enterprise?
- Is the enterprise concerned about the loss of Body of Knowledge through employees leaving?
- Is the enterprise concerned that the Body of Knowledge is not passed on within organisation?
- Is the enterprise concerned that the Body of Knowledge is not extended within the organisation?
- Overall what is the enterprise’s attitude to risk mitigation?
Theme: ACP9  *How the organisation goes about acquiring and disseminating knowledge and the approach to learning.*

Theme: ACP10  *What are the Facilitating Factors which support learning?*

The survey asked respondents to respond to questions using Likert scales regarding:
- The Organisational Learning Profile;
- The Facilitating Factors of EPD; and
- The Entrepreneurial Intensity related to both growth and risk.

The data obtained indicate the relevance of the various questions to each enterprise as perceived by staff and enables a ranking to be made within each of the four elements. Survey data obtained is recorded in Appendix 6. The data obtained from the survey are displayed in graphical format.

Survey data have been analysed firstly using weighted averages taking into account Likert scale values (Carifio and Perla, 2007; Clason and Dormody, 1994; Jamieson, 2004; Kislenko and Grevholm, c2008; Munshi, 1990); and secondly by calculation of Indexes of Dissimilarity (Gee, 2008; Kayani et al., 1990; Lopez, 2001; Peach, 2007; Rowland, 1979; Taylor et al., 2000). The way that these measures are calculated was shown in Chapter 5. Weighted averages take into account the comparative significance given by the respondent to each question. A ranking can be made within a group based on the weighted average of responses to questions within the group. The Index of Dissimilarity will show if the responses of one group are dissimilar to other groups.

When analysing data obtained from Part A of the survey relating to the Organisational Learning Profile which looks at the Learning Orientations for acquiring and disseminating knowledge and the approaches it takes to develop new knowledge within the enterprise weighted average calculations were not appropriate. Eight learning orientations were identified by DiBella and Nevis (1998). A five point Likert scale was used to differentiate the greater reliance between two options specified for each orientation. The degree of support for each option could not be obtained by weighted averages as this method does not provide a differentiation between the options. Responses 1 and 2 have been grouped to denote a preference for Option 1; and responses 4 and 5 grouped to denote a preference for Option 2. The midpoint response of 3 denotes that the respondent is evenly divided between Option 1 and Option 2.
6.5. Learning Cultures Leading to Learning Policies and Practices

Chapters 4 and 5 have shown that growing the technical Body of Knowledge of employees and enhancing the use of a deeper level of knowledge is considered essential in order to improve services offered to clients. Knowledge Management concerns itself with theories and processes aimed to increase an enterprise’s Body of Knowledge. Knowledge Management theory advocates the creation of Communities of Practice and the development of learning cultures. “A Community of Practice is a special type of informal network that emerges from a desire to work more effectively or to understand work more deeply among members of a particular specialty or work group”. (Sharp, 1997 n.p.) Trust, cooperation and friendship are key components of Communities of Practice. They enable professionals to engage in professional conversations through participation in specialist interest groups, exchanging war stories, interactive forums etc. (e.g. Brown et al., 1989; Collins et al., 1991; Davenport and Prusak, 1998; Lave and Wenger, 1991; Shulman, 2002; Wenger et al., 2002a).

Merely providing access to content does not guarantee effective learning. When learning is seen to be valued then deep learning is more likely to occur (e.g. Brown and Gray, 2003; Kay et al., 2009; Lambe, 2002; Lave and Wenger, 1991; Leonard and Swap, 2005; Orr, 1990; Smith and McLaughlin, 2004). Enterprises can, and should, challenge and develop employees through mentoring and peer support combining these with a culture which is supportive of deeper learning.

Knowledge Management proponents advocate encouraging innovation and enhancing intellectual levels to enhance performance (e.g. Bereiter and Scardamalia, 1993; Boshuizen, 2003; Brown and Duguid, 1991, 1996; Brown and Gray, 2003; Keursten et al., 2006; Lambe, 2002; Lave and Wenger, 1991; McIntyre, 2007; Scardamalia and Bereiter, 2002; Smith and McLaughlin, 2004; Wenger et al., 2002a). Communities of Practice within enterprises are able to: make explicit, relevant tacit knowledge; model strategies for learners in authentic activity; support learners’ attempts at doing the task as teachers and peers; empower the learners to continue independently (Brown, et al., 1989); and facilitate face to face and electronic communication on specific topics.

CPD/EPD may be sponsored and supported by providing time off; meeting costs of various activities; providing facilities to support learning and development; and/or developing a learning culture within the enterprise particularly through Communities of Practice and other
Informal Learning methods (e.g. Boud and Middleton, 2003; Chivers, 2006; Cross, 2007; Eraut, 2004; Lester, 1999b; Misko et al., 2007; Mocker and Spear, 1982). Shulman (2002) noted the importance of professional conversations in the development of professionals' knowledge, skill and understanding. Accounting enterprises are in a position to develop their employees' technical and/or generic expertise through policies and practices which encourage and assist learning.

The policy and practices followed by professional enterprises are driven by many factors see Error! Reference source not found.. The Entrepreneurial Intensity (e.g Dess et al., 2003; Ireland et al., 2006a;b; Morris, 1998) of an enterprise may be impacted directly by social and business conditions such as a global financial crisis, climate change, regional disasters etc and less directly by government and regulatory changes. Stephenson's widely accepted definition of entrepreneurship since first published in 1983 is "entrepreneurship is the pursuit of opportunity beyond the resources you currently control" (Stevenson, 2000 p.1). Entrepreneurship therefore may expose enterprises to risk in order to grow the business.

Entrepreneurial Intensity will drive an enterprise's attitude to mitigating risk and to growing the business. Entrepreneurial Intensity together with accounting regulatory requirements enterprises will set business goals and the expectations for CPD/EPD. These expectations combine with the organisational learning profile and facilitating factors for PD (DiBella and Nevis, 1998) to shape the EPD policies and practices that an enterprise follows.

The policies and practices will in turn directly affect the learning that employees achieve within the make-up of the enterprise - the Enterprise Learning Approach. (Note that individual employees may engage in PD on an independent basis away from the enterprise. This independent learning is not examined here.) Does the learning sponsored and supported by the enterprise result in sufficiency learning based on an emphasis on competency and proficiency or is it deeper learning either achieved through specialisation or through integration of knowledge? Does the enterprise use EPD to increase capability and capacity through sufficiency learning or deeper learning?
6.6. Policies, Practices and Processes

Figure 6.1 illustrates that an enterprise’s PD policies and practices are likely to be influenced by three factors: the expectations that the enterprise has for PD; the Facilitating Factors supporting learning; and the learning culture within the enterprise.
organisation (Enterprise Learning Profile). The expectations which an enterprise has for PD will depend upon a number of factors: internally - the amount of growth which enterprise would like to achieve and the degree of risk it is prepared to accept; and externally - the financial and market climate; and regulations imposed by professional associations and by Professional Standards legislation.

Policies and practices will be developed to support both CPD (continuing) and PD which is stand alone or one-off activities. EPD as an ongoing enterprise sponsored activity is likely to be used to build the capability and capacity of the enterprise. The implication inherent in the term "continuing" is that it represents a commitment by the enterprise to PD and that this commitment recognises that PD is a critical part of the enterprise's operation. One-off PD is more likely to be opportunistic and unplanned; or to be used to solve immediate problems. In many cases, one-off PD may be used to increase competency and/or proficiency. If the goal of EPD is to increase knowledge then both forms of PD are relevant, although it can be argued that CPD/EPD which is planned, supported and encouraged is more likely to achieve deeper learning.

This section examines how EPD is planned and conducted within accounting enterprises looking at: how areas/topics for PD are determined (Table 6-1); the breakdown of content covered in PD (Table 6-2); the processes followed (Table 6-3); whether enterprises monitor CPD for individuals (see Chapter 4); and whether PD is conducted internally or externally (Table 6-9).

Theme: ACP1 How is the content of EPD determined; how is it broken down?

<table>
<thead>
<tr>
<th>1. Flag areas for review and for PD - In review reflective analysis - identify areas to cover at start of the year with gaps for hot topics,... Planned PD: 90% technical 10% soft skills. Planned sessions are run by internal resources.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Ethics, systems, procedures covered in PD. Need to understand new fields of profession. Need depth of understanding through training – and in overall knowledge. Empower staff. Weekly staff seminars were stopped a month ago. Staff asked for them to be re-instated as they were needed. This was accepted as seen as a measure of sharing knowledge - covers development of knowledge, changes in legislation etc.</td>
</tr>
<tr>
<td>3. Select areas to attend e.g. fringe benefits, Audit particularly solicitors., Div 7A pick areas which have significant relevance to clients.</td>
</tr>
<tr>
<td>4. Audit standards don't suit small and not for profit business – too expensive – don't cover exposure risk – too busy on [audit] compliance problems (tick the boxes). KPIs should reflect a long-term approach to business and developing partnerships – retaining clients and meeting their needs.</td>
</tr>
<tr>
<td>5. Need to educate clients. More emphasis on technical PD less on soft skills.</td>
</tr>
<tr>
<td>6. Technical – tax 50-75% Soft skills +IT +accounting the rest</td>
</tr>
<tr>
<td>7. 80% technical (tax and accounting) ... 20% soft</td>
</tr>
</tbody>
</table>
8. IT covered in monthly sessions by IT support and providers and through reading. Need to keep up-to-date in IT.
   90% PD technical accounting tax
   – audit 10% of business
   Consulting/acquisition and mergers 20%
   Rest is compliance (Accounting and Tax)
   could do more on soft skills

9. Technical (Accounting, Tax) 70%, Generic includes IT efficiency, cultural awareness. Practice management is generic. Approval is based on common sense…. Because of the multicultural nature of the business cultural issues for PD is more important than legal e.g. AustTrade applications, business migrants and permanent residency issues - 163 visa categories, emphasise the importance of proper paper trails and the subsequent tracking.

10. Valuable In areas such as taxation, standards, record keeping
11. New junior staff sent on Tax basic courses
12. CPD focuses more on technical issues. Soft skills taught on job.

Table 6-1 Determining the Content of EPD: Interviews

Table 6-1 shows that EPD is used to develop technical expertise in areas of relevance to the enterprise e.g. "hot topics". In most cases this is in accounting and taxation, although specific areas of accounting relevant to the enterprise are mentioned. In the case of the enterprise which specialised in migration issues the development of technical competence in this area was considered important. Development of knowledge and skills in IT was mentioned by three principals. The development of soft or generic skills is not greatly emphasised (see Table 6-2).

<table>
<thead>
<tr>
<th>All Accountants:</th>
<th>Focus of EPD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Developing technical skills and knowledge</td>
<td>Developing non-technical skills</td>
</tr>
<tr>
<td>90% technical</td>
<td></td>
</tr>
<tr>
<td>50-75% Technical – tax</td>
<td>Rest Soft skills +IT +accounting</td>
</tr>
<tr>
<td>80% technical – tax and accounting</td>
<td>20% soft</td>
</tr>
<tr>
<td>90% PD technical - accounting tax</td>
<td>could do more on soft skills</td>
</tr>
<tr>
<td>70% Technical - accounting, tax</td>
<td>Generic includes IT, efficiency, cultural awareness, Practice management</td>
</tr>
<tr>
<td>CPD focuses more on technical issues</td>
<td>Soft skills taught on job</td>
</tr>
<tr>
<td>More emphasis on technical PD</td>
<td>less on soft skills</td>
</tr>
</tbody>
</table>

Table 6-2 Enterprise Breakdown of the Content of EPD

Table 6-1 also highlights that enterprises encourage and/or send employees to external PD activities run by bodies such as the ATO, Professional Associations, Tier 2 practices, consultants etc. Notably attendees report back to staff meetings and this is seen as disseminating knowledge to all staff and a way of ensuring that the people who actually attended the event have been able to interpret this new knowledge correctly.

A number of enterprises state that it was important that staff have the opportunity to apply knowledge gained as soon as possible. This is considered important for junior employees as it
enables them to integrate their learning with their work. In other cases, staff may be asked to present papers on specific issues and discuss these at a staff meeting.

Networking is considered by a number of enterprises as the major benefit of external PD. One principal particularly values informal meetings with partners of other practices where knowledge is shared on an open basis. Effective networking with your peers should enable the professional to contact other professionals to discuss problems. Specialist practices network with other professionals, who have recommended, or may recommend the practice’s services to their clients. In most cases this provides learning and help to these professionals, however, it does also contribute to broadening the knowledge of all those involved as the specialist enterprise gains knowledge of business conditions and the economy at large. Many enterprises encourage involvement in community groups in order to broaden knowledge and skills within the enterprise. Often this will involve interactions with professionals from other disciplines. In general terms all enterprises encourage staff to develop skills and knowledge outside the firm - as one enterprise put it "don’t sit on your own, get out and mingle".

Despite EPD being a significant expense to accounting enterprises (> 5% of revenue) the participating enterprises have not attempted to value PD (see chapter 4). None of the evaluation techniques for either business or education evaluation discussed in Chapter 2 have been used. Selection of PD activities is usually based on common sense or gut feel - will it add to the enterprise, will it empower staff?

Most enterprises express a preference for activities which do not incur fees e.g. professional associations' regional discussion groups, ATO briefings etc rather than expensive PD courses. The majority of enterprises state that the selection of areas or topics for CPD/EPD is based on the needs of enterprise and its clients at the time taking into account: specific gaps of knowledge (of individuals and/or the enterprise); relevant hot topics; changes in legislation; and general development of knowledge in the area. Table 6-2 shows that enterprises concentrate on technical PD - for the majority of the enterprises, this involves PD in taxation matters, in other cases technical PD will take place for specialisation areas of the practice e.g. audit, financial planning, insolvency, consulting/mergers and acquisitions, superannuation, immigration, and internal audit. Ethics, systems and procedures would generally be classified as technical issues. PD for development of non-technical skills e.g. soft skills, IT, Practice Management etc are often conducted on an informal basis in-house and represent a much smaller percentage and emphasis of professional development.
Table 6-3 sets out the processes followed by each enterprise for EPD.

**Theme: ACP2 What processes are followed within the enterprise for EPD?**

| 1. Assignments given, and presentations made, by all. Senior staff work out programs of PD. Various members then prepare papers, circulated internally and sometimes published or distributed to clients, eventually will publish them on web... External mainly used for compliance – F.P. and audit. Reported back to internal meeting groups. CPA discussion groups, CA and NTAA attended in the main by senior staff. Short courses the main external source.... Annual FP conference of dealer group 17 hours... Run dealer group for F.P. and present at conferences... Look at PD on a practical basis- learn from that.... Part of the review process is to be aware of requirements for PD. Senior management will decide relevance of topic and suitable person to attend - identify and assist with PD... get email updates from various sources so the way PD is run is different... NTAA extremely practical and useful, interface with - use 2nd tier firms for advice... Email advice counts as reading for compliance. |
| 2. Focus is internal process for internal results... 2 hour training sessions once a month run external providers... 2 hour monthly meeting reviews PD matters includes staff matters e.g. IT training... Service providers give training. External PD frustrating - not an efficient use of time (cynical critical of providers with own agendas). PD industry a self satisfying profession.... When external PD attendees session evaluated and report back to staff – more critical of external PD... Mixture of staff - Experienced staff recruited are programmed to do PD... Staff are encouraged to participate – all staff rostered to present topics, all contribute staff requested to research a topic and present to staff meeting or to partner... Always one doing CA program – no spill over to the firm but makes more technically skilled staff. |
| 3. 1 or maximum of 2 people attend an activity then brief others of important staff e.g. train the trainer course success is reflected by ability to pass on knowledge. No measurement – assessed by feedback given to other staff... PD removes professional from day to day problems and stimulates thinking about different ways of doing things – provides thinking time not just in areas being covered – takes you away from the swamp (alligators) puts mind in a mode to think... In preparing budgets time allocated for PD, time is reserved for traditional/critical events e.g. NTAA seminars, FP conference, training days for all staff. |
| 4. networking e.g. PKF and Pitcher partners, knowledge shop provides answers based on facts given and through other larger firms provides real learning – used for problem solving – immensely valuable... Retention of knowledge and the ability to apply knowledge is critical. When knowledge is not used after the PD it is often lost.... Tax office seminars (at least one a year) are the most effective – practical relevant application... Training is relevant to work. Compliance requirements (e.g. auditing for CAs) may be over the top – most of audit PD is irrelevant as only do simple audits... Topics specified where relevant and valuable - Everyone goes to the Tax office sessions – brings everyone up-to-date. General discussions within ourselves most valuable. |
| 5. Approach is based on the fact that it needs to be suitable for a small practice... Principal or manager attends CPA events or 2nd tier firms' briefings and then train internally for all staff... Staff expect regular internal training (every 2-3 months) learn technology etc... Send staff to external events. Experiences include CPA, Taxpayer Aust., ATO. Kaplan not used at this stage due to cost as a small player. No external providers used inhouse.... Encourage staff to attend & participate in CPA modules (120 points), CPA Box Hill discussion group. |
| 6. No way of valuing – no ROI used... set up PD requirements on 12 month cycle. Stagger sending people on PD.... Hire graduates and move them through the practice. Young staff get benefits and want to participate.... For new graduates value is when they attend PD get excited and want to learn. Send one staff member, often younger staff, then review and spread knowledge. Senior guys don’t get much out of it. How did they learn and what can we learn from that. |
| 7. Committee considers applications for training. ... Provide external training e.g. tax, specialist, IT etc... Staff reviews look at CPD done and plans for the future. |
| 8. Attending SIGs and sharing knowledge gained ... Encourage staff reading, using ATO site, small business references, use of software. |
| 9. Staff are told: their position depends on the knowledge they have (increases motivation);... higher level knowledge is the way to advance particularly through specialisation. Knowledge is gained both internally and from external courses. |
| 10. Weekly briefings identify knowledge gaps and share knowledge. Conferences cover various topics e.g. ethics of insolvency needed. |
| 11. Weekly PD session compulsory for every staff member – 1 hour. Monthly Kaplan updates – staff attend on rotation depending on interest and need... Staff encouraged to identify PD events to attend - haven’t stressed that it is important to firm but that it is important to the individual – implies it is important... 90% lead by XX. Partner... attendees report back – spreads information and ensures |
grasping of concepts covered – examples where staff have misinterpreted topics and this has been picked up in review sessions – validates understanding.

12. Practical experience is very important. Training by itself is not sufficient it must be applied. Professional development is someone telling you how to do something. Want people questioning how you do something better... allow staff to develop – X doing his degree, Y needs to finish IA. CPD one component in providing a workplace where someone wants to work... Focus on providing opportunities to the staff e.g. meeting with senior staff time when learning can be quite extensive... Three months induction includes CPD on software development and where necessary IA courses... Encourage staff to attend IA meetings. Want to be seen at conferences and encourage staff to learn and also attend association groups... Transfer knowledge internally e.g. one staff member showing another how to use a customer's system.... One staff member doing a CIA course and others attending meetings of June 1 the Association.

Table 6-3  EFD Processes: Interviews

The answers to the question: What processes are followed within the enterprise for CPD? recorded in Table 6-3 can be classified under five headings: The Processes to Acquire and Share Knowledge (Table 6-4); CPD/EPD in Practice (Table 6-5); Conducting PD to Enhance Learning (Table 6-6); Providing Access to CPD/EPD (Table 6-7); and Evaluating EPD (Table 6-8).

Processes Involved in Acquiring and Sharing Knowledge

| CPA discussion groups, CA and NTAA attended in the main by senior staff ... External mainly used for compliance – F.P. and audit. Reported back to internal meeting. Short courses the main external source. |
| 1 or maximum of 2 people attend an activity then brief others of important staff e.g. train the trainer course |
| Stagger sending people on PD. |
| Part of the review process is to be aware of requirements for PD. Senior management will decide relevance of topic and suitable person to attend - identify and assist with PD. |
| Committee considers applications for training. |
| Hire graduates and move them through the practice. Young staff get benefits and want to participate. For new graduates value is when they attend PD get excited and want to learn. Send one staff member, often younger staff, then review and spread knowledge. Senior guys don't get much out of it. |
| When external PD attendees session evaluated and report back to staff – more critical of external PD. Mixture of staff - Experienced staff recruited are programmed to do PD. |
| Principal or manager attends CPA events or 2nd tier firms' briefings and then train internally for all staff. |
| Attending SIGs and sharing knowledge gained. |
| Topics specified where relevant and valuable - Everyone goes to the Tax office sessions – brings everyone up-to-date. General discussions within ourselves most valuable. |
| Weekly briefings identify knowledge gaps and share knowledge. |
| Monthly Kaplan updates – staff attend on rotation depending on interest and need. |
| Staff encouraged to identify PD events to attend - haven't stressed that it is important to firm but that it is important to the individual – implies it is important. |
| Send staff to external events. Sources include CPA, Taxpayer Aust., ATO. Kaplan not used at this stage due to cost as a small player. attendees report back – spreads information and ensures grasping of concepts covered – examples where staff have misinterpreted topics and this has been picked up in review sessions – validates understanding. |
| Allow staff to develop – X doing his degree, Y needs to finish IA. ... Encourage staff to attend IA meetings. Want to be seen at conferences and encourage staff to learn and also attend association groups. One staff member doing a CIA course and others attending meetings of June 1 the Association Haven't worked out how to share knowledge of training courses undertaken by staff members. |

Table 6-4  Processes to Acquire and Share Knowledge: Interviews
Processes used to determine who attends PD activities varies between enterprises (Table 6-4): in some cases the senior partner is the decision maker and may assign either senior, junior or other staff to attend; in other cases these decisions may be made by the section manager or a committee where "senior management decide the relevance of the topic and a suitable person to attend".

In all cases, those attending external PD will present to other employees at staff meetings in order to share new knowledge. These briefings can also ensure that knowing misinterpretations have been made. There is little or no formal post evaluation of a PD activity and for most enterprises evaluation is based on feedback given by attendees particularly in relation to the relevance which the material has to the enterprise. In their annual staff reviews some enterprises examine what CPD has been done, and each employee’s plans in the future for CPD.

**CPD/EPD in Practice**

<table>
<thead>
<tr>
<th>Assignments given and presentations made by all. Senior staff work out programs of PD. Various members then prepare papers, circulated internally and sometimes published or distributed to clients, eventually will publish them on web.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Focus is internal process for internal results.</td>
</tr>
<tr>
<td>Approach is based on the fact that it needs to be suitable for a small practice.</td>
</tr>
<tr>
<td>Set up PD requirements on 12 month cycle.</td>
</tr>
<tr>
<td>Staff are encouraged to participate – all staff rostered to present topics, all contribute staff requested to research a topic and present to staff meeting or to partner.</td>
</tr>
<tr>
<td>Always one doing CA program – no spill over to the firm but makes more technically skilled staff.</td>
</tr>
<tr>
<td>Encourage staff to attend &amp; participate in CPA modules (120 points), CPA Box Hill discussion group.</td>
</tr>
<tr>
<td>Staff are told: their position depends on the knowledge they have (increases motivation); higher level knowledge is the way to advance particularly through specialisation.</td>
</tr>
<tr>
<td>Staff reviews look at CPD done and plans for the future.</td>
</tr>
<tr>
<td>CPD one component in providing a workplace where someone wants to work. ... Focus on providing opportunities to the staff e.g. meeting with senior staff time when learning can be quite extensive. Three months induction includes CPD on software development and where necessary IA courses. ... Transfer knowledge internally e.g. one staff member showing another how to use a customer's system.</td>
</tr>
</tbody>
</table>

Table 6-5 **CPD/EPD in Practice: Interviews**

Table 6-5 reinforces that employees are required to share knowledge gained from external sources and to participate actively in staff meetings.
Conducting PD to Enhance Learning

<table>
<thead>
<tr>
<th>Look at PD on a practical basis- learn from that.</th>
</tr>
</thead>
<tbody>
<tr>
<td>PD removes professional from day to day problems and stimulates thinking about different ways of doing things – provides thinking time not just in areas being covered – takes you away from the swamp (alligators) puts mind in a mode to think.</td>
</tr>
<tr>
<td>Networking e.g. PKF and Pitcher partners, Knowledge Shop provides answers based on facts given and through other larger firms provides real learning – used for problem solving – immensely valuable.</td>
</tr>
<tr>
<td>Retention of knowledge and the ability to apply knowledge is critical. When knowledge is not used after the PD it is often lost.... Tax office seminars (at least one a year) are the most effective – practical relevant application.</td>
</tr>
<tr>
<td>Get email updates from various sources so the way PD is run is different. NTAA extremely practical and useful, interface with – use 2nd tier firms for advice ... Email advice counts as reading for compliance.</td>
</tr>
<tr>
<td>2 hour training sessions once a month run external providers.</td>
</tr>
<tr>
<td>2 hour monthly meeting reviews PD matters includes staff matters e.g. IT training.</td>
</tr>
<tr>
<td>Service providers give training. External PD frustrating - not an efficient use of time (cynical critical of providers with own agendas). PD industry a self satisfying profession.</td>
</tr>
<tr>
<td>How did they learn and what can we learn from that.</td>
</tr>
<tr>
<td>In preparing budgets time allocated for PD, time is reserved for traditional/critical events e.g. NTAA seminars, FP conference, training days for all staff.</td>
</tr>
<tr>
<td>Knowledge is gained both internally and from external courses...</td>
</tr>
<tr>
<td>Conferences cover various topics e.g. ethics of insolvency needed.</td>
</tr>
<tr>
<td>Weekly PD session compulsory for every staff member – 1 hour.</td>
</tr>
<tr>
<td>Staff expect regular internal training (every 2-3 months) learn technology etc.</td>
</tr>
<tr>
<td>Encourage staff reading, using ATO site, small business references, use of software</td>
</tr>
<tr>
<td>90% lead by partner XX.</td>
</tr>
<tr>
<td>Practical experience is very important. Training by itself is not sufficient it must be applied. Professional development is someone telling you how to do something. Want people questioning how you do something better.</td>
</tr>
</tbody>
</table>

Table 6-6   Conducting PD to Enhance Learning: Interviews

Table 6-6 provides evidence that all enterprises are concerned to ensure that employees have the necessary knowledge, skills and understanding to enable enterprises to adequately service the needs of their clients. One principal viewed PD as "someone telling you how to do something" whereas he wanted employees “questioning how you do something better".

Another felt that "retention of knowledge and the ability to apply knowledge is critical. When knowledge is not used after the PD it is often lost". In many cases employees are told: "their position depends on the knowledge they have (increases motivation) ... higher level knowledge is the way to advance particularly through specialisation".

Principals emphasise the importance of being able to practically apply PD which they claim reinforces learning. Training by itself is not considered sufficient but should be relevant to the work done within the enterprise. This is consistent with learning theory which says that effective learning builds on the practical experience of participants (e.g. Billett, 2001; Boud and Solomon, 2001; Brown et al., 1989; Coll and Eames, 2006; Cross, 2007; Dewey, 1938; Eraut, 1994; Eraut et al., 2004; Jones and Fear, 1994; Kolb, 1983; Leonard and Swap, 2005; Lester,
Aspirations, Culture and Practices Related to EPD

Providing Access to CPD/EPD

<table>
<thead>
<tr>
<th>Providing Access to CPD/EPD: Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>CPA discussion groups, CA and NTAA attended in the main by senior staff.</td>
</tr>
<tr>
<td>Tax office seminars (at least one a year) are the most effective – practical relevant application</td>
</tr>
<tr>
<td>Hire graduates and move them through the practice. Young staff get benefits and want to participate. For new graduates value is when they attend PD get excited and want to learn.</td>
</tr>
<tr>
<td>Staff are told: their position depends on the knowledge they have (increases motivation); higher level knowledge is the way to advance particularly through specialisation.</td>
</tr>
<tr>
<td>higher level knowledge is the way to advance particularly through specialisation.</td>
</tr>
<tr>
<td>Training is relevant to work. Compliance requirements (e.g. auditing for CAs) may be over the top – most of audit PD is irrelevant as only do simple audits.</td>
</tr>
<tr>
<td>Provide external training e.g. tax, specialist, IT etc.</td>
</tr>
</tbody>
</table>

Table 6-7 Providing Access to CPD/EPD: Interviews

Chapter 4 documented that accounting enterprises provided PD to employees which exceeded compliance requirements. Table 6-7 highlights the evidence that external CPD is used: to develop specialities e.g. tax, audit; and in the development of junior employees.

6.7. Monitoring and Evaluating CPD/EPD

How is EPD evaluated?

Chapter 5 reported that enterprises do not formally evaluate CPD/EPD. The comments in Table 6-8 support the findings in Chapter 5.

Table 6-8 Evaluating EPD - Interview Responses

<table>
<thead>
<tr>
<th>Evaluating EPD - Interview Responses</th>
</tr>
</thead>
<tbody>
<tr>
<td>success is reflected by ability to pass on knowledge. No measurement – assessed by feedback given to other staff. ...</td>
</tr>
<tr>
<td>No way of valuing – no ROI used</td>
</tr>
</tbody>
</table>

Theme:ACP3  How is CPD/EPD monitored by the enterprise?

Chapter 4 showed that enterprises do not monitor CPD/EPD. CPD is considered an individual responsibility not an enterprise responsibility not an enterprise one.

Finding 2 in Chapter 4 suggests that there is no monitoring by enterprises of whether individual professionals meet the compliance requirements of their professional association- it is seen as an individual responsibility. All enterprises studied provide CPD/EPD in excess of the
requirements of professional associations and therefore requirements under Professional Standards legislation. Planning of PD varies significantly between enterprises often under the guidance and direction of senior staff who may be involved in selecting topics; determining who attends; and ensuring that knowledge is shared among all staff.

Theme: ACP4 What is the breakdown between CPD/EPD provided internally and that provided externally?

<table>
<thead>
<tr>
<th>Internal</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than half internal.</td>
<td>More than half internal.</td>
</tr>
<tr>
<td>Monthly a/cants meeting (2.5 Hrs) sometimes has external speaker. Weekly team meetings, Annual training day.</td>
<td>Monthly a/cants meeting (2.5 Hrs) sometimes has external speaker. Weekly team meetings, Annual training day.</td>
</tr>
<tr>
<td>Discussion groups (CPA).</td>
<td>Discussion groups (CPA).</td>
</tr>
<tr>
<td>NTAA courses.</td>
<td>NTAA courses.</td>
</tr>
<tr>
<td>CPA Public Practice convention (2.5 days).</td>
<td>CPA Public Practice convention (2.5 days).</td>
</tr>
<tr>
<td>Others as required.</td>
<td>Others as required.</td>
</tr>
<tr>
<td>External: usually attended by senior or specialist staff (corporate affairs, payroll, FP, tax).</td>
<td>External: usually attended by senior or specialist staff (corporate affairs, payroll, FP, tax).</td>
</tr>
<tr>
<td>external - 140-150 hours in total.</td>
<td>external - 140-150 hours in total.</td>
</tr>
<tr>
<td>Internal - 60 hours * 8 people = 480 hours.</td>
<td>Internal - 60 hours * 8 people = 480 hours.</td>
</tr>
<tr>
<td>Mentoring of new staff – takes 2 years for them to be productive through on the job training Mentoring 20% external.</td>
<td>Mentoring of new staff – takes 2 years for them to be productive through on the job training Mentoring 20% external.</td>
</tr>
</tbody>
</table>

Table 6-9 CPD/EPD Provided Internally/Externally: Interviews

Table 6-9 shows that externally, professional PD activities represent a major source of knowledge, skills and understanding as professionals mingle with other people in the same profession. Table 6-10 breaks down the comments under two headings: internal and external.
<table>
<thead>
<tr>
<th>Internal</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>More than half internal. Monthly a/cants meeting (2.5 Hrs) sometimes has external speaker. Weekly team meetings. Annual training day.</td>
<td>External [for new knowledge] NTAA courses CPA Public Practice convention (2.5 days). Others as required.</td>
</tr>
<tr>
<td>Internal - 60 hours * 8 people = 480 hours mentoring of new staff – takes 2 years for them to be productive through on the job training Mentoring.</td>
<td>External: usually attended by senior or specialist staff (corporate affairs, payroll, FP, tax). external - 140-150 hours in total. 20% external.</td>
</tr>
<tr>
<td>2 full days of training + staff meetings = 60-70 hours – relevance of internal activities outweighs external courses. Not as structured as PAs may want. In past designed FP courses and had them recognised – not done for accounting. Internal about 65%.</td>
<td>90% external - rest is via team meetings. Way over the stated hours for compliance (but not in all areas e.g. auditing). Good professional will ensure he is capable of doing the job.</td>
</tr>
<tr>
<td>Not all team meetings PD.</td>
<td>50% internal – group meetings presentations. 50% external conferences; external parties give presentations internally Various forms - CPA Insurance committees other forums.</td>
</tr>
<tr>
<td>Hybrid of external and internal. Papers provided in internal sessions but questions are specific to organisation.</td>
<td>Staff would do 2 external sessions of 2 hours.</td>
</tr>
<tr>
<td>Attendees are required to provide update to others. Internal all done internally which includes systems training. Internal Training greater than 40 hours.</td>
<td>External leads to internal.</td>
</tr>
<tr>
<td>Internal monthly lunch used to discuss technical issues, client and practice matters. Senior staff member is responsible for internal CPD training.</td>
<td>80% external includes tax office briefings,</td>
</tr>
<tr>
<td>Internal sessions 2 hours per quarter??</td>
<td>Principal &amp; Manager 70% external Staff 70% external (different activities) e.g. CPA study, various external training etc.</td>
</tr>
</tbody>
</table>

Table 6-10 Internal/External Provision of CPD/EPD

Table 6-10 shows that the emphasis placed on internal versus external PD varies from enterprise to enterprise with typically the smaller enterprises relying more on external sources. Examples are given of Communities of Practice used for both internal and external PD and of Informal Learning generally in all enterprises.

Internal/external knowledge development is further examined in Table 6-15 which provides evidence that some enterprises express reservations about the value of regional discussion groups ("ego driven and too much points scoring"), others think that the use of war stories ("I had experience on that") was particularly valuable. Further, Table 6-17 indicates a general agreement that there is a need to be in touch with fellow professionals and with industry at large. Participation in social events of the profession is considered by some to be worthwhile, even if it only confirms that the enterprise is on the "right track". Establishing alliances with
Tier 2 firms, insolvency practices and solicitors as well as liaising with NTAA and the Tax Office is invaluable for servicing specialist tasks which an enterprise cannot do within its own resources. Tier 2 firms provide valuable learning services at an advanced level for enterprises.

6.8. Informal Learning Models and Knowledge Development

In the context of this research, Informal Learning models involve interactions between professionals which may take place either within an organisation or within a professional community. Learning may become more relevant and effective when the organisation employing a professional, actively provides an environment which enriches learning.

Theme: ACP5 Informal Learning

This section examines how Informal Learning is used in accounting enterprises specifically examining different models of Informal Learning in particular Work-Integrated learning; Mentoring; Apprenticeship Models; and Communities of Practice.

Is Work-Integrated Learning used?

<table>
<thead>
<tr>
<th>n.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have used IBL students but not seen as happening for qualified accountants. Not a training organisation must be a business value. No application of learning as part of the business.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Graduates need practical on the job training.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Use IBL students - recruit from that source. Two day practical session each year for tax compliance covering technical issues, new software and plans for the year. Use a large number of software tools in order to increase productivity – all need training. Emphasis on learning on the job.</td>
</tr>
</tbody>
</table>

| Situated learning is more meaningful and relevant. Sit down with somebody working through summary forms. Learn more from on the job training – CPD is lost if not applied particularly if related to rules and regulations – adds value to learning. |

<table>
<thead>
<tr>
<th>Taken 3 IBL students who after IBL studied part time – 2 doing CA, 1 doing insolvency – study while you are working.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Integrating work and learning is the best way to learn through practical outworking of the theory. Organisation probably learns from the process may encourage a different way of thinking – look for ways to continually improve and new ways to do things.</td>
</tr>
<tr>
<td>Take Monash Coop students. Forces firm to focus on training at lower levels and gives more junior staff exposure to supervision.</td>
</tr>
</tbody>
</table>

| Trialling Trainee accountant who has progressed from administrative work to study and more responsible work. Re-enforced idea that people entering the profession have a greater Body of Knowledge but less ability to problem solve and apply theory practically – “don’t come with a problem but come with the problem and a possible solution. You need to be able to think your way through the problem. |

| Work integrated learning is becoming popular in many courses. Year 12 work experience students (comment so different from the book). Uni students should have hands on approach in their course reflecting the real world. Part time students are more interested – they can relate to the problems in the class room and see how things fit in, so their learning is better. |

<table>
<thead>
<tr>
<th>No WIL recruiting to gain new graduates. Year 12 work experience students in the past – more social benefit than learning.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Have an IBL student... Introduction of Methodware software - to work in the area before learning the software -- involved work followed by learning followed by work. Like learning Microsoft products when you have basic skills you are able to learn more.</td>
</tr>
</tbody>
</table>

Table 6-11 Work-Integrated Learning within the Enterprise: Interviews
Work-Integrated learning (WIL) is a term used to encompass a range of work related learning activities (Calway and Murphy, 2007; 2011). CPD which involves the application of material learned to real-world situations is a recognised model. Enterprises recognise that all forms of CPD will achieve greater depth of learning when work and learning integration occurs. Table 6-11 shows that apart from CPD in this context, the most common model of WIL used by enterprises in this study is cooperative education programs (or IBL) where students spend a period in the workplace during their academic program. Five enterprises have used this model and have recruited employees from various programs. Work experience programs for year 12 students are supported more as a community service and cannot be considered CPD/EPD. Staff who study part-time are encouraged to work through theoretical problems and benefit from applying theory to practice.

Mentoring is another form of Informal Learning (Brown et al., 1989; Brown and Duguid, 1991; Friedman and Phillips, 2002; Orr, 1990). Some professions (e.g. the clergy and some sections of universities) have a history of supporting the growth and focus of their members in a caring and helpful environment.

**Is Mentoring used?**

<table>
<thead>
<tr>
<th>n.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>New staff given a mentor to introduce them to way things are done. Staff work in teams – environment is supportive. Accounting meetings provide opportunities to ask questions.</td>
</tr>
<tr>
<td>New staff mentored over two years. Teams of 3/4 – senior, assistant, support (not an accountant), new graduate,</td>
</tr>
<tr>
<td>Mainly in first month for new employees. Encouraged to identify problems but come with possible solutions and issues - search out solutions.</td>
</tr>
<tr>
<td>Mentoring is important for staff – critical in small business. Rely on junior staff to do the work.</td>
</tr>
<tr>
<td>Mix of mentoring and apprenticeship because of specialised nature of practice.</td>
</tr>
<tr>
<td>Not formal but happens through processes e.g. open office environment instills values, high level of integrity, ethics and communication skills.</td>
</tr>
<tr>
<td>Mentoring 3 graduates for CPA – 2 on staff and 1 at a client. Everybody learns in the process.</td>
</tr>
<tr>
<td>3 CPA mentees – 1 internal, 2 external for clients.</td>
</tr>
<tr>
<td>Allocated for new employees – gives a sense of comfort and is less intimidating. Allow them to say things they wouldn’t say to a partner.</td>
</tr>
<tr>
<td>Work closely together – Buddy to review work. Not always the same person acts as the Buddy. Work is reviewed in circle to ensure quality -all learn through this. Can see how other people write reports and produce better drafts and final reports. Different views are encouraged regardless of seniority.</td>
</tr>
</tbody>
</table>

Table 6-12 Mentoring within the Enterprise: Interviews

Table 6-12 shows that Mentoring has very limited application within enterprises participating in this case study: some associations e.g. ACS, CPA Australia and Engineers Australia sponsor mentoring programs for new graduates as an induction to the profession. A small percentage (25%) of the enterprises participating in the study is involved.
Apprenticeship models support a learning focus with steps undertaken by master and apprentice at varying levels as knowledge, skills and understanding (Cross, 2007). Examples of master apprentice in some professions would be: Senior Counsel/Junior Barrister; and Consultant Surgeon/Surgeon.

Q. Are there models of Apprenticeship used within the enterprise?

<table>
<thead>
<tr>
<th>Introduction of new graduates who are encouraged to ask questions and through sharing of new knowledge.</th>
</tr>
</thead>
<tbody>
<tr>
<td>no</td>
</tr>
<tr>
<td>Prefer graduates who completed diploma before starting degree – gives a practical orientation hands down winner in practical things rather than just tax law. Easy transition from IBL to recruitment.</td>
</tr>
<tr>
<td>Use junior staff for routine tasks e.g. filing, which provides them with all round knowledge – need all round knowledge.</td>
</tr>
<tr>
<td>Mix of mentoring and apprenticeship because of specialised nature of practice.</td>
</tr>
<tr>
<td>Not formal but encouragement of staff – e.g. one of best accountants was receptionist developing over time through bookkeeping through new tasks through to obtaining qualifications.</td>
</tr>
<tr>
<td>n.a.</td>
</tr>
<tr>
<td>See above – small practice.</td>
</tr>
<tr>
<td>Grads may apply for permanent residency after 6 months. Graduates most require a PY service in order to qualify. Dept change requirements may become relevant based on type of business – relevant to type of business and business rewarded by reimbursement of salaries paid. Way to get PR. Not at this stage.</td>
</tr>
<tr>
<td>n.a.</td>
</tr>
</tbody>
</table>

Table 6-13: Apprenticeship Models within the Enterprise: Interviews

Table 6-13 shows that there is little formal adoption of apprenticeship models, although when principals and other senior staff supervise junior staff to minimise Professional Indemnity claims and to improve service to clients, this could be seen as apprenticeship.

Effective Communities of Practice enable professionals to engage in professional conversations through participation in specialist interest groups, exchanging war stories, interactive forums etc. (Brown et al., 1989; Collins et al., 1991; Davenport and Prusak, 1998; Lave and Wenger, 1991; Wenger et al., 2002c).

Q. What are the examples of Communities of Practice?

<table>
<thead>
<tr>
<th>Professional based: SIGs important way of finding new knowledge skills and understanding. Internally: Informal sharing of knowledge skills and understanding.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internally: team meetings, Acants meetings V. important ability to “run things past”. Size of practice provides opportunity to run things past and gain knowledge. Externally discussion groups major source of knowledge, mingling with other people in the same profession.</td>
</tr>
<tr>
<td>Teams of 3/4 – senior, assistant, support, new graduate. Weekly seminars to share knowledge Vic North discussion group (25 practices) meet on a monthly basis and share knowledge – “I had experience on that”. Fortnightly staff meetings –</td>
</tr>
</tbody>
</table>

Gerald A Murphy PhD Thesis: Enterprise PD: Adding Value to Enterprises?
Discussion groups hold networking lunches every two months with accountants who refer clients (limited learning) more us helping them rather than learning. Assignments with clients allow for caucus time.

Encourage involvement in community groups to broaden knowledge and skills. Workshop sessions are better – ability to interface with other professionals. Knowledge fades over time if not used,

Teaching is the best way to learn.

Weekly meetings discussions of files – often talked about prior to the meetings. More senior members deal with solicitors and other professionals.

Staff are encouraged to develop outside firm: To discuss with other professionals – don’t sit on your own get and mingle ... to discuss outside training e.g. Kaplan training.

We could encourage more. Internal weekly sessions very important – Specialist can give immediate input: with hot topics: *do we have any clients that this can relate to?* How do we overcome the problem? Could we have done things differently? Discussion is important.

Internal – monthly activities.

External tax discussion group - one partner, alliances with other practices e.g. Pitcher Partners elite network, PKF courses, mid tier firma, recognition that don’t need to jealously guard clients but can use larger firm for specialist tasks.

PD providers provide training.

Not a lot.

PD days within FP – don’t get a lot back - networking major benefit external PD.

Internal PD involves discussion done on a semi formalised basis (not everyone attends every session).

Discussion groups a waste of time – ego driven and too much points scoring. (post interview) Informal meetings with other practice’s partners valuable through sharing of knowledge. Internal monthly staff lunches.

External: Taxpayer discussion group, Box Hill CPA. Internal: Staff meetings quarterly.

Externally: Need to be in touch with others in the profession and industry at large e.g. young IA group which is not always concentrating on professional matters that can include social activities where war stories will be told; members meetings to know what’s going on and reinforce situations where we are on track - bring back to our workplace.

Internally: around a particular job drives the need to talk about a particular situation. Don’t sit Around talking about the needs of the profession.

Table 6-14 Communities of Practice and CPD/EPD: Interviews

Table 6-14 illustrates that Communities of Practice are the most used and highly valued method of learning for the participating enterprises. Interacting with fellow professionals, either internally or externally, enables professionals to extend their knowledge. Table 6-15 records the classification of comments under the headings of internal and external Communities of Practice.

<table>
<thead>
<tr>
<th>Internal</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>Internally: Informal sharing of knowledge skills and understanding.</td>
<td>Professional based: SIGs important way of finding new knowledge skills and understanding.</td>
</tr>
<tr>
<td>Internally: team meetings, A/cants meetings V. important ability to “run things past”. Size of practice provides opportunity to run things past and gain knowledge.</td>
<td>Externally discussion groups major source of knowledge, mingling with other people in the same profession.</td>
</tr>
<tr>
<td>Teams of 3/4 – senior, assistant, support, new graduate Weekly seminars to share knowledge,</td>
<td>Vic North discussion group (25 practices) meet on a monthly basis and share knowledge – “I had experience on that”.</td>
</tr>
<tr>
<td>Fortnightly staff meetings Assignments with clients allow for caucus time.</td>
<td>Discussion groups: hold networking lunches every two months with accountants who refer clients (limited learning) more us helping them rather than learning.</td>
</tr>
<tr>
<td>Knowledge fades over time if not used,</td>
<td>Encourage involvement in community groups to broaden</td>
</tr>
</tbody>
</table>
Teaching is the best way to learn. Knowledge and skills. Workshop sessions are better – ability to interface with other professionals.

<table>
<thead>
<tr>
<th>Weekly meetings discussions of files – often talked about prior to the meetings.</th>
<th>More senior members deal with solicitors and other professionals.</th>
</tr>
</thead>
<tbody>
<tr>
<td>We could encourage more. Internal weekly sessions very important. Specialist can give immediate input: with hot topics: do we have any clients that this can relate to? How do we overcome the problem? Could we have done things differently? Discussion is important.</td>
<td>Staff are encouraged to develop outside firm: To discuss with other professionals – don’t sit on your own get and mingle ... to discuss outside training e.g. Kaplan training.</td>
</tr>
<tr>
<td>Internal – monthly activities PD providers provide training.</td>
<td>External tax discussion group - one partner, alliances with other practices e.g. Pitcher Partners elite network, PKF courses, mid tier firma, recognition that don’t need to jealously guard clients but can use larger firm for specialist tasks.</td>
</tr>
<tr>
<td>Internal PD involves discussion done on a semi formalised basis (not everyone attends every session).</td>
<td>Not a lot PD days within FP – don’t get a lot back - networking major benefit external PD.</td>
</tr>
<tr>
<td>Internal: Staff meetings quarterly.</td>
<td>External: Taxpayer discussion group, Box Hill CPA.</td>
</tr>
<tr>
<td>Internally: around a particular job drives the need to talk about a particular situation. Don’t sit around talking about the needs of the profession.</td>
<td>Externally: Need to be in touch with others in the profession and industry at large e.g. young IA group which is not always concentrating on professional matters that can include social activities where war stories will be told; members meetings to know what’s going on and reinforce situations where we are on track - bring back to our workplace.</td>
</tr>
</tbody>
</table>

Table 6-15 Internal and External Communities of Practice

Internally, the regular meetings and seminars are very important in their potential to provide opportunities to "run things past" other members and to gain knowledge. The informal sharing of knowledge often goes beyond staff meetings as employees are likely to discuss scheduled topics prior to a meeting and therefore they come to the meeting better prepared. Within the meeting, specialists and senior staff "can give immediate input: with hot topics; do we have any clients that this can relate to? How do we overcome the problem? Could we have done things differently? ... Discussion is important and this is generally related to the needs of the business and the clients rather than the problems of the profession". This statement recognises the significance of Communities of Practice to professionals and the enterprises which employ them.

Externally, professional activities such as discussion groups, interaction with tier 2 firms, senior staff liaising with other professionals both accountants and other professions provides learning opportunities through broadening perspective as well as providing valuable networking opportunities.
What other examples of Informal Learning exist?

| n.a. Newsletter service for clients requires identification of key issues. Editorial committee seeks contributions on specific topics. Quality Review Committee asks for research and reporting on topics. Part time teaching has been done. Forces you to look up material and gain generic skills e.g. presentation skills. Involvement in committees and groups to grow the business. |
| Staff attending University and CPA qualifications, Liaising (networking) with bodies such as Workcover – asking questions & getting answers. Learn from clients e.g. tell you something – check it out. Senior staff have conducted FP planning courses and sessions at CPA conferences. Newsletters on topics of interest and relevant to accountants and solicitors who refer work. Share teaching on insolvency – keeps you up-to-date. Other staff attend classes and learn from others attending. |
| n.a. Hot topics presentations are researched. No – previously run GST training sessions, presented at community groups in pat. Informal networks of partners enable to ring other practitioners to discuss problems. Writing technical papers a major activity. University teaching done in the past – learned something from this but not a lot. The longer this was done the less learning occurred as became familiar with material. n.a. On the job training used to allow people to become more knowledgeable – incomparably higher. Learning on the job is big in small firms. Sent Graduate who was a migrant on English language course – positive impact on that staff’s loyalty and performance. Problems previously on misunderstanding – can now relate to problems. |

Table 6-16 Other Examples of Informal Learning: Interviews

There are a limited number of examples recorded in Table 6-16. In general these activities encourages a deeper knowledge of the subject in order to teach (two instances), write papers (three instances), conference presentation (two instances), networking (two instances), and involvement with professional committees (two instances).

Q. What are your views on Informal Learning generally?

| SIgS very important. Essential for all staff the keep tax knowledge up-to-date. Structured activities important. Informal up to the individual. Work hard on technical understanding – allows us to select what we need to be up to - internal about 65%. Networking with 2nd tier practices (Pitcher Partners) solicitors, NTAA, tax office M&K in Dandenong, PKF Insolvency practices bring immediate benefit. Auditing compliance dropped. Deal it with immediately rather than waiting for a course. Comply with tax FP but not audit. Practical learning represents 80% of PD – formal CPD is less value – danger if you move away from a practical approach to learning. May be different for a large organisation where formal processes are used more. Informal more enjoyable, more rewarding get more out of it. 75% of learning balance helps in ‘now I understand what that was about’. No one is more important than another. All form part of PD – need a balance of external and internal to avoid inbreeding. Overall essential – not process driven but needs driven, drills right down to specific issues – need a balance of activities.. NZ accountant learned tax largely informally; and also attended a course. CPA brand is important for business. Try to help staff qualify for professional membership CPA or CA. CPD brings staff on. Informal learning is very practical – major element for staff – over 50% Major element for senior staff and in influencing junior staff. Formal learning useful for some specific and task oriented problem solving. IA has great speakers at conferences highly knowledge development but are for good networking. Potential from a business perspective. |

Table 6-17 Attitudes to Informal Learning: Interviews
The evidence apparent in Table 6-17 is that Informal Learning can make learning very practical. Senior employees are more likely to use Informal Learning which often is required on an ad hoc basis and to be accessible on demand in order to satisfy a specific need for knowledge. They also see that Informal Learning provides better opportunities to influence junior employees. One enterprise noted the case of a New Zealand accountant who joined the firm and needed to learn Australian taxation law and processes. He obtained this knowledge largely through informal learning, although he did attend a course. Informal Learning is not process driven but enables enterprise to drill down to specific issues at a level appropriate to the needs of the business and the individual - an outcome is often “now I understand what that was about”. A number of enterprises however recognise the need to balance learning activities - if an enterprise relies completely on informal internal PD there is a danger of inbreeding.

**Finding 23**

In the context of EPD within smaller accounting practices, Informal Learning models involve interactions between professionals which may take place within either an organisation or a professional community.

Learning may become more relevant and effective when the organisation employing a professional, actively provides an environment which enriches learning.

**6.9. Other learning issues**

**Theme:** ACP6 Other Learning Issues

In addition to Informal Learning, CPD/EPD can involve models of Formal Learning and Non-Formal Learning. Learning models examined during interviews include:

- **Formal Learning** involves junior staff undertaking courses for membership accreditation (“CPA brand is important for business. Try to help staff qualify for professional membership of CPA or CA”) and other staff obtaining qualifications in areas such as financial planning and insolvency.

**Finding 24**

Little Formal Learning occurs apart from professional certification for junior staff or for staff in specialist areas.
Non-Formal Learning (e.g. CPD courses, workshops run by bodies such as professional associations) are used to a diminishing extent with queries made as to their value, relevance and timing. Non-Formal Learning is seen as being useful for some specific and task oriented problem solving. However often it is not seen as being practical and in many cases the knowledge gained is not applied after attending a course. ATO briefings are highly valued as being relevant and practical. Non-Formal Learning activities offer the opportunity to interact with staff from other practices and from key bodies to provide a major source of knowledge. Specialist enterprises are more likely to use conferences for networking opportunities.

Finding 25
Non-Formal Learning is most likely to be used when specific knowledge is required. Interacting with other professionals can add further knowledge and provide networking opportunities.

Principals were asked whether the approach that employees have to CPD/EPD is affected by personal factors such as age, experience, gender etc (see Table 6-18).

Q. Does experience/gender etc have an impact on CPD/EPD?

<table>
<thead>
<tr>
<th>n.a.</th>
</tr>
</thead>
<tbody>
<tr>
<td>No – need to be team players – would not last. Important staff attend PD.</td>
</tr>
<tr>
<td>Personal factors and motivation more important</td>
</tr>
<tr>
<td>No display of lack of support for PD</td>
</tr>
<tr>
<td>Lesser experienced staff often do not focus on potential applications of topics covered in PD</td>
</tr>
<tr>
<td>Years of experience make professionals more critical of value gained from CPD and processes; younger staff are less discerning – will do CPD because it is required – danger conferences may be just be drink fests</td>
</tr>
<tr>
<td>No – individual based ... Partners influence flows down</td>
</tr>
<tr>
<td>No. For more experienced staff it is a reminder</td>
</tr>
<tr>
<td>no</td>
</tr>
<tr>
<td>No</td>
</tr>
<tr>
<td>Older staff become more cynical (realistically they don’t know it all). Non paying CPD mainly used to get up hours.</td>
</tr>
<tr>
<td>Tax office, solicitors super bodies Morrows etc… reading tax Institute, tax agents, CPA Fin review</td>
</tr>
<tr>
<td>Part of normal routine</td>
</tr>
<tr>
<td>Older generation are more used to CPD than younger generation.</td>
</tr>
</tbody>
</table>

Table 6-18 Impact of Experience/Gender Etc on CPD/EPD: Interviews

Table 6-18 shows that experience/gender etc appears to make little differences to the attitude and approach of employees to CPD/EPD. Personal qualities and motivation are considered more important. Junior staff may not always get full value as they are less discerning and may
not have the experience to focus on, and value, the potential applications of the topics covered in PD.

**Finding 26**
Motivation is more significant than other factors such as Age/Experience/Gender in determining the approach that individuals bring to CPD/EPD.

### 6.10. Comparisons with other studies

Studies have been undertaken of CPD for accountants by ACCA (2003), Rothwell and Herbert (2007) and Williams (2008). All three studies surveyed the general body of accountants not just accountants in public practice. ACCA’s global study found that web-based PD activities provided suitable learning - the most popular PD activities in the workplace involve participation in the management of projects and in learning from others, principally through group discussions.

Rothwell and Herbert’s UK study asked the question “**what do professional accountants tend to do for their CPD?**” This question identified 30 distinct activities and respondents were asked to indicate whether or not they used these activities. The responses obtained are shown in Table 6-19 with two columns added which classify the Learning Process as either Formal (F), Non-Formal (NF), and Informal (I); and the Function as either Generic (G), Other (O), Professional (P), Reflective (R), Work Related (W), in Work/Professional (WP), and Unclassified (*).

Williams’ Australian-based study examined CPD and the Internet and what CPD had been undertaken by participants in the past 12 months. The most important function of PD in this survey was "CPD which is technically relevant to my professional role" (Williams, 2008 p.7). There is no weighting given by Williams to the various forms of PD. Within the constraint that participation in the CPD activity should have taken place within the prior 12 months: attending conferences, workshops and/or seminars was ranked highest; followed by reading; informal discussions with colleagues; and Internet for library research. Accountants record little participation in formal study.
<table>
<thead>
<tr>
<th>Rank</th>
<th>Activity</th>
<th>Mean score</th>
<th>Learning Process</th>
<th>Function</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Regular reading of journals and books relevant to my profession</td>
<td>4.04</td>
<td>I P</td>
<td></td>
</tr>
<tr>
<td>2.</td>
<td>Attending branch meetings regularly</td>
<td>3.80</td>
<td>I P</td>
<td></td>
</tr>
<tr>
<td>3.</td>
<td>Keeping a portfolio record of CPD activities I have undertaken</td>
<td>3.62</td>
<td>I *</td>
<td></td>
</tr>
<tr>
<td>4.</td>
<td>Acquiring knowledge through browsing websites or 'surfing the net'</td>
<td>3.30</td>
<td>I P</td>
<td></td>
</tr>
<tr>
<td>5.</td>
<td>Reading work-related documents from my organisation</td>
<td>3.22</td>
<td>I W</td>
<td></td>
</tr>
<tr>
<td>6.</td>
<td>Sharing knowledge with colleagues</td>
<td>3.20</td>
<td>I W P</td>
<td></td>
</tr>
<tr>
<td>=7.</td>
<td>Acquiring generic transferable skills and competencies related to my job</td>
<td>3.10</td>
<td>I G</td>
<td></td>
</tr>
<tr>
<td>=7.</td>
<td>Spontaneous learning arising from work or personal activities</td>
<td>3.10</td>
<td>I W</td>
<td></td>
</tr>
<tr>
<td>8.</td>
<td>Technical training e.g. courses where I am learning how to use new computer software</td>
<td>3.06</td>
<td>NF G</td>
<td></td>
</tr>
<tr>
<td>9.</td>
<td>Learning professional knowledge e.g. professional codes of practice</td>
<td>3.00</td>
<td>I P</td>
<td></td>
</tr>
<tr>
<td>10.</td>
<td>External courses my employer has paid for</td>
<td>2.94</td>
<td>NF *</td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Learning through practising the rules and procedures of my work organisation</td>
<td>2.92</td>
<td>I W</td>
<td></td>
</tr>
<tr>
<td>12.</td>
<td>My employer’s internal training courses</td>
<td>2.90</td>
<td>NF G</td>
<td></td>
</tr>
<tr>
<td>13.</td>
<td>Reflective discussions with colleagues that are informal but still relevant to the profession</td>
<td>2.84</td>
<td>I R</td>
<td></td>
</tr>
<tr>
<td>14.</td>
<td>Action learning: learning from development projects</td>
<td>2.72</td>
<td>I R</td>
<td></td>
</tr>
<tr>
<td>15.</td>
<td>Undertaking academic study that isn’t necessarily related to my job or profession</td>
<td>2.70</td>
<td>F O</td>
<td></td>
</tr>
<tr>
<td>16.</td>
<td>Learning that is carefully planned in advance</td>
<td>2.66</td>
<td>NF *</td>
<td></td>
</tr>
<tr>
<td>17.</td>
<td>Reflective discussions with colleagues as part of a formal development review process</td>
<td>2.56</td>
<td>I R</td>
<td></td>
</tr>
<tr>
<td>18.</td>
<td>Learning through informal teamwork in the workplace</td>
<td>2.54</td>
<td>I W</td>
<td></td>
</tr>
<tr>
<td>=19.</td>
<td>Keeping a reflective diary over an extended period of time</td>
<td>2.36</td>
<td>I R</td>
<td></td>
</tr>
<tr>
<td>=19.</td>
<td>Other personal activities outside of work e.g. hobbies, scouts/guides, community or religious organisations, voluntary activities</td>
<td>2.36</td>
<td>I O</td>
<td></td>
</tr>
<tr>
<td>20.</td>
<td>Authorship of technical papers (internal or external to the organisation)</td>
<td>2.32</td>
<td>F P</td>
<td></td>
</tr>
<tr>
<td>21.</td>
<td>My employer’s open learning provision</td>
<td>2.28</td>
<td>F *</td>
<td></td>
</tr>
<tr>
<td>22.</td>
<td>Working towards a vocational qualification which I am paying for myself</td>
<td>2.26</td>
<td>F P</td>
<td></td>
</tr>
<tr>
<td>23.</td>
<td>Membership of committees relevant to the profession</td>
<td>2.20</td>
<td>I P</td>
<td></td>
</tr>
<tr>
<td>=24.</td>
<td>Exchanging emails on professional topics with other members</td>
<td>2.10</td>
<td>I P</td>
<td></td>
</tr>
<tr>
<td>=24.</td>
<td>Membership of committees at my place of work, e.g. quality, health and safety</td>
<td>2.10</td>
<td>I O</td>
<td></td>
</tr>
<tr>
<td>25.</td>
<td>Working towards a vocational qualification where I am sponsored by my employer</td>
<td>1.86</td>
<td>F P</td>
<td></td>
</tr>
<tr>
<td>26.</td>
<td>Participating in internal secondments or transfers at my place of work</td>
<td>1.72</td>
<td>I W</td>
<td></td>
</tr>
<tr>
<td>27.</td>
<td>Full- or part-time teaching in a subject area related to my profession</td>
<td>1.70</td>
<td>F P</td>
<td></td>
</tr>
<tr>
<td>28.</td>
<td>Taking part in an online discussion forum relevant to my profession</td>
<td>1.66</td>
<td>I P</td>
<td></td>
</tr>
</tbody>
</table>

Key
- Learning Process: F=Formal; NF = Non-Formal; I=Informal
- Function: G=Generic; O=Other; P=Professional; R=Reflective; W=Work Related; WP=Work/Professional; *=Unclassified

Table 6-19  CPD Engagement - Ranked list (descending order) Mean Score n=101 adapted from (Rothwell and Herbert, 2007)

The activities ranked 1, 2, 4, and 9 (reading journals and books; attending branch meetings; browsing websites; and learning professional knowledge) in Table 6-19 are used to develop the professional capabilities of participants. Activities 1 (reading journals) and 4 (browsing websites) are most likely to involve individual learning. Activities ranked 5, (sharing knowledge with colleagues) 7 (acquiring generic transferable skills and spontaneous learning from work activities), and 11 (learning through practice indoors and procedures of my workplace) relate to on-the-job learning.
Collaborative learning which is seen as so important by professional enterprises in this current study is represented by activities ranked 6 (sharing knowledge), 12 (employer’s internal training courses), 13 (informal reflective discussions), 17 (formal reflective discussions) and 18 (learning through informal teamwork) in Rothwell and Herbert’s study. This suggests that CPD for accountants in public practice is carried out differently than for the general body of accountants.

6.11. Entrepreneurial Intensity and Accounting Enterprises

Theme: ACP7 Entrepreneurial Intensity

Literature related to Innovation and Entrepreneurship, stresses that competitive advantage can be gained from knowledge and the ideas which flow from that knowledge (e.g. Dess et al., 2003; Ireland et al., 2006a;b; Kuratko and Audretsch, 2009; Morris, 1998; Morris et al., 2008). "Knowledge is information that is laden with experience, judgment, intuition, and value" (Ireland et al., 2006a p.1). Enterprises benefit when policies and practices are developed to shape the scope of an enterprise to enable improved performance. Creating an environment where employees are encouraged to share knowledge is considered particularly important.

Is there evidence to show that Entrepreneurial Intensity impacts an enterprise's approach to EPD? Do accounting enterprises proactively seek to transform and grow their business through introduction of new services and/or starting new ventures? Ireland et al. (2006a;b) identified 11 elements of Entrepreneurial Intensity in an instrument to measure the organisation's innovativeness, its orientation to risk-taking and the degree to which it is proactive. These elements can be subdivided into those which emphasise growth and those which emphasise risk aversion.

a) Entrepreneurial Intensity Elements Related to Growth

The responses by accountants to the entrepreneurial intensity elements for growth are shown in Figure 6-2 in weighted average sequence.
For all responses to the questions related to growth shown in Figure 6-2, the most common response (mode) is at the midpoint - 28% - i.e. a significant number of people did not have strong views on these questions. The weighted average of responses for the seven Entrepreneurial Intensity elements is 3.6 on the seven-point Likert scale and therefore below the midpoint of the scale [4], i.e. there is little evidence that these enterprises studied have a goal of strong growth. Only two elements: *Unusual Novel Solutions*; and *New Services* have a weighted average greater than the midpoint. Figure 6-3 breaks down the weighted averages for the three Units of Analysis.

Figure 6-2  Entrepreneurial Intensity for Growth
n=32

Figure 6-3  Entrepreneurial Intensity for Growth:
*(n: A090 = 8, A513 = 9, Other Accountants = 15)*
The overall weighted average of the seven elements of Entrepreneurial Intensity for growth shown in Figure 6-3 is: A090 – 4.0; A513 - 3.6; and Other Accountants – 3.3. This may reflect that larger enterprises are more likely to seek growth and that the smaller enterprises are more content to operate within their existing environment.

Figure 6-4 depicts the degree of dissimilarity of the views held by each group from the rest of the sample through the Indexes of Dissimilarity.

The Index of Dissimilarity shown in Figure 6-4 indicates that for most growth elements, each Unit of Analysis has a high Index of Dissimilarity in comparison with the rest of the sample i.e. > 25%. A513 has higher Indexes for all elements with the exception of Steady Growth and Stability; it also recorded a significantly higher index for New Services. It can be concluded in relation to Entrepreneurial Intensity for growth that A513 is dissimilar to the other Units of Analysis. A090 and Other Accountants also exhibit dissimilarity from the rest of the sample. The high Indexes suggest that although the weighted averages for each Unit of Analysis are low, widespread conclusions cannot be drawn from the data.

Analyses of the responses given in the survey on Entrepreneurial Intensity for growth for each question are discussed below:

1. *The enterprise is characterised by a high rate of new product/service introductions, in comparison with other professional enterprises (including new features and improvements):*
The greatest number of responses given is at the midpoint - 44%. 38% disagreed to varying degrees with the statement. Responses given by A513 indicate 44% disagreement with the statement. 83% Index of Dissimilarity for A513 indicates that the attitude of this enterprise to this question differs distinctly from the rest of the sample. The level of ‘agree with’ ‘agree with’ for this enterprise is consistent with responses to later questions which ask how many new services have been introduced over the past two years where the respondents indicate less than four.

2. Risk-taking by key executives in seizing and exploring chancy (or risky) growth opportunities:
41% of all responses ‘agree with’ ‘agree with’ - 38% being at the midpoint. The smaller enterprises (Other Accountants) recorded the highest level of disagreement: 53% "disagree with" - 33% at the midpoint. The largest enterprise, A090, records an even distribution to this question: 38% agree, 38% disagree, 25% at the midpoint. A513 has the highest Index of Dissimilarity which supports the findings later in this chapter that this enterprise is the most risk averse enterprise. Additional data and analysis would be required to determine whether the size of the enterprise affect the attitude to risk-taking.

3. Seeking of unusual, novel solutions by senior executives to problems via the use of "idea people", brainstorming, etc.
This question provided the lowest level of ‘agree with’ ‘agree with’ from accountants within this set of questions - 44% ‘disagree with’ - only 31% in agreement to any extent. 50% of the respondents from A090 ‘disagree with’ the statement. A513 has the highest index of dissimilarity which possibly suggests that risk averse enterprises do not seek unusual, novel solutions. Once again further data would be required to ascertain whether there is a discrepancy between A090’s strong disagreement to this question and the response to risk-taking (above) where there are equal ‘agree with’ ‘agree with’ and ‘disagree with’ responses.

4. The relevant enterprise’s top level decision-making is characterised by active searching for big opportunities:
Accountants as a whole disagree- 45% ‘disagree with’, 32% ‘agree with’ ‘agree with’ the statement. There are considerable differences in responses of the various enterprises, A090 - the largest enterprise recording 50% ‘agree with’ ‘agree with’ while 56% of A513 respondents and 50% of Other Accountants ‘disagree with’ the statement.

5. Compromises among the conflicting demands of owners, government, management, customers, employees, suppliers, etc.;
Compromises by their nature may contribute to increased risk as the integrity of processes
and procedures may lead to production of work which is not compliant with professional standards. It is therefore not surprising that this question produced a ‘disagree with’ response -38% of accountants ‘disagree with’ and 34% agree. The 3.8 weighted average is below the midpoint.

6. The relevant enterprise is characterised by rapid growth as the dominant goal:
53% of accountants ‘disagree with’ this statement and 25% ‘agree with’ ‘agree with’. The Other Accountants group had a major influence on these figures, with 67% disagreeing and 20% agreeing.

7. The relevant enterprise is characterised by Large, bold decisions despite uncertainties of the outcomes:
Accountants clearly disagree - 69% ‘disagree with’ and only 13% agreeing. 80% of Other Accountants ‘disagree with’ the statement; the level of ‘disagree with’ by A090 is lower (50%). This is consistent with the findings that accountants as a whole are risk averse.

Table 6-20 presents a consolidated analysis of all responses to the Entrepreneurial Intensity elements oriented towards growth. More people collectively ‘disagree with’ these questions - a further indication that growth is not the prime motivating factor for accounting enterprises in this study. The smaller enterprises - "Other Accountants" collectively recorded the highest level of disagreement with the various statements.

<table>
<thead>
<tr>
<th></th>
<th>Disagree with</th>
<th>Midpoint (mode)</th>
<th>Agree with</th>
</tr>
</thead>
<tbody>
<tr>
<td>All accountants</td>
<td>42%</td>
<td>28% (mode)</td>
<td>30%</td>
</tr>
<tr>
<td>A090 (the largest accounting enterprise)</td>
<td>45%</td>
<td>28% (mode)</td>
<td>27%</td>
</tr>
<tr>
<td>A513 (second largest accounting enterprise)</td>
<td>41%</td>
<td>37% (mode)</td>
<td>22%</td>
</tr>
<tr>
<td>Other Accountants</td>
<td>51%</td>
<td>27% (mode)</td>
<td>22%</td>
</tr>
</tbody>
</table>

Table 6-20 Entrepreneurial Intensity for Growth Survey Responses (n = 32)

The survey also includes questions regarding the introduction of new services:

1. What is the number of new services your enterprise introduced during the past two years? All 23 responses to this question marked the box [1-4] which was the minimum response number provided in the survey for the question.

2. How many existing services did you significantly revise or improve during the past two years? All 20 responses to this question marked the box [1-4], also the minimum number provided in the survey for the question.

3. How does the number of new service introductions made by your enterprise compare with those of the competitors?
13% of the responses indicate less; 68% indicate "the same"; and 19% indicate less.
4. To what degree did these new service introductions include services that did not previously exist in your markets:

49% of responses indicate that the new services did exist to some extent; 34% indicate a midpoint response; and 16% indicate new services.

5. Please estimate the number of significant new methods or operational processes your enterprise implemented during the past two years? Examples of process innovations include: new systems for managing customer service, an improved process for collecting receivables, a major new sales or promotional approach, new web based information service provision, etc.

13 responses marked the box 1-4 significant new methods or operational processes; and one response marked >30 which raises some doubt regarding this response.

These responses are consistent with the survey responses reported earlier related to Entrepreneurial Intensity for growth and indicate that for the enterprises studied: the number of services introduced, significantly revised, or improved by each enterprise is low; and the implementation of new methods or operational processes does not occur frequently.

**Finding 27**

The accounting enterprises involved in this study have low Entrepreneurial Intensity for growth.

Accounting enterprises taken as a whole can be classified as having low Entrepreneurial Intensity for growth. This may result from the psychological make-up of both the principals and other professionals who have chosen to work within an SME as a career option. The smaller enterprises can be classified as having low Entrepreneurial Intensity for growth. The high level of midpoint responses may indicate that many accountants have a neutral view or were noncommittal to questions which relate to Entrepreneurial Intensity and growth.

The responses to survey questions related to Entrepreneurial Intensity give little evidence to show that the accounting enterprises studied are strongly motivated towards growth. Despite this, examples were given in interviews in response to the question “What are the reasons for engaging with CPD?” where PD provided new business opportunities for the enterprise see Table 6-21.
Interview Theme: What are the reasons for engaging with CPD/EPD?

<table>
<thead>
<tr>
<th>Reasons for Engaging in CPD/EPD: Interviews</th>
</tr>
</thead>
<tbody>
<tr>
<td>improves skills and knowledge.</td>
</tr>
<tr>
<td>Attract and maintain clients (clients are clever enough to detect lack of professional knowledge).</td>
</tr>
<tr>
<td>Clients need innovative solutions.</td>
</tr>
<tr>
<td>20 years ago practice was Tax based – low level knowledge required. Competition was based on price, difficult to charge for services. Change the way we service clients. Strategic decision made to use PD. As a result: better staff, larger clients. Business grew and better quality staff attracted and retained.</td>
</tr>
<tr>
<td>Look at real practical point of view current issues, software technical.</td>
</tr>
<tr>
<td>Expectation is that it gives individuals tools to perform required tasks.</td>
</tr>
<tr>
<td>Enables you to pitch yourself for new work. Success - continual improvement, satisfies a need to know. Need to stay on top and do this successfully – feedback is positive from referring professions.</td>
</tr>
<tr>
<td>Success – no KPIs – measuring is difficult – fewer mistakes, greater confidence in discussing matters with clients. Program success is development of individual staff - fewer mistakes. Success cannot be given a measure.</td>
</tr>
<tr>
<td>Success is related to standard of work given to clients: fully meets with legal compliance requirements; no or as few errors as possible; strive to give best advice possible; Success = quality of work produced represented by: reduced rework; reduced exposure to PI claims; cost efficiency and recoverability of fees.</td>
</tr>
<tr>
<td>Practice Management - more efficient in way handle business enhances ability to value add for clients.</td>
</tr>
<tr>
<td>Success is assessed at the coalface – ability to talk through issues.</td>
</tr>
<tr>
<td>Success - Practice continued growth as a business &amp; professionalism philosophy not tax agents but accountants.</td>
</tr>
<tr>
<td>knowledge transfer define success e.g. trust distribution when rules are followed and less follow up and rework.</td>
</tr>
<tr>
<td>Believer in CPD. Strategy used when recruiting staff is to tell them they will be sent on PD – good for recruiting and for morale. CPD helps them learn (CPA journal not generally read and therefore not effective for CPD). provide CPD on computer and communications technology.</td>
</tr>
<tr>
<td>Improve knowledge of staff.</td>
</tr>
<tr>
<td>Success = customer happy with the level of service provided -- and customer is happy to pay the bill.</td>
</tr>
<tr>
<td>Customer retention and referral means you doing work at a professional level.</td>
</tr>
<tr>
<td>Also staff assessment with staff feel at the end of the year they have learnt and developed. They know more at end of year than they did at the beginning.</td>
</tr>
</tbody>
</table>

Table 6-21  Reasons for Engaging in CPD/EPD: Interviews

One enterprise was able to use CPD/EPD to provide services which attracted higher fees, another A090 said that CPD/EPD enables the business to grow in new areas e.g. in superannuation and IT Training (this enterprise registered the highest ‘agree with’ ‘agree with’ response in the survey to EI for growth); A325 the enterprise specialising in insolvency claims that PD provides opportunities and enables the business to "pitch for new work" from referring professionals. There are only two survey respondents for A325 with not a single ‘agree with’ ‘agree with’ response to any of the seven questions relating to growth.

Another enterprise A137 recognised the potential of PD to grow the business:

"20 years ago the practice was Tax based – low level knowledge was required. Competition was based on price and it was difficult to charge for services. We changed the way we service clients. A strategic decision was made to use PD. The
result was: better staff, larger clients. Business grew and better quality staff were
attracted and retained."

This is the most noteworthy single response given in interviews regarding growth. There are
no responses from A137 to the survey. CPD/EPD is used by all accounting enterprises to
enable improved servicing of clients by providing professionals with the tools necessary to
meet clients’ requirements, satisfy compliance requirements, and to keep up-to-date with
legislative and other changes; factors which are aimed more at establishing and maintaining
policies and practices designed to preserve the status quo of the scope of the enterprise.

Finding 28

EPD can be used to increase the revenue of enterprises.

b) Entrepreneurial Intensity Elements Related to Risk Consciousness

Four of the Entrepreneurial Intensity elements: Cautious Pragmatic Approaches; Proven
Services; Continuous Improvement; and Steady Growth and Stability (Ireland et al., 2006a;b)
relate to the approach taken to risk by the enterprise and the way enterprises go about
avoiding and/or minimising risk. The weighted averages of the responses for the four
Entrepreneurial Intensity elements related to risk consciousness and risk aversion are shown in
Figure 6-5.

Collegetly the weighted average of the four elements related to risk shown in Figure 6-5 is
5.1 and this contrasts with the weighted average of the elements related to growth which is
3.3. All elements related to risk have higher weighted averages than any of those related to
growth. The responses show that accounting enterprises have a very high disposition to be
risk averse. 73% of the responses to these four questions ‘agree with’ the statements. All
responses record a high level of agreement. Aversion to risk appears likely to have a greater
influence in determining EPD policies and practices for accounting enterprises.
Analysis of the responses provided by three Units of Analysis (A090, A513, and Other Accountants) is shown in Figure 6-6 and in Table 6-22.

Table 6-22 summarises the Entrepreneurial Intensity elements which signify a propensity to avoid risk. It shows that the accounting enterprises surveyed are strongly risk averse.

<table>
<thead>
<tr>
<th>All Accountants: Entrepreneurial Intensity Risk Elements</th>
<th>Disagree with responses (1-3)</th>
<th>Midpoint response (4)</th>
<th>Agree with responses (5-7)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Steady Growth and Stability</td>
<td>6%</td>
<td>19%</td>
<td>75%</td>
</tr>
<tr>
<td>Proven Services</td>
<td>6%</td>
<td>35%</td>
<td>58%</td>
</tr>
<tr>
<td>Continuous Improvement</td>
<td>6%</td>
<td>13%</td>
<td>81%</td>
</tr>
<tr>
<td>Cautious Pragmatic Approach</td>
<td>6%</td>
<td>16%</td>
<td>78%</td>
</tr>
<tr>
<td>Total of all elements</td>
<td>6%</td>
<td>20%</td>
<td>73%</td>
</tr>
</tbody>
</table>

Table 6-22: Entrepreneurial Intensity for Risk Aversion (n = 32)

The 6% ‘disagree with’‘disagree with’ for each element in Table 6-22 represents two responses for each question which are spread across a number of enterprises for the various questions – A513 provided no ‘disagree with’‘disagree with’ responses. For all questions, the midpoint response was not the mode reinforcing the view that overall respondents had definite ideas regarding risk elements. Weighted averages across the three analysis groups are consistent with notable differences being greater emphasis placed by: A513 on Continuous Improvement; and Other Accountants on Proven Services (see Figure 6-6).

Within the Other Accountants group, the enterprise specialising in insolvency (A325) is an exception, recording equal ‘agree with’ and ‘disagree with’‘disagree with’ responses – 38% each for the Entrepreneurial Intensity elements related to risk. This enterprise is also an
exception in the Entrepreneurial Intensity elements related to growth. As there are only two respondents from this enterprise to the survey is not possible to make a definitive analysis, however, it should be noted that unlike the bulk of the enterprises who specialise in tax and general accounting, retention of clients for ongoing work is less relevant to insolvency practices as they try to obtain new work often based on referrals from other professionals. Non-continuity of clients could lead to a degree of risk being more acceptable.

The Index of Dissimilarity for each question shown in Figure 6-7 indicates noteworthy differences in the way the various Units of Analysis have responded. The data suggest that A513 has a strong emphasis on risk aversion. The Index of Dissimilarity for risk aversion and for growth for A513 is also consistently higher than the other groups.

Analysis of the data from the survey questions on the elements of Entrepreneurial Intensity which focus on risk consciousness reveals:

5. *Steady growth and stability as primary concerns:*

The weighted average of 5.34 for this question comprises 75% of accountants who ‘agree with’ this statement and 6% who ‘disagree with’. This is consistent with comments made at interview regarding the need to adequately service clients. Retention of existing clients was a recurring theme emerging throughout the interviews. Comments which were made included: “40% of fees gained because CPD maintained... danger of falling behind if CPD not done”; "Increased skills reflect on client’s perception and the professionalism of the firm "; "Attract and maintain clients (clients are clever enough to detect lack of professional knowledge) ... clients need innovative solutions".
6. A top management philosophy that emphasises proven products and services, and the avoidance of heavy development costs:

This Entrepreneurial Intensity element is at the core of the concept of risk aversion. Proven products and services are liable to be more reliable in the delivery of services and in the accuracy of the work produced for clients. Proven products, however, are unlikely to provide a way of differentiating the enterprise from other practices. The level of agreement to this statement is universally high across all accounting enterprises with a notably low level of disagreement - 6%. However, the weighted average of the responses to this question (4.7) is the lowest for the Entrepreneurial Intensity elements related to risk, i.e. respondents have not disagreed but there is not a strong level of agreement. The midpoint response is 35% - the highest for any risk averse elements.

7. An emphasis on continuous improvement in methods of production and/or service delivery:

Only 6% of respondents ‘disagree with’ this statement - none from the two largest enterprises A090 and A513. The ‘agree with’ response is 81%. The weighted average of 5.9 by A513 is by far the highest recorded for any of the Entrepreneurial Intensity elements. The responses from all enterprises are consistent with comments made during interviews that the various enterprises all see a need for continuous improvement and that CPD/EPD is a major factor contributing to this.

8. In our enterprise, top level decision-making is characterised by cautious, pragmatic, step-at-a-time, adjustments to problems:

This question, in many ways, is similar to the question related to proven services. 78% of all accountants agree with the statement. The weighted average of all three groups is the same - 5.0 on the seven-point scale. A513 has the highest percentage of responses which ‘agree with’ the statement (89%).

Interviews provide evidence of how accounting enterprises go about managing risk, and how CPD/EPD may play a part in minimising risk. Table 6-23 - Table 6-25 provide data regarding comments made at interview concerning: the importance of managing risk; and the risk to the enterprise’s Body of Knowledge through employees leaving, not being passed on within the enterprise; and/or not being extended within the enterprise.
Theme: ACP8 How important is the management of risk to the enterprise?

Chapter 5 documented evidence related to how important the management of risk is to the enterprise. Evidence presented was that enterprises use EPD to: alert staff to what they need to do; reduce mistakes and minimise risk; address problem areas in the business; provide a greater understanding of complex topics and therefore allow principals to feel more confident in the accuracy of work produced; and introduce new ideas for the business to implement. Table 5-7 showed that principals are conscious of the need to reduce mistakes/errors (five comments); and to focus on the quality of work "Accounting is a profession where you are judged by your mistakes". The causes of errors are identified by one principal as carelessness; motivation; and partly depth of knowledge. Meeting compliance requirements (i.e. accounting/tax requirements - not CPD requirements) is mentioned by six principals. CPD/EPD "alerts them to what they need to do as well the dangers and risks". One principal stresses the need to ensure that there are no professional indemnity claims - they "have insurance but ... the impact of claims are: a black mark, increase in premiums and particularly the time lost when preparing for a possible claim or in actually contesting a claim". CPD/EPD can result in "fewer compliance mistakes ... mistakes are low".

Principals were asked whether there are risks associated with PD in that: the Body of Knowledge may be lost if PD enables employees to leave (Table 6-23); the Body of Knowledge is not passed on within the organisation (Table 6-24); and the Body of Knowledge is not extended within the organisation (Table 6-25).

Q. Is the enterprise concerned about the loss of Body of Knowledge through employees leaving?

| Loss of practical knowledge and experience rather than CPD knowledge. |
| Risk is not PD provided but in finding replacements which is difficult in suburbs. Size of firm means not able to provide a complete career path. Prefer to have a competent person for 1.5 years than a person not trained or developed who we have to get rid of. Having people who are confident in skills that they are able to leave is endorsement of PD. |
| Knowledge gained is passed on. |
| Everybody learns from the sharing of learning. Briefing back to staff ensures knowledge is passed on and that misunderstandings and/or misinterpretations are cleared up. |
| Train and they might leave; not train and they might stay. |
| Can’t stand still. |
| Leave or stay not really an issue. |
| Lose people often – may take clients with them. Despite this it needs to be done for survival. |
| Always a risk Risks lessened by reporting back after attending – can’t rely on partners doing all PD therefore delegated to others - emphasis is on staff growing and being able to meet requirements Business relies on knowledge transfer. |
No perceived risk works in our favour. People more likely to leave if unhappy. Culture with the firm is more significant.

Table 6-23 shows that no enterprise studied considered the loss of the Body of Knowledge through employees leaving as a risk. As one principal states: [we] "prefer to have a competent person for 1.5 years than a person not trained or developed who we have to get rid of. Having people who are confident in their skills that they are able to leave is endorsement of PD". This comment is reinforced by another principal who states that "train and they might leave, do not train and they might stay ... leave or stay is not really an issue"; another principal states the risk of someone leaving is "not a problem, sometimes the problem is getting people to leave".

EPD provides opportunities to increase staff morale (two principals) which improves the culture of enterprise - "people are more likely to leave if [they are] unhappy". From a business perspective the opportunities provided by EPD outweighs the risks associated with staff leaving - "it needs to be done for survival" (six principals). One principal indicates that "focusing on risk would be a short-term view ... [he is] happy when employees learn and that 

<table>
<thead>
<tr>
<th>Q. Is the enterprise concerned that the Body of Knowledge is not passed on within organisation?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Real risk - Team meetings help here.</td>
</tr>
<tr>
<td>All external sessions reported back on.</td>
</tr>
<tr>
<td>Reviews of external PD ensures knowledge is passed on.</td>
</tr>
<tr>
<td>Staff will pass on specific material after they attend specialist events e.g. FBT, GST and Property Taxes changes.</td>
</tr>
<tr>
<td>Everybody learns from the sharing of learning. Briefing back to staff ensures knowledge is passed on and that misunderstandings and/or misinterpretations are cleared up.</td>
</tr>
<tr>
<td>Knowledge gained is passed on.</td>
</tr>
<tr>
<td>Risks lessened by reporting back after attending.</td>
</tr>
</tbody>
</table>
Build skills so others can take takeover if people leave by documenting processes help particularly in capturing the internal body of knowledge. Don't hold back on training.

Table 6-24 Risk of Body of Knowledge Not Being Passed On: Interviews

Based on the processes of the enterprises studied, the data in Table 6-24 confirm that the danger that the Body of Knowledge is not passed on, is not considered a risk as all enterprises have staff meetings to report back and discuss knowledge gained either externally or internally. The team meetings form effective Communities of Practice sharing knowledge and avoiding misunderstandings and/or misinterpretations.

**Q. Is the enterprise concerned that the Body of Knowledge is not extended within the organisation?**

<table>
<thead>
<tr>
<th>Team meetings help here.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competent persons more important.</td>
</tr>
<tr>
<td>Need to test understanding more to ensure interpretations are correct.</td>
</tr>
</tbody>
</table>

Table 6-25 Risk of Not Extending Body of Knowledge: Interviews

Enterprises did not consider that extending their Body of Knowledge was a risk factor, there were only a small number of comments made and these are recorded in Table 6-25. Team meetings once again can be effective in extending the Body of Knowledge of individuals within the organisation. Team meetings are used not only to share knowledge and validate understanding but also to examine ways of applying new knowledge either generally or to specific clients. The growth of knowledge within the organisation will be limited by the topics covered and perhaps by the understanding and enthusiasm of the employees who report back.

**Q. Overall what is the enterprise's attitude to risk mitigation?**

Documentation of the interviews in Chapters 4 and 5 reveals that the accounting profession is very conscious of risk. As one interviewee said "Accounting is a profession where you are judged by your mistakes" and another "Won’t have a business if you don’t train". A significant factor in minimising risk is to ensure that it "fully meets with legal compliance requirements ... [with] no, or as few, errors as possible". The principals in accounting enterprises focus on the quality of work in order to reduce errors, the cause of which may be carelessness, motivation and/or a lack of depth of knowledge and understanding. Principals review all work-product to be presented to clients and will specify when the work-product needs to be reworked in order to meet legal compliance requirements and when it fails to meet the enterprise's standards.

Despite being risk averse, accounting enterprises consider that the benefits deriving from CPD/EPD are greater than the risk associated with employees leaving as a result of acquiring
increased knowledge. When an employee leaves, the loss of practical knowledge and experience is both costly and inconvenient. Finding replacements can be difficult for suburban practices where the size of the firm often means a complete career path cannot be provided, one enterprise commented that they would "prefer to have a competent person for a year and a half than a person not trained or developed who we have to get rid of. Having people who are confident in the skills they have, that they are able to leave is endorsement of PD". Most enterprises take a philosophical approach in that if employees want to leave then it is outside the enterprise’s control and it is important not to hold back on training. Focusing on this risk would be a "short-term view". Enterprises can't stand still – we "won't have a business if we don’t train".

**Finding 29**
The accounting enterprises studied are strongly motivated to avoid risk.

**Finding 30**
Team meetings are used to share and develop knowledge with an expectation that the risk resulting from lack of knowledge and/or understanding will be minimised.

**6.12. Comparisons with Other Studies**

There are no published studies linking Entrepreneurial Intensity and CPD/EPD.

**6.13. Organisational Learning Profile and EPD**

Organisational Learning Profile relates to how an enterprise goes about acquiring and disseminating knowledge and the approaches it takes to develop new knowledge within the enterprise. DiBella and Nevis (1998) identified eight learning orientations which impact the way that an enterprise develops and disseminates new knowledge. For each learning orientation respondents were asked to choose between Option 1 [responses 1 and 2] and Option 2 [responses 4 and 5] on a five-point Likert scale [3 is the midpoint or neutral response]. The learning orientations elements for All Accountants are displayed in Figure 6-8.
Aspirations, Culture and Practices Related to EPD

Chapter 6

Gerald A Murphy PhD Thesis: Enterprise PD: Adding Value to Enterprises?

Figure 6-8 Organisational Learning Profile
(Choices between two options)  n = 40

The data summarised in Figure 6-8 represent responses to questions on a five point Likert scale which was used to differentiate between two options. The Midpoint/Neutral response may be expected to be the predominant response, however this was the case for only two of the eight learning orientations - Learning Timeframe (short-term/long-term) and Dissemination Mode (Formal/Informal). For the other six Learning Orientations respondents have indicated greater emphasis on one of the options provided.

Figure 6-9 Organisational Learning Profile: Index of Dissimilarity  

n = 40
Figure 6-9 shows that A090 has a higher dissimilarity index to the other groups in all the learning orientations - three learning orientations are in the range 24% to 26%; all other learning orientations exceed the 25% significance threshold of dissimilarity. As A090 is the largest enterprise this may indicate that the Learning Profile of larger practices may be different to smaller practices. A090 also has a higher Index of Dissimilarity in relation to Entrepreneurial Intensity for growth than the other Units of Analysis and the highest overall weighted average for Entrepreneurial Intensity for growth. This may suggest that there is a relationship between Entrepreneurial Intensity and the Organisational Learning Profile but this would require further data and analysis.

The eight learning orientations are broken down by the three Units of Analysis in Figure 6-10 through to Figure 6-17. The graphs are sequenced with those learning orientations which have the highest variance between the two options presented first.

a) Major variation exists between the two options in:
   - Knowledge Focus is strongly on incremental growth of knowledge rather than transformative (which had very little support) - see Figure 6-10;
   - Figure 6-10 shows that EPD has been used mainly to grow knowledge incrementally rather than to transform individuals or enterprises. Transformation of the business has a low response from A513 (9%) and zero response from Other Accountants. The higher Index of Dissimilarity response from A090 (27%) is consistent with comments made during the interview which indicated that PD had been used to develop new specialisations in superannuation and IT training.
b) Significant variation exists between the two options in:

- **The Source of Knowledge** is more likely to be external than internal; of the three units of analysis this is shown in Figure 6-11.

![Image: Knowledge Source: External/Internal](image)

Figure 6-11 shows that knowledge is gained both externally and internally. A513 predominately uses external providers to lead staff meetings and records the lowest percentage emphasising internal sources (9%). A090 recorded no mostly responses which would indicate that both internal and external sources are used with a greater emphasis on external sources.

- **The Focus will be on Content rather than Process** see Figure 6-12;

![Image: Content-Process Focus](image)

Figure 6-12 shows that for A090 and Other Accountants, the focus of EPD is on content rather than process with A090 having the greatest emphasis on content. Accountants in professional
practice are technical experts and it is not surprising that they focus on developing their knowledge (content) rather than on procedural matters (process). A513 is the exception - the focus is more on process (36%) rather than content (27%). This enterprise’s emphasis on risk aversion may be the cause of a greater focus on process to ensure that all matters are handled precisely and correctly.

The Knowledge Reserve for Accountants overall is regarded as personal rather than public (see Figure 6-13).

![Knowledge Reserve](image)

**Figure 6-13**  Knowledge Reserve: Public/Private  
(n: A090 = 11, A513 = 11, Other Accountants = 18)

Figure 6-13 shows that for the Other Accountants group, 50% regard Knowledge Reserve as being personal with one third being equally divided between public and personal. The figures for Other Accountants are influenced by two enterprises: A325 - 75% personal, and A466 - 67% personal. The emphasis on personal knowledge may be at odds with a view that smaller enterprises have a greater tendency to share knowledge. The larger groups, A090 and A513 are evenly divided in their responses to this question. For each Unit of Analysis the index of dissimilarity is below the 25% significance threshold.
The Learning Mode is experiential rather than cognitive (Figure 6-14);

![Learning Mode](image)

Figure 6-14 Learning Mode: Cognitive/Experiential  
(n: A090 = 11, A513 = 11, Other Accountants = 18)

The responses shown in Figure 6-14 regarding whether the learning mode is experimental or cognitive are not consistent between enterprises. Responses 1 and 2 in Table 6-26 have been combined to indicate Cognitive; and responses 4 and 5 combine to indicate Experimental to illustrate this inconsistency.

<table>
<thead>
<tr>
<th>Unit of Analysis</th>
<th>Cognitive</th>
<th>Evenly Divided</th>
<th>Experiential</th>
</tr>
</thead>
<tbody>
<tr>
<td>A090</td>
<td>9%</td>
<td>56%</td>
<td>36%</td>
</tr>
<tr>
<td>A513</td>
<td>45%</td>
<td>18%</td>
<td>36%</td>
</tr>
<tr>
<td>Other Accountants</td>
<td>41%</td>
<td>18%</td>
<td>41%</td>
</tr>
<tr>
<td>All accountants</td>
<td>31%</td>
<td>28%</td>
<td>41%</td>
</tr>
</tbody>
</table>

Table 6-26 Learning Mode: Cognitive/Experiential

The overall results for all accountants are influenced by the responses by A090 low number of responses to Cognitive. Variances between enterprises cannot be explained and would require further study.

The Learning Focus is on groups rather than individuals see Figure 6-15.

![Learning Focus](image)

Figure 6-15 Focus: Group/Individual  
(n: A090 = 11, A513 = 11, Other Accountants = 18)
There are clear differences shown in Figure 6-15 between the three units of analysis: A090's results indicate a focus on groups learning (55%) and only 9% emphasise individual learning; A513 is evenly divided overall; and Other Accountants emphasise individual learning (39%) over group learning (33%). A090 divides the business into a separate specialist business units and this may increase the emphasis on group learning.

c) Small variation between the two options:

- The way Knowledge is Disseminated is more likely to be formal than informal see Figure 6-16;

![Dissemination mode]

Figure 6-16  Dissemination Mode  
(n: A090 = 11, A513 = 11, Other Accountants = 18)

Figure 6-16 shows clear differences between A090 - 64% of respondents record evenly divided and 36% formal; and the other enterprises - 45% informal, 35% evenly divided, and 20% formal. There is no evidence to indicate why there is a difference but it could be the result of A090 using CPD/EPD to establish new areas of business and when acquiring knowledge in a new area Formal Learning is more likely to be required. Whether respondents fully understood what Informal Learning is could also be questioned.
The *Learning Timeframe* is marginally more long-term than immediate

![Learning Timeframe](image)

**Figure 6-17** Learning Timeframe  
(n: A090 = 11, A513 = 11, Other Accountants = 18)

Figure 6-17 shows that: A090 has a normal distribution with most responses recording "evenly divided" between long-term and immediate (64%) and no response to either mostly long-term or mostly immediate i.e. respondents see that CPD/EPD is used for both long-term and short-term outcomes; A513 also has a high midpoint response (45%) - 45% also believe that the learning timeframe is more immediate; while for Other Accountants 56% see the learning timeframe as long-term and only 28% emphasise an immediate timeframe - these enterprises have the lowest equally divided response (17%).

The three groups display major differences for the Learning Elements which are discussed below:

- **A090**: For *Dissemination* mode - Informal Learning has no responses (64% responded that formal and Informal Learning were equally important - this response does not dismiss Informal Learning but it does not rated as highly as might be expected based on interviews comments); major emphasis on content within the learning focus; less support for *incremental* learning; and little support for *cognitive* learning. This may also suggest a structured approach to learning which may be typical of a larger enterprise;

- **A513**: major emphasis on *incremental* learning; little support for *sourcing* knowledge internally and for an *individual learning* focus. This may be driven by risk aversion profile of this enterprise as these elements support risk mitigation strategies; and
Other Accountants: a major emphasis on *incremental* learning; the greatest emphasis is on *long-term* learning; more emphasis on knowledge being held *personally*; and greater emphasis on an *individual* learning focus. Smaller enterprises seem to focus more on individual knowledge and learning. The size of the enterprise may make it easier for knowledge to be shared across the enterprise.

Survey respondents were asked both how their enterprises acquired and shared knowledge and entries are recorded in Table 6-27. Sixteen responses were received.

**Theme:ACP9 How the organisation goes about acquiring and disseminating knowledge and the approach to learning.**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Technical updates from external sources passed on to employees in group format and participation.</td>
</tr>
<tr>
<td>2.</td>
<td>We take a hands on approach with work undertaken which is supported by formal team training from an external source where it has a practical application.</td>
</tr>
<tr>
<td>3.</td>
<td>Everyone is encouraged to read frequently for ongoing long-term development, and on a need to basis for current completion of projects. In addition we attend external seminars. We also discuss any new developments internally in team meetings to ensure that all team members are aware of any significant issues.</td>
</tr>
<tr>
<td>4.</td>
<td>New Knowledge is learned by an individual then shared at weekly meetings. Existing knowledge is learnt by absorbing from manuals and discussion between staff.</td>
</tr>
<tr>
<td>5.</td>
<td>Knowledge is freely available tax law although we receive notifications regarding changes to legislation from the ATO and professional bodies. New information is generally acquired and assessed as it's required for application. Learning and sharing of information is done via: - Structured and scheduled prof. development sessions - Personal study - Specific study when a topic is encountered that isn't understood - Informal discussions at lunch and during work about specific issues.</td>
</tr>
<tr>
<td>6.</td>
<td>On an as required/needs basis, our practice gains information from various external sources and disseminates it throughout the practice on an as required/needs basis.</td>
</tr>
<tr>
<td>7.</td>
<td>Knowledge is mostly acquired on an as needs basis, with more general knowledge acquired periodically as well.</td>
</tr>
<tr>
<td>8.</td>
<td>We are required to read certain newsletters and other materials in preparation for a 3-weekly staff meeting and we also have a 2-hour staff training (conducted by an external party) session each month.</td>
</tr>
<tr>
<td>9.</td>
<td>We have meetings when we believe there is something new to learn or something we all seem to be having issues with. The firm provides an in house speaker to come out and we choose (choose) a relevant topic monthly. We are also encouraged to bring up any issues or things we have learnt monthly at our staff meetings.</td>
</tr>
<tr>
<td>10.</td>
<td>Individuals attend professional development seminars and then report back to the organisation. Specialists hold training sessions on specific topics at the organisation's premises for the group to attend.</td>
</tr>
<tr>
<td>11.</td>
<td>external training and internal training sessions.</td>
</tr>
<tr>
<td>12.</td>
<td>Staff members are asked to identify their knowledge gaps. They are sent on external seminars to help bridge this gap. An informal quarterly staff meeting is held for each staff member to communicate their acquired knowledge with the entire organisation.</td>
</tr>
<tr>
<td>13.</td>
<td>Generally staff attend seminars/courses. Bi annually we have team meetings where the key information is shared.</td>
</tr>
<tr>
<td>14.</td>
<td>staff are sent to external training days and then we have group meetings internally where that person relays what they have learnt.</td>
</tr>
<tr>
<td>15.</td>
<td>Our people attend internally and externally provided courses and then share the learnings from these courses with the rest of the group. This is done by incorporating those learnings into our day to day work methodologies as well as sharing the material (books, workpapers, electronic files, etc) with others in the organisation.</td>
</tr>
<tr>
<td>16.</td>
<td>Knowledge enters the business in a few ways one is simply brought by new staff, secondly we actively take part in industry meetings and seminars and we have access to formal texts for other research purposes. Finally in the internal audit space a lot of learning is on the job and developed by discussions with our customers.</td>
</tr>
</tbody>
</table>
Table 6-27 provides additional data in relation to the Organisational Learning Profile:

- An emphasis on Informal Learning including acquiring, disseminating and sharing of knowledge gained from external sources and learning through team meetings with active participation of staff. The comments recorded are consistent with those made during interviews where the principals emphasised the use of team meetings to share knowledge and to develop a team culture within each enterprise. This emphasis on sharing of knowledge through discussions is consistent with Shulman's (2002) position that professionals develop knowledge through engaging in professional conversations;

- Various sources of knowledge are used e.g.:
  
  - "Knowledge is freely available on tax law although we receive notifications regarding changes to legislation from the ATO and professional bodies";
  
  - “Learning and sharing of information is done via:
    - Structured and scheduled prof [sic] development sessions
    - Personal study
    - Specific study when a topic is encountered that isn't understood
    - Informal discussions at lunch and during work about specific issues";
  
  - "We are required to read certain newsletters and other materials in preparation for a 3-weekly staff meeting and we also have a 2-hour staff training (conducted by an external party) session each month";
  
  - "Specialists hold training sessions on specific topics at the organisation's premises for the group to attend; "external training and internal training sessions"; and
  
  - "In the internal audit space a lot of learning is on the job and developed by discussions with our customers";
  
  - "Knowledge enters the business in a few ways - one is simply brought by new staff, secondly we actively take part in industry meetings and seminars and we have access to formal texts for other research purposes.

- Practical application of knowledge is valued e.g. "We take a hands on approach ... supported by formal team training from an external source where it has a practical application";

- EPD is often conducted when there is a specific requirement e.g.
  
  - "on a need to know basis for current completion of projects";
  
  - "We have meetings when we believe there is something new to learn or something we all seem to be having issues with;
• New information is generally acquired and assessed as “it’s required for application” within the enterprise e.g. “staff members are asked to identify their knowledge gaps. They are sent on external seminars to help bridge this gap”;

All interviews and the responses received to the open-ended question in the survey provide evidence that that while knowledge is obtained from a variety of sources and by various levels of staff, it is considered critical that all new knowledge is shared in regular staff meetings - a Community of Practice. These meetings are the major way of developing and sharing knowledge through encouraging participation and involvement of all staff and providing opportunities to examine how new knowledge, hot topics and new developments can applied to the business.

All enterprises conduct regular meetings which comply with Sharp’s (1997 n.p.) definition of a Community of Practice in the workplace above. In one instance, where weekly staff seminars were stopped, staff asked for them to be reinstated as they satisfy the need for knowledge development. Regular meetings/briefings (weekly, fortnightly, or monthly - the period varies between enterprises) are used to identify knowledge gaps and to share knowledge. In some cases, topics are chosen, material prepared and meetings are conducted by senior staff (in one case, 90% was led by a partner); in others, senior staff work out programs and topics for PD, various employees then prepare papers which are circulated internally, discussed at meetings and sometimes published or distributed to clients. One enterprise plans at some point to publish these reports on the web. Publication is likely to add depth to the research and understanding. One approach is to set up PD requirements on a 12 month cycle. Smaller practices are particularly conscious of ensuring that the PD which they support is suitable for a small practice e.g. compliance requirements (e.g. auditing requirements for CAs may be over the top if the enterprise only does simple audits). Another enterprise in preparing budgets ensures "time is allocated for PD, time is reserved for traditional/critical events e.g. NTAA seminars, FP conference, training days for all staff".

c) Findings for Organisational Learning Profile

Finding 31

Learning is recognised by accounting enterprises as:

- An incremental activity designed to improve what is already known or being done; and
Likely to occur through generating and sharing knowledge and skills and are reinforced by actions or practices (Experiential) than from cognitive knowledge development.

**Finding 32**

Enterprises predominantly prefer to source new knowledge from external sources and emphasise the importance of learning being achieved by groups rather than just by individuals; Sources of new knowledge include: directed reading, external consultants conducting internal training, external courses from bodies such as the Australian Tax Office (ATO), NTAA and Professional Associations.

**Finding 33**

There is a preference for gaining knowledge which relates to the provision of the professional services offered by the enterprise rather than the processes which might underlie or support those services (Content-Process Focus).

**Finding 34**

Respondents are equally divided as to whether the emphasis on learning is on meeting short-term needs or for long-term use. This differs with the views of one principal who saw long-term benefits as the major outcome of EPD. With this exception, the survey's results in relation to the Organisational Learning Profile are consistent with statements made by principals of the enterprises during the interviews.

**d) Comparisons with Other Studies**

DiBella and Nevis (1998) used a case study approach to develop a framework to measure learning orientations (Organisational Learning Profile) and Facilitating Factors. They found that their framework needed to be revised for service-based organisations e.g. healthcare organisation, for which knowledge development is vital. They found that there were cultural characteristics for learning in healthcare organisations which distinguish them from organisations with a focus on product and the value chain concept and which renders other studies less relevant (e.g. Abma, 2005; Anderson, 2007; Eseryel, 2002; Iftikhar et al., 2003; Jones et al., 2002; Kirkpatrick, 2009b; Mulcahy and James, 2000; Nunn, 2011; Patton, 2001; Phillips, 2007; Phillips and Phillips, 2010; Woodall and Hovis, 2010). Therefore, in DiBella and Nevis revised framework: Product-Process Focus became Content-Process Focus; and they added two additional learning orientations: Learning Timeframe (Immediate/Long-Term); and Learning Mode (Experiential/Cognitive) to recognise the fact that in an area of rapid change a
Aspirations, Culture and Practices Related to EPD

Chapter 6

thorough study of advantages and disadvantages of different protocols is critical to ensuring knowledge and potential solutions to problems are generated before they are needed. Healthcare professionals share similar learning needs to Accountants in that the knowledge they must have is changing rapidly and they need to be involved in learning practices and processes which enable them to solve immediate problems; and need to extend their existing body of knowledge. Specific findings of DiBella and Nevis’ study were not reported, but the importance of cultural aspects in the approach that knowledge-based enterprises take to learning was considered critical. DiBella and Nevis’ revised framework has been used in this study of accounting enterprises.


Theme: ACP10 What are the Facilitating Factors which support learning?

DiBella and Nevis (1998) identified 13 factors which may impact CPD/EPD within an enterprise and this section reports on the relevance of each of the 13 factors and shows that staff within accounting enterprises overwhelmingly agree that there is evidence that these factors are supported within the various enterprises.

Figure 6-18 summarises the responses from all accountants to the Facilitating Factors in three categories: ‘little evidence’ responses 1-3 on the Likert scale; ‘midpoint’ response 4 and ‘evidence for’ responses 5-7.

Figure 6-18 Facilitating Factors: Evidence For/Little Evidence N=35

Gerald A Murphy PhD Thesis: Enterprise PD: Adding Value to Enterprises?
Figure 6-18 shows that the ‘evidence for’ each Facilitating Factors exceeds both ‘little evidence’ and midpoint responses combined. For most factors the midpoint’s response is comparatively low indicating that accountants have definite views on these factors. Results overall indicate that accounting enterprises provide environments where learning is facilitated. Figure 6-19 shows the facilitating factors ranked by their weighted averages.

Figure 6-19 Facilitating Factors Weighted Averages

The strong support for Learning Resources shown in Figure 6-19 indicates that EPD is taken seriously; supported by the enterprise; and considered essential both for the enterprise and the individuals within it. The results shown indicate this support and commitment is reflected not only through providing appropriate Learning Resources but also by developing a culture in the enterprise which supports learning i.e. through Leadership which is involved in the learning process; enabling and encouraging Confidence in Learning; Sharing a Vision which enables employees to recognise how CPD/EPD contributes to the enterprise; building Trusting Relationships which encourage and support learning; and allowing Multiple people to Advocate learning directions, initiatives and actions. After Learning Resources the top five facilitating factors in the rankings (Leadership, Learning Confidence, Shared Vision, Trusting Relationships, and Multiple Advocates) indicate that a strong learning culture has been developed within the enterprises studied.

For all facilitating factors that there is significantly more ‘evidence for’ than ‘little evidence’; the weighted average for all facilitating factors is 4.91 on the seven-point Likert scale.
Accountants as a whole believe that their enterprises provide an environment which will enable them to learn and to develop professionally.

Each of facilitating factor is analysed in two parts for the three Units of Analysis through the Weighted Average and the Index of Dissimilarity. Those factors with a weighted average >5.0 are examined in Figure 6-20; and those factors with the weighted average <5.0 are examined in Figure 6-22 (note all weighted averages are greater than 4.0 on the seven-point scale). The Indexes of Dissimilarity for these Facilitating Factors are shown in Figure 6-21 and Figure 6-23.
1. Learning Resources: The commitment to providing high quality resources for learning (note there are no ‘little evidence’ responses).

Smaller accountants (Other Accountants) record the highest level of midpoint responses and therefore they have a lower Weighted Average and a higher Index of Dissimilarity than the other groups. Learning Resources has the strongest support of any facilitating factor for accountants in this study.

2. Leadership: Leaders personally and actively involved in learning initiatives and in ensuring that a learning environment is maintained.

Comments made in interviews that all groups have leaders actively involved in and supporting the learning process is supported by the responses to the survey. There is strong backing from respondents to this statement from each Unit of Analysis. A090 has the highest Weighted Average and the Index of Dissimilarity for this enterprise is high and reflects that 70% of respondents chose Option 6 on the seven-point scale.

3. Learning Confidence: Learning from successes, mistakes, and specific events; experience in trying new things; belief that all groups can learn.

Respondents indicate strong ‘evidence for’: the existence of a culture in which accountants are able to learn from experience, both good and bad; and being able to experiment and try new things. There is very little difference in the weighted averages of the analysis groups, however, A513 has the lowest weighted average which may be a function of the risk averse focus of this enterprise which may inhibit learning from mistakes and the ability to try new things.

4. Shared Vision: This occurs when values and vision are shared within a team or within the enterprise.

Other Accountants have a significantly higher weighted average than the other groups, in particular the largest enterprise A513 which has the lowest weighted average. This may be a function of employees being closer to decision-making in smaller enterprises.

5. Trusting Relationships: Trust and open communication between colleagues and team members respect the need for mutual growth and development.

The data show that respondents from all enterprises feel that there is trust and open communication within their enterprises which will assist professional development and growth of knowledge. A090 recorded the highest weighted average which could perhaps indicate that larger, more structured enterprises may have clear career progressions and therefore the need for mutual growth and development is more defined and better understood.
6. Multiple Advocates: *Staff and all levels are allowed/encouraged to look at and propose ways to develop new knowledge. Anyone can advocate change. Anyone can be a champion. Multiple advocates or champions exist.*

The culture which exists within the accounting enterprises studied is reflected in response to this question regarding Multiple Advocates where employees are allowed/encouraged to advocate change. This is consistent with comments made during interviews that accounting enterprises promote a culture where people are permitted to ask questions and challenge others. All three groups produce similar results.

The remaining seven Facilitating Factors for which respondents indicated significant ‘evidence for’ albeit a lower level of support i.e. they have weighted averages < 5.0 are similarly analysed below for the three Units of Analysis through Weighted Averages in Figure 6-22 and the Index of Dissimilarity in Figure 6-23.

![Facilitating Factors Weighted Averages Overall <5.0](image)

**Figure 6-22** Facilitating Factors Weighted Averages Overall <5.0
A090=10, A513=10, Other Accountants=15
The highest ranked factors in the group shown in Figure 6-22: Learning Enjoyment; Systems Perspective; and Organisational Curiosity also reflect on an enterprise’s culture. The SME enterprises involved in this study regard CPD/EPD as an essential part of the business and therefore they use PD to examine ways to problem solve; and look at new ideas, legislation and technology while using PD positively to improve staff morale.

7. Learning Enjoyment: *Celebrating learning achievements and creating an atmosphere where humour and fun are part of the process of acquiring new knowledge.*

This item was added by DiBella and Nevis (1998) to their original list of Facilitating Factors when they studied PD within professional enterprise for the first time. It had not been deemed relevant to the study of PD within commercial and industrial settings. Respondents from the two largest enterprises record similar feelings regarding learning enjoyment. The smaller enterprises (Other Accountants) record that there is greater evidence of learning enjoyment in their PD where ‘evidence for’ exceeded the other groups by greater than 25%. These differences may result from the fact that closer relationships in smaller enterprises may permit greater humour and fun as part of the process of acquiring knowledge even though less resources are available (see learning resources above).

8. Systems Perspective: *Realisation and appreciation of complexity in problem solving in professional practice. Demonstrated by: recognition of interdependence among groups; awareness of time delay between actions and their outcomes etc.*
There is less evidence of Systems Perspective recorded by employees of A090 and for all other enterprises. This may be caused by the size of the enterprise, as communication and organisational structures within larger enterprises may prevent employees having a "big picture" view of the enterprise.

9. Organisational Curiosity: *Curiosity about conditions and practices, interest in creative ideas and new technologies, support for experimentation.*

Responses from employees of A513 are lower than those of other groups. For this enterprise, 30% indicate ‘little evidence’ and 30% indicate ‘evidence for’. This enterprise has a high EI in relation to risk and this may affect attitudes to Organisational Curiosity which includes support for experimentation and interest in creative ideas and technologies.

10. Scanning Imperative: *Gathering information about conditions and practices outside an individual work area and seeking out information about the external environment.*

A513 did not record a single ‘little evidence’ response. All employees are interested in obtaining information about conditions and practices external to their work environment.

11. Appreciation of differences in approach to professional practice: *Different methods, procedures, competencies, skills and knowledge are valued; diversity is appreciated.*

A090 is the lone unit of analysis where responses indicate that ‘little evidence’ exceeds ‘evidence for’. This may be the result of more structured approaches taken within larger organisations to both learning and processes.

12. Performance Tensions: *Gaps in the knowledge, skill and understanding are recognised when that currently held either within the enterprise or individually does not meet that which is desired or required.*

The responses to this question are consistent across the three Units of Analysis. It is generally recognised that gaps in knowledge are recognised and therefore are likely to be addressed within the resources of the enterprise.

13. Appreciation for Measurement: *The importance of measuring learning is recognised. Considerable effort is spent defining and measuring key factors. Discourse over methods to measure learning is regarded as a learning activity.*

50% of respondents from A090 to this question record ‘little evidence’. This may reflect the size of the enterprise which may result in employees feeling that PD is determined and
directed by management and that employees have less influence in determining how learning may be measured.

This lower ranked group of facilitating factors (factors 7-13 above) can be classified as leading to developing a broader vision by employees within the enterprise. An inference can be drawn that perhaps CPD/EPD within accounting enterprises focuses on technical, work-related topics and that it is less important to develop knowledge which is relevant outside an immediate work area.

Performance Tensions and Organisational Curiosity; reflect on the way an enterprise goes about identifying both the short and long-term knowledge requirements. The importance which the accounting profession places on complying with technical reporting requirements for clients leads to developing standard practices within each enterprise and therefore Differences in Approach has received more responses indicating ‘evidence for’ than ‘little evidence’. Senior management of each enterprise indicate during interviews that they do not support measurement of CPD/EPD therefore it is not surprising that Appreciation for Measurement has the lowest level of ‘evidence for’.

Figure 6-24 shows that there are only marginal differences in the overall responses for the three groups (A090, A513, Other Accountants) with the largest enterprise A090 recording slightly lower evidence of support.

![Figure 6-24 Facilitating Factors across Three Groups](image)

A090 as the largest group appears to have the greatest commitment to providing adequate learning resources. This in turn may contribute to the positive response regarding learning confidence. In contrast, the size of the enterprise may lead to an emphasis on using
predefined tasks and therefore staff may lack overall perspective of tasks to be done. Significant differences were recorded by A090: in high weighted averages for trusting relationships, leadership, and learning resources; and low weighted averages for systems perspective, organisational curiosity, appreciation for measurement, appreciation of differences in approach, shared vision; and learning enjoyment.

A513’s aversion to risk could lead to an emphasis on measurement and scanning in order to avoid PI claims; similarly the low average for learning confidence may be due to a reluctance to try new things and to learn from experience. Significant differences were recorded by A513: in high weighted averages for performance tensions; systems perspective; appreciation for measurement; appreciation of differences in approach; and scanning imperative; and low weighted averages for leadership; learning confidence; organisational curiosity; learning resources; shared vision; and learning enjoyment.

Other Accountants: The size of the enterprises in the other accountants group could be the reason behind the higher figures for shared vision; and learning enjoyment as smaller enterprises when they are well-managed are likely to have less barriers to communication and can establish a culture in which learning achievements celebrated. Significant differences were recorded by Other Accountants: in high weighted averages for shared vision and learning enjoyment; and low weighted averages for performance tensions; trusting relationships; scanning imperative.

Table 6-28 indicates where there are significant variations in weighted averages for one unit of analysis for a facilitating factor in comparison with other units. In constructing the table: weighted averages which are clearly higher or lower than other groups are shown in the appropriate columns; where weighted averages of each unit are similar (learning confidence, multiple advocates) no entry has been made; and when there is a distinctively high average and a low average both are shown (the mid-range average is not recorded).
Table 6-28  Weighted Avs. Significantly above or below Other Units

<table>
<thead>
<tr>
<th>Facilitating Factors</th>
<th>A090</th>
<th>A513</th>
<th>Other Accountants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Learning Resources</td>
<td>5.9</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leadership</td>
<td>5.6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning Confidence</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shared Vision</td>
<td>4.7</td>
<td>5.71</td>
<td></td>
</tr>
<tr>
<td>Trusting Relationships</td>
<td>5.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Multiple Advocates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning Enjoyment</td>
<td></td>
<td>5.67</td>
<td></td>
</tr>
<tr>
<td>Systems Perspective</td>
<td>4.2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organisational Curiosity</td>
<td></td>
<td>4.2</td>
<td>5.13</td>
</tr>
<tr>
<td>Scanning Imperative</td>
<td>4.9</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td>Appreciation of differences in. approach</td>
<td>3.9</td>
<td>4.93</td>
<td></td>
</tr>
<tr>
<td>Performance Tensions</td>
<td></td>
<td></td>
<td>4.07</td>
</tr>
<tr>
<td>Appreciation of Measurement</td>
<td>4.6</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Responses to the free text question: Describe your understanding of the factors which may facilitate CPD within professional enterprises are shown in Table 6-29.

Need to keep up with technical changes/knowledge and satisfy CPD requirements.
To undertake internal CPD an organisation would need considerable resources and would not be economically viable at say less than 40 personnel. Team need to be kept up-to-date to cope with the level of tasks undertaken so in a smaller firm practical CPD is sought. Either a long-term goal is established for CPD, and this then sought to be fulfilled, and/or individual short-term shortfalls are identified which require immediate rectification through CPD. The need for individuals to continue to learn.

Culture that supports CPD - openness when asked questions. High quality training materials - video, hard copy etc. Structured and scheduled tuition that is highly focused on specific topics (as opposed to cover too broad an area).

We try and empower our professional staff to develop their expertise by actively exposing them to varied accounting and tax work involving a range of different client types.
Open forum with input from all levels of staff should be encouraged to be most effective.
Open communication and an expectation of learning but understanding differing levels of knowledge and experience exist.
Expertise, shared vision, a suitable environment and trust all enable CPD to be successful.

on the job supervision.

regular meetings to communicate that staff involvement in systems, procedures & learning are imperative to the practice & promotions made within the firm to encourage learning.
You must have an employer that is proactively identifying CPD opportunities for both the individuals within the organisation and the organisation itself. Individuals must also be responsive to CPD so that it is embraced and the full benefits of CPD are realised for both the individual and the organisation.

cost and access to learning tools a clear factors in CPD, factors which facilitate CPD could range from interest level to continued promotion opportunities. Other factors can include the management team and industry norms and regulations, eg. CA, CPA or CIA.

Table 6-29  Factors which may Facilitate CPD/EPD

Four dominant issues emerge from a content analysis of answers presented in Table 6-29:

- The types of learning required: "Need to keep up with technical changes/knowledge"; team needs to be " kept up-to-date"; "Either a long-term goal is established for CPD, and this then is attempted to be fulfilled, and/or individual short-term shortfalls are
identified which require immediate rectification”; "The need for individuals to continue to learn”;

- An enterprise culture which supports learning: "Culture that supports CPD - openness when asked questions"; "Open forum with input from all levels of staff should be encouraged"; "Open communication and an expectation of learning but understanding differing levels of knowledge and experience exist"; "Expertise, shared vision, a suitable environment and trust"; "encourage learning”;

- Managing EPD: "empower our professional staff to develop their expertise by actively exposing them to varied accounting and tax work involving a range of different client types"; "on the job supervision"; "regular meetings to communicate that staff involvement in systems, procedures & learning are imperative to the practice & promotions made within the firm"; "employer ... proactively identifying CPD opportunities for both the individuals within the organisation and the organisation itself"; “Structured and scheduled tuition that is highly focused on specific topics (as opposed to cover too broad an area)”; "factors which facilitate CPD could range from interest level to continued promotion opportunities”; and

- Resourcing EPD: "internal CPD for an organisation would need considerable resources and would not be economically viable at say less than 40 personnel"; "High quality training materials - video, hard copy etc."; "cost and access to learning tools are clear factors in CPD”.

Other issues mentioned include "satisfy CPD requirements"; "in a smaller firm practical CPD is sought”.

e) Findings: Facilitating Factors

Finding 35
The commitment to CPD/EPD professed by accounting enterprises is supported by the provision of appropriate Learning Resources.

Finding 36
CPD/EPD is enhanced by an enterprise culture which supports learning through valuing Leadership, Learning Confidence, Shared Vision, Trusting Relationships, Multiple Advocates, and Learning Enjoyment.
Finding 37
Professional staff are empowered to develop their expertise through regular staff meetings, exposure to varied accounting and tax work and on the job supervision.

6.15. Comparisons with Other Studies

DiBella and Nevis conducted case studies of enterprises in commercial and industrial settings which they found needed to be adjusted for service-based organisations. Their adjusted framework relating to Facilitating Factors has been used in this research. In modifying the original Facilitating Factors "some definitions and labels had to be changed to account for the idiosyncrasies of the language and lexicon of ... professionals" (DiBella and Nevis, 1998 p.186). Climate of Openness became Trusting Relationships which they considered the single most important factor that leads to learning. For healthcare professionals, Shared Vision was considered important as it supported learning on a team level through sharing values and vision.

The third most significant factor in DiBella and Nevis's healthcare study was Learning Enjoyment which was a factor added specifically to recognise the fact that coping mechanisms are critical in an environment where there are grave consequences of not getting things exactly right. They found that humour combined with an experimental mode of inquisitiveness will allow for open sharing of information preventing errors and the glossing over problems. It can be argued that the benefits of learning enjoyment is not confined just to health professionals and accountants are under pressure to get things exactly right in an environment which is subject to continual and rapid change.

6.16. Findings and Further Analysis

The findings identified in this chapter are:

1. In the context of CPD/EPD within smaller accounting practices, Informal Learning models involve interactions between professionals which may take place within either an organisation or a professional community. Learning may become more relevant and effective when the organisation employing a professional, actively provides an environment which enriches learning.

2. Little Formal Learning occurs apart from professional certification for junior staff or for staff in specialist areas.
Non-Formal Learning (e.g. CPD courses, workshops) are used to a diminishing extent with queries made as to their value, relevance and timing. Non-Formal Learning is seen as being useful for some specific and task oriented problem solving. However often it is not seen as being practical and in many cases the knowledge gained is not applied after attending a course. ATO briefings are highly valued as being relevant and practical. Non-Formal Learning activities provide the opportunity to interact with staff from other practices and from key bodies as a major source of knowledge. Specialist enterprises are more likely to use conferences for networking opportunities.

3. Non-Formal Learning is most likely to be used when specific knowledge is required. Interacting with other professionals can add further knowledge and provide networking opportunities.

4. Motivation is more significant than Experience/Gender etc in determining the approach that individuals bring to CPD/EPD.

5. The accounting enterprises involved in this study have low Entrepreneurial Intensity for growth.

6. EPD can be used to increase the profitability of enterprises.

7. The accounting enterprises studied are strongly motivated to avoid risk.

8. Team meeting are used to share and develop knowledge with an expectation that the risk resulting from lack of knowledge and/or understanding will be minimised.

9. Learning is recognised by accounting enterprises as:
   - An incremental activity designed to improve what is already known or being done; and
   - Likely to occur through generating and sharing knowledge and skills and are reinforced by actions or practices (Experiential) than from cognitive knowledge development.

10. Enterprises predominantly prefer to source new knowledge from external sources and emphasise the importance of learning being achieved by groups rather than just by individuals;

11. Sources of new knowledge include: directed reading, external consultants conducting internal training, external courses from bodies such as the Australian Tax Office (ATO), NTAA and Professional Associations.

12. There is a preference for gaining knowledge which relates to the provision of the professional services offered by the enterprise rather than the processes which might underlie or support those services (Content-Process Focus).

13. Respondents are equally divided as to whether the emphasis on learning is on meeting short-term needs or for long-term use. This differs with the views of one principal who saw long-term benefits as the major outcome of CPD/EPD. With this exception, the survey's
results in relation to the Organisational Learning Profile are consistent with statements made by principals of the enterprises during the interviews.

14. The commitment professed by accounting enterprises to CPD/EPD is supported by the provision of appropriate Learning Resources.

15. CPD/EPD is enhanced by an enterprise culture which supports learning through valuing Leadership, Learning Confidence, Shared Vision, Trusting Relationships, Multiple Advocates, and Learning Enjoyment.

16. Professional staff are empowered to develop their expertise through regular staff meetings, exposure to varied accounting and tax work and on the job supervision.

These findings can be examined using the model shown in Error! Reference source not found.. Accounting enterprises are conscious of risk and have only low/moderate Entrepreneurial Intensity for growth which helps set the expectations that these enterprises have for PD. An analysis of the learning profile shows that new knowledge is source externally and shared internally through staff meetings (Communities of Practice) and reinforced by actions and practices. Knowledge is developed incrementally with an emphasis on acquiring knowledge which will add to the capability of the enterprise. There is an expectation that risk resulting from lack of knowledge/understanding will be minimised. Each enterprise facilitates learning through provision of appropriate resources and the development of a learning culture which supports and enhances learning.

PD is predominantly ongoing rather than standalone and designed to build capability rather than capacity. Enterprises aim to grow their knowledge through enhancing specialisation, particularly taxation, and as a result deeper learning is likely to occur.

6.17. Responses to Research Questions:

The research questions (RQ) and contextual questions arising (CQ) which are addressed in this chapter are:

RQ6 How do the aspirations, culture and practices of a professional enterprise impact the way EPD is conducted and consequently the learning resulting from EPD?

An enterprise’s learning approach is not static and will change time and again as the level and focus of the content of PD fluctuates over time, both for the enterprise as a whole and for individual employees. Chapter 4 documented findings from interviews with principals of 12 enterprises which suggest that CPD/EPD is strongly supported and valued within the
accounting enterprises. Consequentially EPD within the enterprises does not focus on meeting compliance requirements of individual professionals but on enhancing the enterprises capabilities and capacity – the volume of CPD offered in all cases exceeds the minimum compliance levels required.

CQ Is there a relationship between the Entrepreneurial Intensity of professional enterprises (a Driver for EPD) and the Organisational Learning Profile? An accounting enterprise’s Entrepreneurial Intensity leads it to have stronger aspirations to minimise risk and only minimal aspirations towards growth. The way that these enterprises approach EPD reflects a belief that it is an essential activity strongly supported by the culture and practices used.

 Participating enterprises on the whole have low/moderate Entrepreneurial Intensity for growth with low numbers of new:

- Services introduced, significantly revised, or improved by the enterprise; and
- Methods or operational processes implemented by the enterprise.

and exhibit policies and processes which are strongly risk averse. The Entrepreneurial Intensity of accounting enterprises appears to lead to an approach to CPD/EPD to support an emphasis on technical content based around improving existing services.

CQ What Facilitating Factors for learning (policies, practices and processes) are in operation within professional enterprises?

Enterprises grow and develop knowledge using the experience gained from success, mistakes, and specific events as the way to achieve learning which is relevant to the needs of the enterprise. Enterprises are willing to commit adequate resources for learning for EPD. There is a preference for gaining knowledge relating to the provision of the professional services offered rather than the processes which might underlie or support those services. Team meetings are the common method used by all enterprises to disseminate knowledge and to ensure that this knowledge is understood and can be applied.

CQ Does the Organisational Learning Profile and/or the Facilitating Factors impact on the level of learning achieved by individual professionals?

Enterprises have a strong focus on the incremental growth of knowledge rather than attempting to acquire knowledge which may be used to transform the business. There is a preference to source new knowledge from external sources and emphasise the importance of
learning being achieved by groups rather than just individuals. Survey respondents were equally divided in their views as to whether the emphasis on learning was on meeting short-term needs or for long-term use. This is in contrast to the views of principals who see that CPD/EPD brings more of a long-term benefit to the enterprise.

The Learning Emphasis indicates a preference for technical, rather than soft or generic, knowledge development. Survey data are consistent with comments made during interviews where principals emphasised technical knowledge development (see Table 6-2). Deeper technical knowledge may define the capability of an enterprise to service its clients.

Enterprises actively support the development of knowledge through: the provision of adequate resources. The culture within the enterprises is a learning environment where management is involved and leads; employees have confidence to engage in learning activities; employees have a shared vision of the relevance of knowledge; there are trusting relationships between staff at various levels; and all employees feel that they are able to advocate different approaches to learning.

CQ  What are the goals for CPD which motivate professional enterprises? Is there a relationship between these goals and the level of learning achieved? Learning is directed towards developing deeper knowledge in areas relevant to the enterprise's business particularly keeping up-to-date and growing knowledge in technical areas.

CQ  How tolerant is the enterprise to risk? Are there risks associated with CPD? Can CPD used to minimise risk? Enterprises are conscious of risk, in particular the need to fully meet legal compliance requirements. CPD/EPD is used to enhance the quality of work produced and to reduce errors. Potential risks associated with providing CPD are not considered as important as the need to provide employees with appropriate knowledge and skills.

RQ7  What Informal Learning is conducted within professional enterprises and how does the enterprise value this in comparison with more formal learning? The only Formal Learning taking place within the participating enterprises concerns professional accreditation:
a) Junior staff undertaking courses for membership accreditation ("CPA brand is important for business. Try to help staff qualify for professional membership of CPA or CA") and
b) Other staff obtaining qualifications in areas such as financial planning and insolvency.

Non-Formal Learning (e.g. CPD courses, workshops) is used to a diminishing extent with queries made regarding their value, relevance and timing. Australian Tax Office briefings are highly valued as relevant and practical. Non-Formal Learning is seen as being useful for some specific and task oriented problem solving. Often, however, Non-Formal Learning is not seen as being practical particularly if it is not applied after attending a course. Specialist enterprises rather than those specialising in general accounting and tax are more likely to use conferences or networking opportunity. Interaction with staff, other practices, and key bodies is reported as a major source of knowledge.

Informal Learning is the most supported form of CPD/EPD reported. Informal Learning models involve interaction between professionals which may take place within either an enterprise or a professional community. Learning becomes more relevant and effective when the enterprise employing a professional, actively provides an environment which enriches learning. All enterprises report conducting regular staff meetings (continuing PD) to discuss current issues (hot topics). Discussion is important and includes critical reviews such as: “do we have any clients that this can relate to? How do we overcome the problem? Could we have done things differently?”

Enterprises report sending staff to association discussion groups - Communities of Practice - which enable professionals to engage in professional conversations through participation in specialist interest groups, exchanging war stories, interactive forums; 2nd tier firms’ discussion groups etc. In all cases the person who attends the PD will report back to staff meetings to ensure that knowledge is shared, Specialist and/or senior staff within each enterprise are involved to ensure lessons are learned and misinterpretations avoided.

When particular knowledge is required, enterprises prefer to source material “then and now” rather than to wait for the availability of a short-course. It is particularly noted that there are a number of portals e.g. ATO, CPA, Taxpayer Australia and the Australian Institute of Taxation which have “wonderful reference material” available on demand and which provide cheaper access to material than that provided by short courses. It is debatable whether these portals
provide Non-Formal or Informal Learning, however, as the learning is students centred - topics selected by the student, material accessed by the student and the depth of knowledge obtained determined by the student, this form of learning its most closely aligned with Informal Learning. One principal expresses concerns about computer-based training which does not necessarily provide the answers and does not guarantee that learning has been achieved and provides no control of how knowledge is used and shared. He is also critical discussion groups which focus on doom and gloom; and irrelevant discussions e.g. football, cricket etc.

There is universal agreement between principals that practical applied learning is "incomparably higher" than learning which is purely theoretically based. One principal claims that Informal Learning is "more enjoyable, more rewarding, [participants] get more out of it". Particularly for smaller firms “learning on the job" is used to allow staff to become more knowledgeable - larger firms may have a more structured approach to PD. The wide diversity of work which must be undertaken in these enterprises requires that professionals have a broad knowledge base. It is generally recognised that "graduates need practical on the job training". The knowledge gained from CPD/EPD needs to be applied otherwise it is likely to be lost "particularly if related to rules and regulations ... it [PD] adds value to learning".

6.18. Conclusion

EPD is used by accounting enterprises to build and share knowledge mainly on technical areas of the business. This strategy is pragmatic as the enterprises generate revenue from supplying technical services to the public and therefore each enterprise needs to ensure that its technical knowledge is relevant and up-to-date. Growth in the knowledge base and in technical proficiency of staff is seen as the key to both protecting the business and ensuring its continuing viability.

All enterprises use staff meetings (Communities of Practice) to disseminate knowledge gained and to ensure that this knowledge is fully understood and can be applied to the benefit of the enterprise and its clients. This is the most noteworthy method of growing knowledge used. Critical to the success of a Community of Practice: are learning confidence; trusting relationships; participating and strong leadership; the encouragement of multiple points of view; and creating an atmosphere where there is general enjoyment of the learning process. The importance of items such as these echo the thoughts of Knowledge Management.

An enterprise learning approach is driven by issues such as:

1. **Entrepreneurial Intensity**: this will impact the enterprise’s expectations for EPD.

   Accounting enterprises have low/moderate Entrepreneurial Intensity for growth and high Entrepreneurial Intensity related to risk consciousness. These measures of Entrepreneurial Intensity appear to directly impact the focus of EPD as enterprises look firstly to minimise problems caused by lack of knowledge; misinterpretations and errors and secondly to retain existing clients and to maintain and improve services. EPD therefore focuses on:
   
   - Keeping up-to-date particularly in relation to changes in legislative and regulatory matters; and
   - Growing knowledge which enables the enterprise to improve the provision of its services to clients. This may include the ability to solve problems at a higher level and/or becoming more efficient and effective and developing work product. In some cases CPD/EPD can also be used to enable enterprises to offer new services, often with higher charge-out rates;

2. **The culture within the enterprise related to acquiring, disseminating, and applying knowledge**: within accounting enterprises knowledge is valued and is seen to be valued; and

3. **The support given to CPD/EPD through developing and supporting a culture within an enterprise in which the growth of knowledge is valued at supported at all levels.**

Enterprises take a pragmatic approach to the models of learning used within the enterprise. Enterprises generally try to minimise what they consider are high costs associated with attending courses, seminars and conferences. Briefings provided by well-regarded bodies such as ATO, NTAA, Tier 2 practices provide valued sources of new knowledge for the short-term and the long-term. Increasingly specialist portals on the Internet are being used.

Chapters 4, 5 and 6 have presented the evidence gathered and analysed for this study of EPD within SME accounting enterprises. Chapter 7 will summarise the major findings of the study; examine the relevance, suitability and transferability of the research instruments used in this case study. Chapter 7 will also identify areas for further research.
7. Chapter 7: Summary, Conclusions, Implications for the Future

7.1. Introduction

Continuing professional development (CPD) is necessary to ensure the compliance requirements of professional associations and other regulators are satisfied in order for individuals to retain professional certification (Professions Australia, 2006a); and for enterprises to retain registration under Professional Standards legislation (PSC, 2006a). The level of learning required is unspecified and minimum compliance could result in learning which only preserves a level of knowledge sufficient to maintain professional status.

The rationale for commencing this research was to look at CPD within enterprises - enterprise PD (EPD) examining whether EPD provided value to the professional enterprises which employ professionals; or, did those enterprises take a strategic pragmatic approach and merely ensure that professionals within the enterprise maintained their professional memberships and certifications? These questions were examined in three parts:

A. Whether or not CPD is used to satisfy compliance requirements or is intended to achieve a deeper level of knowledge (Chapter 4);
B. What are the outcomes which enterprises obtain through EPD; what is the value derived by the enterprises and what are the costs involved (Chapter 5); and
C. What are the aspirations, culture and practices associated with EPD within enterprises? These were examined under five categories (Chapter 6):
   a. The learning cultures within the enterprises and how this affects the policies, practices, and processes involved in EPD;
   b. The models of learning used to acquire knowledge;
   c. The Entrepreneurial Intensity (Ireland et al., 2006a;b) of enterprises and its impact on CPD -Entrepreneurial Intensity relates to both growth and risk;
   d. The enterprise’s Learning Orientations (DiBella and Nevis, 1998) i.e. how an enterprise goes about acquiring and disseminating knowledge and the approaches taken to develop new knowledge within the enterprise; and
   e. The Facilitating Factors (DiBella and Nevis, 1998) in place within enterprises to enhance learning.

EPD may be used to grow the technical Body of Knowledge of employees and enhance the use of a deeper level of knowledge of enterprises in order to improve the services offered to
clients. Important issues were whether enterprises take ownership and control of EPD (who determines what is learned); how enterprises sponsor and support EPD; and how knowledge is acquired and disseminated.

Accounting was deemed a suitable profession for the research; and SMEs accounting enterprises within that profession provided the bounded basis of a suitable case study through a sample of professional enterprises within the accounting profession which provide professional services to the public at large and are in many cases the sole or major source of accounting and business advice. The services provided require a Body of Knowledge specified by accounting associations which specify the Body of Knowledge is maintained through CPD. The in-depth study consisted of interviews with principals of each enterprise followed by a survey of all staff within those enterprises.

This chapter summarises the major findings of this research; and examine the relevance, suitability and transferability of the research instruments used in this case study examining the limitations of the study together with an analysis of implications of the study for practice and future research.

7.2. Answers to the Research Questions

The research questioned the impact or value of EPD on enterprises and the impact that an enterprise has on the outcomes of EPD. Research questions (RQ) for the study were framed under three headings:

Compliance (Chapter 4);
Outcomes of EPD for enterprises (Chapter 5); and
Aspirations, Culture and Practices related to EPD within enterprises (Chapter 6).

RQ1 Are EPD policies and practices within accounting enterprises driven by the need to meet compliance requirements?

The relevant professional associations (e.g. Accounting, Insolvency, Financial Planning, and Internal Audit) require their members to undertake CPD to maintain accreditation. Individual employees value their membership of a professional association and undertake CPD: to meet compliance requirements; and to maintain and enhance their professional skills, knowledge and understanding. Enterprises do not monitor the CPD activities of individual staff in order to ensure that they meet compliance requirements of the professional associations.
In addition to the CPD regulations of professional associations, other regulatory authorities set minimum standards of compliance in areas such as auditing and taxation registration. It is noteworthy that two enterprises participating in this study have decided not to continue with auditing registration as the compliance requirements are considered in excess of the outcomes these enterprises obtains that from registration.

For the enterprises studied: up-to-date and/or enhanced knowledge, skills and understanding are critical in retention of clients; and new knowledge can be used to offer new services to existing and new clients. EPD not only keeps employees up-to-date but also allows enterprises to firstly provide quality service to clients; and secondly to market the enterprise to clients by making known the qualifications of staff.

Enterprises identify knowledge gaps sometimes through formal review and supervision processes, staff meetings, or through managerial processes which set strategic or operational directions. In some cases it is left to individuals to address the specific knowledge gap or topic, in others individuals will be asked to attend relevant PD activities. A critical issue is to set a "time budget" particularly for regular PD events (both internal and external) as it is "essential to know when people are taking time off for PD".

All enterprises provide hours of CPD/EPD in excess of the compliance requirements of the various accounting associations. In most cases, staff meetings alone exceed the compliance requirements. EPD is designed to meet the business needs of the enterprise and focuses on advanced work e.g. taxation; minimising mistakes; and/or being able to state the basis on which advice is given to clients rather than using CPD/EPD merely to meet compliance requirements.

**RQ2**  Has Professional Standards legislation changed the way that accounting enterprises approach CPD?

For the enterprises studied, Professional Standards legislation is not a driving factor in influencing policies and practices related to EPD. Accounting enterprises are concerned about the quality of their work product as quality work brings considerable benefits to an enterprise. Enterprises have an ongoing concern to undertake EPD which exists regardless of Professional Standards legislation. Professional Standards legislation does offer benefits to the enterprise through protecting individual professionals and the enterprise.
**RQ3** Has Professional Standards legislation resulted in improved outcomes for the public? Professional Standards legislation specifies the CPD requirements for compliance under the acts but these have had no impact on the way any of the participating enterprise approach EPD. Enterprises which comply with Professional Standards legislation requirements are able to: access reduced Professional Indemnity insurance; and display the *Cover of Excellence*® trademark on the enterprises’ corporate documentation (CPA Australia, 2008; ICA, 2010a; Marden, 2003; PSC, 2011c). The use of the *Cover of Excellence*® trademark adds credibility to the enterprise. Achieving the compliance level required by Professional Standards legislation is not considered an issue and does not feature significantly in enterprises’ perceptions of the overall outcomes stemming from EPD.

Professional Standards legislation may provide indirect value to the public as the discipline required under the legislation will make enterprises more conscious of the need for EPD. This consciousness will be reinforced by the emphasis which Professional Standards legislation regulations place on documentation.

Accounting enterprises were required to take out Professional Indemnity insurance prior to the introduction of Professional Standards legislation and as a result Professional Standards legislation has not made a significant difference in providing increased protection to the public. It is claimed that professional services will become more affordable and accessible due to reduced Professional Indemnity insurance fees (PSC, ND). Professional Standards legislation provides value to enterprises but little direct value to the public.

Individual professionals and accounting enterprises have obtained greater certainty of access to Professional Indemnity insurance and received the benefit of limitation of liability. EPD is used by a number of enterprises as a means of mitigating risk to the enterprise. The accounting enterprises participating in this study have low awareness of Professional Standards legislation. Accounting enterprises have not changed their policies and practices relating to EPD. Compliance requirements regarding the volume of CPD to be done by employees are more than adequately satisfied. There is no scrutiny of the: methods used; topics covered; and depth of learning achieved. There is no evidence that there has been any significant change in the ways that enterprises approach EPD as a result of Professional Standards legislation. If this is so, then Professional Standards legislation has had no effect on
the protection of public and in fact as Professional Standards legislation specifically limits the liability of professionals, the redress available to the public has been diminished.

The second focus of the research was on the outcomes enterprises achieve through EPD.

**RQ4** *Do and if so why do: accounting enterprises sponsor and support CPD?*

Enterprises strongly support and value EPD regarding it as an essential activity which increases the knowledge, skills and understanding of employees adding to the professionalism of the firm and enhancing the client's perception of the enterprise. The examples given of successful PD activities involve development of specific (technical) knowledge rather than generic knowledge.

Enterprises support EPD to improve knowledge, skills and understanding enabling enterprises to attract and retain clients through: increased quality work resulting in reduced exposure to Professional Indemnity claims and increased recoverability of fees; improved efficiency; fully complying with legal requirements; and the ability to offer new and/or more profitable services.

**RQ5** *What is the value, perceived and/or realised, that accounting enterprises gain from CPD?*

Precise costing of EPD is not done by any enterprise; however enterprises estimate that the cost of EPD represents over 5% of gross revenue. Despite this, no enterprise attempted to value the benefits gained (surprisingly perhaps for accountants).

The major outcomes achieved by enterprises from EPD are: staff keeping up-to-date; improving and/or developing knowledge; improving job performance; and maintaining and/or raising standards. These relate to increasing the capability and capacity of the enterprise and at the same time improving service provided to clients. These outcomes result in: better informed and more confident personnel with increased job satisfaction and ownership of their jobs. EPD is essential to enterprises to prevent them falling behind and provides the ability to attract and retain clients; improve efficiency; reduce follow-up and rework and perhaps to offer new and more profitable work.

Two additional outcomes of CPD which emerged from this study which were not identified by Friedman et al (2000) were that EPD can be used to:
• Minimise risk caused by lack of knowledge and/or awareness; and
• Improve the culture of the enterprise through attracting and retaining staff; increasing confidence and motivation of employees.

The principals of the enterprises studied consider EPD as a long-term benefit for their enterprises (valuing EPD therefore would be difficult as directly attributing value is complex); however individual professionals were equally divided as to whether the bases of learning was on meeting short-term needs or for long-term use. The value of EPD may be limited unless: the content of the PD addresses real requirements of the enterprise on an as needed basis or just-in-time, not just promoting situations where the provider of CPD can market further services; and the knowledge gained can be applied in real life situations.

The focus of Part C of the research was on the aspirations, culture and practices related to EPD within enterprises.

RQ6  How do the aspirations, culture and practices of a professional enterprise impact the way EPD is conducted and consequently the learning resulting from EPD?

The way that participating enterprises approach EPD reflects a belief that it is an essential activity for each enterprise strongly supported by the culture and practices used. Learning is directed towards developing deeper knowledge in areas relevant to the enterprise's business particularly keeping up-to-date and growing knowledge in technical areas.

As the participating enterprises do not formally evaluate any PD there is no way that the impact of EPD can be accurately assessed. The PD provided by the enterprises enables employees to satisfy compliance requirements of the various professional associations; however, compliance is not stated overtly as a corporate objective of EPD. Rather support for EPD is provided to enhance enterprise's capabilities and capacity.

Given that the enterprises participating in the study were SMEs, it is not surprising that they were assessed as having low/moderate entrepreneurial intensity for growth with low numbers of: new services introduced or significantly revised; and methods or operational processes implemented. Notably the enterprises studied were strongly risk averse. EPD concentrated on development of technical knowledge which improves existing services and reduces the risk associated with lack of knowledge and/or awareness. Clients are attracted and retained through increased quality work resulting in reduced exposure to Professional Indemnity claims.
and increased recoverability of fees; improved efficiency; fully complying with legal requirements; and the ability to offer new and/or more profitable services. The benefits of more informed staff greatly outweigh any potential risks associated with EPD.

Enterprises are prepared to: provide adequate learning resources (the top ranked Facilitating Factor); support learning through involved leadership; and ensure employees have learning confidence; a shared vision; trusting relationships; and are encouraged to advocate positions in relation to knowledge development. The accountants who responded to the survey overall believe that the enterprises employing them provide an environment which enables them to learn and to develop professionally.

Enterprises focus on developing knowledge which is relevant to their needs. Enterprises are willing to commit adequate resources to facilitate learning particularly learning which will support and enhance the provision of professional services rather than the processes which may underlie those services.

**RQ7** *What Informal Learning is conducted within professional enterprises and how does the enterprise value this in comparison with more Formal Learning?*

Knowledge is grown mainly through Informal Learning including: using experiences gained from successes or mistakes; and reviewing specific events. New knowledge is predominantly sourced externally and shared within the group, particularly during staff meetings, rather than being held by one individual.

### 7.3. Methodology Used in the Study

There are multiple stakeholders in the CPD of professionals: individual professionals; enterprises employing them; professional associations; and the public at large. The complex sociocultural situations surrounding EPD suggested an interpretive thematic analysis approach (Aronson, 1994; Attridge-Stirling, 2001; Boyatzis, 1998; Braun and Clarke, 2006; Guest et al., 2011; Kemp, 1998) to case study research (Cousin and Jenkins c2008; Merriam, 1998; Stake, 1995; Tellis, 1997a;b;c; VanWynsberghe and Khan, 2007; Yin, 1994, 2004) for exploring the experiences of enterprises in relation to EPD. This unique study explores EPD for professional enterprises to obtain an understanding of the impact that an enterprise has on the way that EPD is conducted and the subsequent value derived by the enterprise.
Thematic analysis requires the researcher to identify themes which adequately reflect the data collected (both implicit and explicit) in order to understand the phenomena being studied to answer research problems which are practical in nature (Braun and Clarke, 2006). Thematic analysis is not dependent on specialist theory (Dey, 1993) and requires involvement and interpretation by the researcher. Thematic analysis permits a pragmatic attitude towards specifying appropriate tools to be used to get the job done in a transparent, efficient, and ethical manner (Guest et al., 2011).

Case studies enable in-depth investigation of multiple viewpoints. Stake (1995) and Merriam et al (1998) point out that a case is a bounded and integrated system accounting holistically. Case study is a triangulated research strategy; with triangulation of data, investigators, theories and/or methodologies used to ensure validity, accuracy and alternative explanations (Tellis, 1997c). In this case study, data were obtained from multiple sources: semi-structured interviews with the principals of enterprises; surveys of employees; and examination of associations’ regulations and is consistent with the source of data listed by Yin (1994). The process uses the four commitments required for case study research viz. to: bring expert knowledge to the study; collect all the relevant data; examine alternative interpretations; and wonder about and explore the relevance of the findings to other cases (Stake in Denzin and Lincoln, 2000 p.449).

The interview plan was informed by professional experience, discussion and relevant literature. The survey consisted of five parts; four of which were taken from published works regarding Entrepreneurial Intensity (Ireland et al., 2006a;b); Learning Orientations (DiBella and Nevis, 1998); Facilitating Factors (DiBella and Nevis, 1998); and the benefits of CPD (Friedman et al., 2000) with the fifth part (positive and negative examples of CPD) being based on professional experience and discussion.

This is a limited study, restricted to a subset within a particular profession. Case study allows a comparatively small sample size to be tested and analysed as the focus on a specific unit of analysis should be more intensive and in-depth (VanWynsberghe and Khan, 2007; Yin, 2004). Enterprises participating in the study were selected based on the constraints that the enterprises are SMEs with between 2 and 10 principals. Smaller enterprises may look for EPD to: assist in continuous improvement in methods of service delivery; allow steady growth and stability; and maintain and/or increase the Body of Knowledge of employees. Enterprises involved in this study have staff who are members of one or more Accounting Associations;
Financial Planning Association; Insolvency Institute; and Internal Audit Association all of whom require members to engage in CPD. The various enterprises offer a number of specialist services.

### 7.4. Knowledge Development and Enterprises

Formal Learning occurs on only a limited scale - for junior staff obtaining professional accreditation and other staff obtaining specialist qualifications in areas such as financial planning and insolvency. Non-Formal Learning is useful for specific, task oriented problem solving typically in Taxation with Taxation Office briefings being considered highly relevant and practical. Other cases of Non-Formal Learning are not necessarily seen as being practical and relevant. The need to apply new knowledge after attending a PD session is considered critical.

Informal Learning models involve interaction between professionals either within an enterprise or within a professional community. As Shulman (2002) points out, professionals need to be able to engage in professional conversations. Learning becomes more relevant and effective when the enterprise employing a professional, actively provides an environment which enriches learning. Informal Learning is the most supported form of EPD reported.

Internally, regular staff meetings enable staff to: discuss current issues (hot topics); quickly review topics to see how the topic might be applied to particular clients; and assess how problems might be overcome. A ‘lessons learned’ approach involves reviewing past processes and practices in order to see if improvements can be made.

Discussion groups, in particular special-interest groups run by professional associations, are Communities of Practice and enterprises and staff involve themselves in these in order to engage in professional conversations, exchanging war stories and networking. Enterprises also participate in other activities such as interactive forums and second-tier firms’ discussion groups. In all cases the attendee will report back to staff meetings to ensure that knowledge is shared. Specialist and/or senior staff attend staff meetings to ensure lessons are learned with a view to enable this new knowledge to be applied and misinterpretations are avoided.

When particular knowledge is required, enterprises prefer to source material "then and now" rather than to wait for the availability of a short-course. Portals e.g. those provided by ATO, CPA, Taxpayer Australia and the Australian Institute of Taxation have reference material.
available on demand and provide cheaper access to material than that provided by short-courses. This learning is student-centred with topics selected by the student, material accessed by the student and the depth of knowledge obtained determined by the student. Computer-based training does not necessarily provide the answers required by professionals and does not guarantee that learning has been achieved. It provides no control of how knowledge is used and shared.

SMEs need staff to undertake a wide diversity of work which requires professionals to have a broad knowledge base. Participating enterprises use 'learning on the job' to allow staff to become more knowledgeable - larger firms may have a more structured approach to PD. Practical applied learning is considered incomparably higher than purely theoretically based learning. Participants get greater value from Informal Learning which is considered more rewarding and enjoyable.

### 7.5. Creating an EPD Profile

An enterprise's learning approach will depend upon firstly the value which enterprise believes that it gains from EPD; and secondly the organisation's goals for growth and risk avoidance (Entrepreneurial Intensity) both of which will influence the support given (Facilitating Factors) and the learning culture (Organisational Learning Profile) which encourages and drives knowledge development. This research has shown that all participating accounting enterprises do not perform any quantitative evaluation of EPD. However they believe that the outcomes of EPD add value to the enterprise.

Shulman’s (2002) six phases of learning: *Engagement and Motivation; Knowledge and Understanding; Performance and Action; Reflection and Critique; Judgment and Design; and Commitment and Identity* (2002 p.2) provides a model to examine the impact of CPD on the ability of a professional to perform as a functioning member of a profession. Commitment and identity is most likely to be followed by new engagement and motivation as professionals engage in lifelong learning and continually re-commit to learning in order to maintain levels of practical knowledge or to extend their knowledge base for further career development.

Enterprises engage and motivate their employees through the development of an enterprise learning culture in order to improve the services they offer clients as employees increase their knowledge and understanding. Enterprises stress the importance of learning which can be
practically applied to real situations and acknowledge that considerable learning is achieved through on-the-job performance. Team meetings support a learning culture where reflection and critique is significant in learning e.g. “do we have any clients that this can relate to? How do we overcome the problem? Could we have done things differently?” The issue of commitment and identity has not been specifically addressed in this study as it is more of an individual rather than an enterprise function. However, it is not unreasonable to note that enterprises provide PD in excess of what is required by professional associations and that enterprises will benefit from employees who are members of professional associations both from a marketing point of view and for Professional Standards legislation compliance reasons.

The participating enterprises were assessed as having low/moderate Entrepreneurial Intensity for growth. It appears to be that SME accounting practices are content to operate at current levels with moderate increase in size and/or the type of services offered. The Entrepreneurial Intensity related to risk avoidance for all enterprises is high. There is strong evidence that these enterprises are concerned to meet the technical compliance requirements of an accounting practice (in tax, financial planning, insolvency and other specialist areas). The largest participating enterprise had the highest Entrepreneurial Intensity for growth and the lowest Entrepreneurial Intensity for risk avoidance which may indicate that larger enterprises having already experienced growth are more likely to pursue growth as a corporate aim and may be prepared to accept a degree of risk in order to achieve that growth.

Employees are likely to learn more when the support given to learning includes provision of adequate resources; and the development of a learning culture where learning is seen to be valued. Learning culture is enhanced through involved leaders who participate and encourage employees through providing a trusting environment and generating confidence in learning. This is more likely to create a situation where employees and management have a shared vision of the direction in which enterprises heading and how CPD can be used to fulfil this vision and where employees are encouraged to advocate ways of developing knowledge.

Sharing of knowledge among employees occurs on a regular basis. Employees who have gained new knowledge make presentations to other staff members to provide that knowledge to all. This also presents an opportunity to validate and extend the understanding that the employee has obtained. Senior staff take a hands-on approach in all cases and ensure that the practical use of new knowledge is explored for the benefit of the enterprise and its clients.
The characteristics which enterprises identified as required outcomes for EPD in the development of their employees are consistent with those of all professionals (Gardner and Shulman, 2005 p.14) viz.: to develop professional judgements in circumstances where there are not defined, predetermined solutions; to use learning from individual and collective experience to grow new knowledge based on practice; and for professional communities to undertake responsibilities for standards and the general growth of knowledge and quality of performance.

### 7.6. Is the Evaluation Instrument Transferable?

Evaluation usually involves some form of measurement. The effectiveness of any measurement is that it depends on what is decided to be measured and the accuracy of measurement. Evaluators aim to establish relevant facts which are measurable, replicable, visible, quantitative and credible (Shulman, 2007) leading to increased understanding of the area being measured. Much evaluation of PD at a personal level often involves competency assessment. At an enterprise level, evaluation may involve Return on Investment (ROI) calculations, however, using ROI creates pressures to justify expenditure and for ROI to be achieved in the short-term. Skillsoft (2012) suggests that this is often within 7-12 months of implementation. Highly structured evaluation techniques (e.g. Kaplan and Norton, 2005; Kirkpatrick and Kirkpatrick, 2006) are time-consuming and expensive and are less suitable when benefits are likely to be long-term and often intangible.

This research is a qualitative study using a case study which is demanding on the time of the researcher and participants. A senior manager in each of 12 enterprises participated in interview lasting approximately one hour. This represents 20% of accounting enterprises contacted in relation to the study.

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<th>Part</th>
<th>Enterprises</th>
<th>Individuals</th>
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<td>Part B: Facilitating Factors</td>
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<td>Part E: Positive and/or Negative Examples of CPD</td>
<td>7</td>
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Table 7-1 Participation in the Research
Table 7-1 shows that even though enterprises gave time for an interview not all enterprises were significantly engaged with the project to respond to the survey. Was this due to time demands, and/or was it due to not seeing further value in the project? The largest number of responses was received from two enterprises – A090 where management prevailed on all members of one section to respond; and A513 where under direction of management, all professional staff responded. Strong management support therefore can significantly add to the breadth of data available. It can be noted from Table 7-1 that there is a decline in the number of responses from one Part of the survey to the next. The survey could be too demanding in time requirements and perhaps one way to overcome this within an enterprise would be to administer the survey over a number of weeks (e.g. one Part per week). Part E of the survey provided rich data of examples of positive contributions that EPD had made to individuals and/or enterprises. As Part E required "free text" entries (not tick a box), it is not surprising that the number of responses in this Part was lower - the percentage of responses to Part E was greater than expected.

It is not clear what impact that the low response rates within some enterprises have on the survey results. There is a risk that within some enterprises the only responses came from senior staff (partners) which could bias the sample. The various Indexes of Dissimilarity provide an analysis of dissimilarity between A090 and A513 where all levels of staff responded and the other Accountants group where levels of the respondents are unknown. It would be possible to add a question specifying a level for participating staff. This may work against anonymity of responses.

The individual parts of the research instrument - interview and survey worked as planned. Interviews produced valuable insight into the way that principals saw EPD within their enterprises. Two questions were added to the initial interview plan and the revised interview plan in Appendix 5 can be considered to be robust and relevant. The survey enabled data to be gathered from employees in order to rank the elements affecting EPD and to extend the data through free text entries for each part of the survey. Individual parts of the survey could be extracted to form individual studies, although the survey combined with the interview enables triangulation of data taking into account the perspectives of management (interview) and employees (survey).

SME Accounting practices which offer services based on the Body of Knowledge of their profession have been used to construct a case. Can the research instrument used by:

1. Other sectors of the accounting profession?
The research instrument could profitably be used by other accounting practices, not just SME practices. Larger enterprises may have less clear lines of communication and management may be more remote from employees, and therefore, these enterprises may obtain knowledge into the attitudes or insights of their employees.

Accountants are employed in a variety of settings: government, finance, manufacturing, services etc. In many of these settings there is not a large body of Accountants who have a need to share technical accounting knowledge in the same way that is done within professional practices. There is less opportunity for Informal Learning in these settings.

2. **Enterprises in other professions?**
   Critically in this research, EPD was seen by enterprises as adding value to the business not just the individual. Attempts in this research to include medical general practitioners was unsuccessful as CPD was seen as an individual activity and individual GPs operate more as sole practitioners rather than part of a business. Barristers may also operate as sole practitioners.

Other professions could use the research instrument provided that the professionals within a group operate as a single business entity (not sharing resources). For professions e.g. optometry, IT (hardware and/or software suppliers) where products as well as services are marketed it would need to adjust the Entrepreneurial Intensity part of the survey to include products as well as services (Ireland et al., 2006a;b).

3. **Organisations or parts of organisations, not in professional practice?**
   As a "Proof of Concept", separate research has been conducted on a university faculty. This research will be separately reported. A university faculty consists of knowledge workers (across multiple disciplines) who need to keep up-to-date and continually grow their knowledge. The research instrument adapted without change to this environment and produced results which were different to, and explainable in comparison with, the accounting enterprises studied. Other multidisciplinary organisations e.g. healthcare where staff are drawn from many professions will also expect staff to engage in CPD and the success of PD will impact on the organisation. DiBella and Nevis (1998) have already applied Part A (Organisational Learning Profile) and Part B (Facilitating Factors) to a multidisciplinary healthcare organisation. Other parts of the survey combined with an interview with a member of senior staff would add to the overall knowledge related to EPD.
The research instrument could be applied when an organisation or part of an organisation has significant numbers of members of one profession engaged in similar activities and requiring their knowledge to be kept up-to-date and enhanced e.g. IT professionals are often employed in large numbers by organisations such as banks, insurance, airlines, consultants, government, hardware and software suppliers and service organisations. In these circumstances they provide a critical mass of professionals who would benefit from more informed understanding by management of the value of EPD and how this value may be enhanced.

7.7. Limitations of the Study and Possible Further Areas for Research

This limited study of one sector of the accounting profession only has examined EPD from the point of view of enterprises employing accountants. It has concentrated on SME accounting practices not on CPD for sole practitioners or for larger accounting practices. It has not examined CPD for accountants employed in general industry and government.

There is a suggestion that larger enterprises have greater Entrepreneurial Intensity for growth and the organisational learning profile of larger enterprises is different. This could be examined with further study.

This study has not measured the level of learning of individual professionals. However, it can be said that the Organisational Learning Profile and the enterprise's Facilitating Factors do encourage and support learning. It would appear that ownership of learning is to some extent controlled by the enterprise. This could be the subject of further research.

The issue of commitment and identity has not been specifically addressed in this study as it is more of an individual rather than an enterprise function. It is not unreasonable to note that enterprises provide PD in excess of what is required by professional associations and that enterprises will benefit from employees who are members of professional associations both from a marketing point of view and for Professional Standards legislation compliance.

7.8. Summarising the Research

Chapter 1 presented the rationale for: conducting research on EPD within professional enterprises; the choice of the accounting profession as a representative profession; and the choice of SME practices within that profession as a suitable case study. Professional enterprises within that profession provide professional services to the public at large and
enterprises studied are in many cases the sole or major source of accounting and business advice. Services provided use a Body of Knowledge specified by accounting associations. The case study has been conducted in an Australian context only. Chapter 2 documented: the classical view associated with CPD; how the knowledge of professionals may be developed; the expectations which enterprises have for CPD; various models for evaluating CPD; recent perceptions and changes to the traditional view of CPD; limitations associated with CPD and its evaluation for professionals with particular an emphasis on competency and the impact of Professional Standards legislation; and the possible impact that cultural forces within enterprises may have on the success of EPD.

The methodology used in the study is described, discussed and justified in Chapter 3. The case study provided an opportunity for an in-depth study investigating the needs of the enterprises for EPD; the value that EPD generates; and how enterprises can enhance the knowledge development of its employees. Interviews were conducted with principals of each enterprise followed by a survey of all staff within those enterprises. The survey included sections on Organisational Learning Profile and Facilitating Factors (DiBella and Nevis, 1998); the Goals of CPD (Friedman et al., 2000); and Entrepreneurial Intensity (Ireland et al., 2006a;b).

Chapters 4, 5 and 6 presented the evidence gathered and analysed for the case study. Important issues were whether enterprises take ownership and control of EPD (who determines what is learned); how enterprises sponsor and support EPD; and how knowledge is acquired and disseminated. The three parts of the study are presented in:

- Chapter 4 - Compliance;
- Chapter 5 - Outcomes of EPD; and
- Chapter 6 - Aspirations, Culture and Practices related to EPD.

### 7.9. SWOT Analysis

A SWOT analysis is a tool developed in the 1960s and 70s by Albert Humphrey which is widely used in businesses and organisations to enhance understanding and decision-making for many types of situations (e.g. Chapman, 1995-2012; Moskowitz et al., 2009). SWOT is an acronym for Strengths, Weaknesses, Opportunities, and Threats. Each enterprise could conduct a detailed SWOT analysis of EPD for their enterprise. The nature of the data collected for this case study enables a swot analysis to be conducted on a generic basis covering enterprises as a whole. Each enterprise will have individual strengths, weaknesses, opportunities, and threats.
Strengths and weaknesses exist internally within enterprises at the time the analysis is conducted. Opportunities and threats represent potential external activities, events or other changes to the external environment in which the enterprise operates.

The strengths identified in the way that EPD is conducted which apply within all participating enterprises are:

- Team Meetings which contribute to the sharing and develop the knowledge; open communication between all levels of staff;
- A culture where learning and knowledge development is encouraged and supported;
- EPD is supported by the provision of adequate resources; and
- The focus of learning is practical and applied whereby the challenge is to apply new knowledge to situations where the enterprise and its clients will gain value.

Weaknesses are more likely to relate to individual enterprises, however, there are some weaknesses which apply generically. These include:

- A reluctance to cost and to evaluate EPD. It is understandable that SMEs are not prepared to invest in costly evaluation processes; but some attempt to measure the effectiveness of EPD would be valuable;
- Identification of topics to be covered in EPD appears to be haphazard. Enterprises rely on Tax office briefings; professional associations’ publications and special interest groups; and other interactions. However, interaction with other professionals and participation in professional associations activities appears to be low with the result that there may be little exposure to new thinking and processes;
- SMEs have limited capacity to fund and engage in EPD;
- EPD is often conducted by professionals who do not fully understand educational processes.

Opportunities relate to individual enterprises but the research has shown that EPD can:

- Provide enterprises with new business opportunities and directions in areas in which enterprise has not previously operated;
- Reduce risk and the potential of professional litigation; and
- Increase efficiency particularly through the use of technology.
The research was not designed to identify specific threats however, the need to keep up-to-date at all times represents the greatest threat to accounting enterprises as failure to do so will endanger ongoing viability and may expose an enterprise to litigation. Threats which did emerge from this research include:

- Management trying to minimise the cost and time associated with EPD (one enterprise which stopped conducting team meetings recommenced these when staff complained);
- Changes to legislation and regulation e.g. frequent changes to superannuation and the introduction of the GST and the associated BAS statements emphasise the need to keep up-to-date;
- Competitive threats resulting in loss of business if an enterprise does not keep up-to-date in both technical knowledge and in process efficiency (particularly technology); and
- Risk of Professional Indemnity claims due to lack of knowledge and/or awareness.

7.10. **Recommendations**

The recommendations which follow are limited. The aim of the research was to examine whether EPD adds value to enterprises; and how enterprises sponsor and support EPD. Recommendations are that participating enterprises:

1. Continue team meetings as these provide excellent learning environments in which knowledge is examined, shared, and extended with an emphasis on how this knowledge can be used by the enterprise. Team meetings also contribute to developing a culture where learning is seen to be valued. Staff morale is also improved through effective team meetings which involve staff at all levels;
2. Fully appreciate that Informal Learning is an effective method of knowledge transfer and encourage employees at all levels to discuss and review their knowledge;
3. Use annual staff reviews to evaluate the effectiveness of EPD for individual employees and to look for topics which would be of value to both the individual and the enterprise;
4. Provide feedback to persons conducting CPD sessions on content (which should be done within the session); delivery; and effectiveness of knowledge transfer;
5. Look for new ways of acquiring and distributing knowledge - some of it will use new technology; some will be based on sources new/external to the enterprise; and
6. Associations should examine ways in which CPD can be made more accessible, relevant and practical to accountants in smaller practices.

7.11. Conclusion

CPD is mandated by associations and by Professional Standards legislation. However, the enterprises participating in the study believe that meeting the compliance requirements of CPD is less important than the benefits gained by their enterprises through increasing the knowledge, skills and understanding of staff.

The study has established: the needs which enterprises have for EPD; the value that EPD generates; and how enterprises can enhance the knowledge development of its employees.

The study provides evidence that growing the technical Body of Knowledge of employees is more important for enterprises than meeting compliance requirements. Enterprises are able to improve the services offered to clients when employees have a deeper level of knowledge and understanding. Improving capability and capacity adds value to the enterprise through retention of clients; the ability to attract new clients; and the ability to offer new and perhaps more profitable services.

The research has provided evidence that, although the enterprises participating in the study do not have quantifiable measures of either the value or the cost of EPD, they are convinced that it adds significant value to their enterprises both in ensuring their firm's survival and in minimising the risks associated with failure to provide adequate services. To ensure that their enterprise benefits from EPD, principals invest in learning resources and in developing a culture within their organisation which supports and stimulates the growth of knowledge and its application within the context of the professional practice.

The Informal Learning approach applied in each enterprise encourages staff to ask questions and share knowledge. The staff meetings conducted by each enterprise provided open communication between management and staff where the value of practical applied learning is established. Employees are encouraged to develop expertise (deeper learning) in specialist areas (predominantly for this case study in taxation). Enterprises do not take a strategic/pragmatic approach to learning (sufficiency learning). Compliance does not drive an enterprise's approach to EPD and Professional Standards legislation has had little or no influence on an enterprise's Learning Profile. Enterprises do take a strategic or tactical
approach to learning (deep learning) through striving to develop knowledge which will add to the capability of the enterprise.
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Appendices

Enterprise Professional Development:
Adding Value to Enterprises?
9. Appendix 1  Web-based Survey of Employees

A study of the impact of continuing professional development (CPD) on professional organisations and the way that organisational culture can influence CPD.

Dear Madam/Sir,

Your organisation has agreed to be part of a student PhD research project on behalf of Swinburne University of Technology. We seek your support in regard to completing this survey. There are five parts to this questionnaire (A-E) which all "consultant level" staff within your professional organisation are asked to complete:

A. Assessing the Organisational Learning Profile
B. Determining the Facilitating Factors for CPD
C. What Corporate Goals are satisfied for the organisation by CPD
D. Measuring the organisation's entrepreneurial intensity
E. An example of CPD's positive contribution at an individual or corporate level and optionally, where there is one, an example where CPD's contribution has been negative.

There are no "correct" answers to any of the questions. Parts A - D require selection of a single response from a number of alternatives and so should be able to be answered quickly.

The only questions in the survey which must be answered are the initial questions which identify your organisation by its code and the profession of your organisation. Any other questions may be skipped. However, your responses to the entire survey will contribute to a deeper analysis of CPD within your organisation.

At the end of Parts A, B and C there is a final question which enables you to provide your understanding of the issues in that section in relation to your organisation.
In Part E, you are asked to provide an example of where CPD may have made a positive contribution, and if relevant, an example of where CPD may have made negative contributions. Each comment box will expand in size if required. However, in order to minimise your time commitment, we recommend that your comments are 50 words or less. Answers to these free text questions are optional but your replies will add to the relevance of the study.

**Outcomes:** From this questionnaire and an associated interview with the organisation's CEO, a profile of the organisation's CPD will be established; specifically the methods used, and the extent to which CPD is used to:

- Derive value to the organisation through increasing the effectiveness of professionals;
- Certify compliance of professionals to regulatory and professional standards; and
- Transfer knowledge to professionals.

It is expected that the results of the study will be of value to participants and the organisation in framing professional development policies and practices.

**Privacy Provisions:** Individual professionals and your organisation will not be identified in any work resulting from this research as pseudonyms will be used to protect confidentiality of the data supplied. Participants will be given access to the results of the research and will be able to discuss the findings.

Individuals and professional organisations are free to participate and may withdraw at any time without any obligation or explanation. Withdrawal can be either in relation to further participation; or the use of any data already provided.

Your organisation will already have completed an Informed Consent Form in which it has signified that your participation in this study is approved.


Every "consultant level" staff member/partner within the organisation is asked to complete all parts of the questionnaire. **Thank you** for your participation.
9.1. Part A: Assessing the Organisational Learning Profile

This part of the survey (based on research by DiBella and Nevis (1998)), attempts to assess how the organisation goes about acquiring and disseminating knowledge and its approach to learning within the organisation.

Two alternatives are provided in each question. You are asked to choose between the two alternatives on the scale provided, where the organisation uses:

1. Mostly the first alternative
2. More the first alternative
3. Evenly divided between the first and second alternatives
4. More the second alternative
5. Mostly the second alternative

1. The organisation prefers to develop new knowledge from sources which are:

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<td>4</td>
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<tr>
<td>5</td>
<td>Mostl y INTERNAL</td>
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2. **Content-Process Focus**: The organisation prefers to gain knowledge which relates to the definition of the services (Content) offered as opposed to the processes which might underlie or support those services (Process):

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<th>CONTENT</th>
<th>PROCESS</th>
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<td>3</td>
<td>4</td>
</tr>
<tr>
<td>5</td>
<td>Mostly CONTENT</td>
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3. **Knowledge Reserve**: This refers to variations in behaviours and attitudes to the repositories of knowledge. The term refers to the ownership/control/accessibility of the knowledge base held within the organisation which may be possessed by individuals (Personal) as compared with knowledge which is publicly available (within the organisation). Knowledge is seen as:

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<tr>
<td>5</td>
<td>Mostly PERSONAL</td>
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4. **Dissemination mode**: This pertains to differences between establishing an atmosphere in
which learning evolves informally and one in which a more structured, controlled approach is taken to bring about learning (formal):
The mode of learning used is:

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<th>FORMAL</th>
<th>INFORMAL</th>
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<tbody>
<tr>
<td>Mostly FORMAL</td>
<td>More FORMAL</td>
<td>Evenly Divided</td>
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5. **Knowledge Focus**: Learning is directed to obtaining knowledge to improve what is already known or being done (Incremental) as opposed to obtaining knowledge that challenges the assumptions about what is known or done (Transformative).
The focus for knowledge acquisition is:

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<th></th>
<th>INCREMENTAL</th>
<th>TRANSFORMATIVE</th>
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<tbody>
<tr>
<td>Mostly INCREMENTAL</td>
<td>More INCREMENTAL</td>
<td>Evenly Divided</td>
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6. **Learning Timeframe**: Defines the emphasis on learning which responds to immediate needs, as compared with learning which may have long-term use. Knowledge is gained for which the use is:

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<tr>
<th></th>
<th>IMMEDIATE</th>
<th>LONG-TERM</th>
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<tbody>
<tr>
<td>Mostly IMMEDIATE</td>
<td>More IMMEDIATE</td>
<td>Evenly Divided</td>
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7. **Learning Focus**: This distinguishes between learning geared to individual skill development and learning which is focused on team or group development. Learning activities are directed at knowledge being obtained by an:

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<th>INDIVIDUAL</th>
<th>GROUP</th>
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<tbody>
<tr>
<td>Mostly INDIVIDUAL</td>
<td>More INDIVIDUAL</td>
<td>Evenly Divided</td>
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8. **Learning Mode**: Where learning involves generating and sharing knowledge and skills through actions or practices (Experiential) as compared with generating and sharing knowledge and skills through reflective activities or thinking (Cognitive). The mode of learning used is:

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<tr>
<th></th>
<th>EXPERIENTIAL</th>
<th>COGNITIVE</th>
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<td>Mostly EXPERIENTIAL</td>
<td>More EXPERIENTIAL</td>
<td>Evenly Divided</td>
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</table>
9. **Describe your understanding** of how the organisation goes about acquiring and disseminating knowledge and its approach to learning within the organisation (We recommend that you use 50 words or less).

9.2. **Part B. Determining the facilitating factors for CPD**

This section (based on research by DiBella and Nevis (1998)), looks at the Factors which may facilitate CPD within professional organisations. The survey attempts to determine the relevance of each of 13 factors which may impact CPD within your organisation.

A seven point scale is used for each of the factors.

<table>
<thead>
<tr>
<th>Little evidence to support this Factor</th>
<th>Some evidence to support this Factor</th>
<th>Extensive evidence to support this Factor</th>
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10. **Performance Tensions**: Gaps in the knowledge, skill and understanding are recognised when that currently held either within the organisation or individually does not meet that which is desired or required.

11. **Trusting Relationships**: This occurs when there is trust and open communication between colleagues and when team members respect the need for mutual growth and development.

12. **Leadership**: Leaders are personally and actively involved in learning initiatives and in ensuring that a learning environment is maintained.

13. **Systems Perspective**: Realisation and appreciation of complexity in problem solving in professional practice. May be demonstrated by: recognition of interdependence among groups; awareness of time delay between actions and their outcomes etc.

14. **Multiple Advocates**: Staff at all levels are allowed/encouraged to look at and propose ways to develop new knowledge. Anyone can advocate change. Anyone can be a champion. Multiple advocates or champions exist.

15. **Learning Confidence**: This is defined as experience in learning from successes, mistakes, and specific events; experience in trying new things; belief that all groups can learn.
16. **Organisational Curiosity**: Curiosity about conditions and practices, interest in creative ideas and new technologies, support for experimentation.

17. **Appreciation for Measurement**: The importance of measuring learning is recognised. Considerable effort is spent defining and measuring key factors. Discourse over methods to measure learning is regarded as a learning activity.

18. **Learning Resources**: The organisation is committed to providing high quality resources for learning.

19. **Appreciation of differences in approach to professional practice**: Different methods, procedures, competencies, skills and knowledge are valued; diversity is appreciated.

20. **Scanning Imperative**: This is defined as people gathering information about conditions and practices outside an individual work area and seeking out information about the external environment.

21. **Shared Vision**: This occurs when values and vision are shared within a team or within the organisation.

22. **Learning Enjoyment**: This involves celebrating learning achievements and creating an atmosphere where humour and fun are part of the process of acquiring new knowledge.

23. Describe your understanding of the factors which may facilitate CPD within professional organisations. (Once again we recommend that you use 50 words or less):
9.3. Part C Benefits Claimed for CPD

This section looks at the benefits that various professional associations have claimed that CPD may achieve (Friedman et al., 2000 p.93-100).

You are asked to indicate the level of significance to your organisation, of each potential benefit in contributing towards the corporate goals, based on a seven point scale:

| Strongly Agree | 1 | 2 | 3 | 4 | 6 | 7 | Strongly Disagree | 8 |

24. The organisation relies on CPD to enable individuals and the organisation to keep up-to-date and to maintain knowledge and/or skills;

25. The organisation deliberately uses CPD to improve and/or develop the knowledge and/or skills necessary for professional performance by professionals;

26. Maintaining and/or raising standards are achieved through the way the organisation supports and/or conducts CPD;

27. The CPD policies and practices of the organisation actively support individual career improvement through CPD;

28. The CPD policies and practices of the organisation support the Security/protection of individuals' jobs or careers;

29. The CPD policies and practices of the organisation contribute to increased job satisfaction within the organisation;

30. The organisation uses CPD to improve job performance;

31. CPD is an important element in the empowerment of staff;

32. CPD enables individuals to demonstrate commitment to the organisation and/or the profession;

33. The flexibility/adaptability of the organisation and/or the individual is significantly increased...
by CPD;

34. Describe your views of the relevance of CPD in contributing to the organisation. (Once again we recommend that you use 50 words or less):
9.4. Part D. Measuring the organisation's entrepreneurial intensity

This section, based on research by Miller (1983), Morris and Kuratko (2002) and Ireland et al., (2009) is designed to measure the entrepreneurial intensity of your organisation. The purpose of including this measure is to examine whether there is a relationship between entrepreneurial intensity and CPD within professional organisations.

For the following statements, please indicate the response that best corresponds to your level of agreement with each statement based on the scale:

<table>
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<tr>
<th>Strongly Agree</th>
<th>Strongly Disagree</th>
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<td>1</td>
<td>5</td>
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<tr>
<td>2</td>
<td>6</td>
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<tr>
<td>3</td>
<td>7</td>
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<td>4</td>
<td></td>
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<tr>
<td>5</td>
<td></td>
</tr>
</tbody>
</table>

Our organisation is characterised by:

35. A high rate of new product/service introductions, in comparison with other professional practices (including new features and improvements);

36. An emphasis on continuous improvement in methods of production and/or service delivery;

37. Risk-taking by key executives in seizing and exploring chancy (or risky) growth opportunities;

38. Seeking of unusual, novel solutions by senior executives to problems via the use of "idea people", brainstorming, etc.;

39. A top management philosophy that emphasises proven products and services, and the avoidance of heavy development costs;

40. In our organisation, top level decision-making is characterised by:

41. Cautious, pragmatic, step-at-a-time, adjustments to problems;

42. Active searching for big opportunities;

43. Rapid growth as the dominant goal;

44. Large, bold decisions despite uncertainties of the outcomes;
45. Compromises among the conflicting demands of owners, government, management, customers, employees, suppliers, etc.;

46. Steady growth and stability as primary concerns.

**New Service Introduction:** This can be defined as “fee for service” operations which you offer to your clients.

47. What is the number of new services your organisation introduced during the past two years?

48. How many existing services did you significantly revise or improve during the past two years?

49. How does the number of new service introductions made by your organisation compare with those of the competitors?

50. To what degree did these new service introductions include services that did not previously exist in your markets:

51. Please estimate the number of significant new methods or operational processes your organisation implemented during the past two years? Examples of process innovations include: new systems for managing customer service, an improved process for collecting receivables, a major new sales or promotional approach, new web based information service provision, etc.
9.5. Part E: Example(s) of CPD's contribution at an Individual or Corporate Level:

Can you think of an example of a CPD activity which has made a significant positive contribution either to an individual or to the organisation? 

NB If you are not aware of CPD causing a positive contribution please indicate this in the first box of this sub-section and then go to the section on negative impact below.

The following seven questions to this sub-section relate specifically to your example where CPD has made a positive contribution. Once again to minimise your time commitment, we recommend that answers be 50 words or less.

52. What was the type of the CPD activity e.g. formal award program, technical workshop, participation in a special interest group, workplace exchange etc.?

53. Who was the learning provider (e.g. university, TAFE, Professional Association, Internal to the organisation, private provider, the Web etc.)?

54. In broad terms when did it occur?

55. What was the motivation to undertake this CPD activity?

56. What were the expected outcomes?

57. Were there any additional or incidental outcomes achieved?

58. The outcomes (both specific and incidental) from this CPD activity resulted in me and/or the organisation ...

Can you think of an example of CPD activity which has made a significant negative contribution either to an individual or to the organisation?

n.b. This sub-section need not be answered if you are not aware of CPD causing negative contributions. If this is the case please enter NA in the next question following (Q8).

The following seven questions to this sub-section relate specifically to your example where CPD has made a negative contribution. (Once again to minimise your time commitment, we recommend that answers be 50 words or less.)
59. What was the type of the CPD activity e.g. formal award program, technical workshop, participation in a special interest group, workplace exchange etc.?

60. Who was the learning provider (e.g. university, TAFE, Professional Association, Internal to the organisation, private provider, the Web etc.)?

61. In broad terms when did it occur?

62. What was the motivation to undertake this activity?

63. What were the expected outcomes?

64. What were the detrimental or other adverse outcomes resulting?

65. The outcomes (both specific and incidental) from this CPD activity resulted in me and/or the organisation ...
10. Appendix 2: Reflections on Development Phases

10.1. Introduction

The research involved five stages of development:

1. From initial idea through to approval to conduct the research;
2. Development of research instruments and ethics approval;
3. Pilot test, development of new research instruments and second ethics approval;
4. Conduct research and report;
5. Conduct proof of concept research and report.

This appendix sets out detail of activities conducted, provides reflections on the various phases and includes finding related to the processes involved in the research.

10.2. Phase 1

A review of PD literature and offerings indicated two types of PD:

- Competency focussed programs often narrowly developed with an emphasis on skills training; and
- A smaller range of programs with an emphasis on knowledge development.

Much of what is delivered in training programs is concerned with the transfer of explicit, abstract knowledge, that specifically exclude the complexities of practice and the communities of practitioners (Brown and Duguid, 1991). Davenport and Prusak (1998) point to the importance of “C words such as: comparison, consequences, connections and conversation” as the keys to transforming information into a thorough informed and reliable understanding of the subject material (knowledge).


Finding 38

Professions Australia’s definition of professionalism:

- Does not refer to experience and the ability to apply knowledge and experience;
- There is no explicit statement that professionals require to undertake PD in order to maintain special knowledge and skills required for professional status; and
There is also no statement regarding developing additional knowledge and skills.

Individual Associations (e.g. ACS, Australian Library Association, CPA Australia, Engineers Australia, ICA, and Royal Australian College of General Practitioners) specify a minimum compliance level of PD activity to maintain membership and/or professional registration. This policy is consistent with a Sufficiency approach to professional practice. Professionals need not only to maintain a body of knowledge, a skill, or ability at the sufficiency level required by the professional organisation but also need to obtain new knowledge required within a profession as knowledge evolves over time. This requirement is concerned with maintaining a sufficiency level of knowledge.

It can be argued that Sufficiency is not enough for effective career development of individual professionals and often does not meet the expectations of organisations and society for professionals. In today’s world of work the term ‘career’ is seen as a continuous process of learning and development” (Groves, 2005). The research planned to examine where learning and development is specified and/or available for professionals in relation to the career development of professionals.

Kolb’s theory of growth and development (Kolb, 1983, Coffield et al., 2005, Smith, 1996) explains that people progress through three stages of development – acquisition of knowledge, specialisation and integration. Much professional development activity focuses on development and assessment of competencies (acquisition of knowledge) (Painter, 2006). Specialisation requires the acquisition of new knowledge which usually builds on sufficiency knowledge obtained for entry into a profession (Phelan, 2002). Shulman’s Table of Learning (Shulman, 2002, McGee, 2003) which is derived from Bloom’s Taxonomy of educational objectives (Clark, 1999, Houghton, 2003, Bloom, 1956) was seen as a means of assessing the objectives of each body in the areas of sufficiency knowledge (competency), deep knowledge, integrative knowledge and specialist knowledge.

Three papers were generated to explore and develop further understanding of the area:

- **Education for Professionals through Work-Integrated Learning** (Murphy and Calway, 2007) - this paper concluded that the philosophy of Work-Integrated Learning includes the imperatives of workforce readiness; a professional development culture (both individual and workforce related); international relevance; life-long learning; knowledge transference; human and social potential. This philosophy is consistent with the objectives relating to advanced level professional development for professionals. WIL can be used to provide a focus for the development of relevant professional knowledge which will provide society with greater expertise.

- **WIL Theory or Philosophy? - A Grounded Study** (Calway and Murphy, 2006) – this paper defined the various models of Work-Integrated Learning (WIL) and concluded that while much of the literature is focused through real-world experiences of WIL implementations and through a diversity of learning theories including; active, experiential, services, vocational, situated, etc. WIL does not seek to promote any single theory or model. Rather, it can and does make use of and explain a number of the theories.
Appendix 2 Reflections on Development Phases

- The Educational Imperatives for a Work-Integrated Learning Philosophy (Calway and Murphy, 2007) - The paper included a statement that WIL should:
  o be the general term given to learning that occurs through undertaking a component of industry/professional practical experience while studying whether studying for an accredited program of tertiary level studies or not;
  o be expressed through the imperatives of: work readiness; life-long learning; human and social potential; internationalised thinking; knowledge transference and a professional development focus; and
  o engage active and/or action learning methodologies, and focus upon a broader individual and corporate professional development approach.

This Phase generated three research questions:

4. Are the objectives of professional development of professionals in Australia driven by labour force imperatives and to what extent does this compromise individual career development?

5. How has the introduction of Professional Standards legislation changed the way that professional development of professionals is conducted in Australia?

6. Where is the philosophy of Work-Integrated Learning used in professional development for professionals? Is Work-Integrated Learning a suitable philosophy to enable deep learning?

This phase ended with the development and approval by the Research Committee of a Research Proposal.

10.3. Phase 2

This phase involved further development of the focus and themes of the study with a view to developing a research instrument(s) and obtaining ethical approval to begin data collection. The focus of the research was on: professional development; professional standards and risk; learning for professionals; certification/registration/licensing/accreditation of professionals by associations.

Feedback from papers written at this stage provided an opportunity to examine the basis of the research and also gave access to a number of professionals involved in studies of PD. These professionals subsequently gave advice regarding the proposed research instrument.

In Phase 2, it became apparent that research had been undertaken for PD for individual professionals (Chivers, 2006, CICA, 2005/2012, Eraut, 2001, Friedman and Phillips, 2001, Hennessy et al., 2006, Jones and Fear, 1994, Ramsden, 2003, Rothwell and Herbert, 2007, Webster-Wright, 2006) and for associations (Friedman et al., 2000, Friedman and Mason, 2007, Friedman and Phillips, 2002, 2004, Gardner and Shulman, 2005). The enterprises which employ professionals were seen as a major stakeholder in PD and had not been included in prior research.
The research questions were re-specified as:

3) *Is professional development undertaken for compliance or for development?*

Contextually questions which emanate from these include:

a) *Has the introduction of Professional Standards Legislation changed the way that professional development of professionals is conducted in Australia?*

b) *What is the opportunity for, and role of, professional associations in the career development of professionals to ensure a level of knowledge and understanding beyond a sufficiency level?*

c) *What is the breakdown of CPD activities between the use of informal learning and structured knowledge acquisition?*

d) *Do the CPD activities of professional organisations lead to deep learning or sufficiency learning?*

The questions above examine:

- The process(es) of professional development for practitioners who wish to maintain their body of knowledge at a level sufficient to practice (perhaps for compliance reasons only).
- The use of professional development to extend practitioners knowledge whereby they build on their body of knowledge to acquire either:
  - Specialist knowledge; or
  - A broader knowledge base enabling:
    - Integration of knowledge and enhanced ability to operate in multi-disciplinary teams with other professionals; and/or
    - Development of management skills.

Are these types of professional development more likely to require deep learning and involve self-actualisation motivation?

4) *What value does the professional organisation place on professional development?*

This question examines the impact of PD on the enterprise. The emphasis of the research focuses on the enterprise rather than individuals or associations.

The qualitative study plan involved:

- Semi-structured interviews with an executive or board member from a number of associations (divided into four parts):
  - benefits of PD: business-related; knowledge-related; accessibility; and credentiailling;
  - PD Methods/Models (Rothwell and Herbert, 2007);
  - PD Policies and Learning Issues influencing the direction of PD; and
  - A profile of the organisation.

- Semi-structured interviews with CEOs of a sample of enterprises within these associations (divided into three parts):
  - benefits of PD: business-related; knowledge-related; accessibility; and credentiailling;
  - PD Methods/Models (Rothwell and Herbert, 2007);
  - a profile of the organisation.
Similar questions were asked of both enterprises and associations. The one part unique to associations concerned issues related to PD Policies and Learning. Enterprises were to submit one reply for the practice so that an examination could be made of the value the enterprise places on, and receives from, PD. The interview structures and content were informed by literature concerned with evaluating learning (Dunn, 2000, Jones et al., 2002, Mulcahy and James, 2000, Murphy et al., 1997, Neergaard and Ulhøi, 2007, Owen, 1993, Sharma, 1994, Shaw, 1992, van der Heijde and van der Heijden, c2005, Young, 1997). Interview plans are included in this Appendix.

The interview structures and content were informed by literature concerned with evaluating learning (Dunn, 2000, Jones et al., 2002, Mulcahy and James, 2000, Murphy et al., 1997, Neergaard and Ulhøi, 2007, Owen, 1993, Sharma, 1994, Shaw, 1992, van der Heijde and van der Heijden, c2005, Young, 1997). Interviews were divided into the following parts:

- **Part A** - associations and enterprises - benefits of PD examining the importance of using PD to help realise the listed benefit or function and the effectiveness of PD in achieving these benefits. Part A looked at benefits under the following headings:
  - **Business related benefits including:**
    - Compliance;
    - Increasing effectiveness;
    - Growing knowledge;
    - Adding value;
    - Other business benefits.
  - **Knowledge related benefits:**
    - New technical knowledge i.e. discipline specific knowledge not already held by the professional;
    - Specialist knowledge i.e. acquiring a recognised specialisation within the discipline e.g. various medical specialisations; accountants obtaining financial planning certification;
    - Integrative or non-discipline specific knowledge i.e. knowledge outside the discipline e.g. finance for engineers, accountants studying marketing (MBA type programs are programs which broaden participants outside their original discipline);
    - Soft or generic skills development often referred to as graduate or employability skills and includes communication, teamwork, problem-solving, self-management, planning and organising, lifelong learning, and initiative and enterprise (DEST, 2002, 2007, Bologna Process, 2004, Dearing, 1997, Jones et al., 2002, West, 1997);
    - Supplantive knowledge (Atherton, 1999) i.e. development which involves replacing knowledge, skills or attitudes and implies unlearning as well as learning.
  - **Accessibility Benefits:**
    - Access to relevant experts;
    - Just-in-time access to material which has been qualified and/or endorsed by experts;
    - Access available to all members e.g. from regional & rural locations.
  - **Credentia ling of Professionals:**
    - Maintaining existing credentials;


- Obtaining/providing specialist credentials for members;
- Obtaining qualifications outside the profession.

- **Part B** - associations and enterprises - Professional Development Methods/Models. Classifications were adapted from Rothwell & Herbert (2007). In Part B the same models and methods of professional development are listed but there is a difference in the questions posed to associations and enterprises.
  - For associations examining:
    - Whether a model was acceptable for compliance purposes;
    - Whether the association provided that type of PD; and
    - A ranked list of the five most effective models.
  - For enterprises examining:
    - Whether the model was used
    - The effectiveness of the models which are used; and
    - A ranked list of the five most effective models.

- **Part C** - associations only - Professional Development Policies and Learning Issues influencing the direction of PD including:
  - What are the prime motivating factors for PD:
    - For individuals;
    - For organisations.
  - What forms of PD are:
    - Preferred;
    - Most effective;
    - Most used.

- **Part D** - both associations and enterprises - obtains a profile of the relevant organisation.

### 10.4. Phase 3 - the Pilot Study

The pilot study was conducted by interviews with representatives of two associations, and three enterprises.

The interview for associations was divided into four sections:

<table>
<thead>
<tr>
<th>Part</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Benefits of Professional Development;</td>
</tr>
<tr>
<td>B</td>
<td>Professional Development Methods/Models Classifications;</td>
</tr>
<tr>
<td>C</td>
<td>Professional Development Policies and Learning Issues; and</td>
</tr>
<tr>
<td>D</td>
<td>Association Profile</td>
</tr>
</tbody>
</table>

Parts A and B ask the association to rank:
- The importance of using professional development to help the association to realise the listed benefit or function
- The effectiveness of professional development in achieving these benefits.

The same models and methods of professional development are listed in Part B in the interviews for both associations and enterprises but there is a difference in the questions posed.
Parts C and D ask questions about the association itself, its PD policies and the factors influencing the direction of PD.
### Interview Plan for Associations

**Part A. Benefits of professional development**

2) Examining the use of PD for increasing or maintaining business value

<table>
<thead>
<tr>
<th>Q.1A</th>
<th>Rate effectiveness of PD in achieving the benefit for members - Likert scale (1-4)</th>
<th>Increasing or maintaining business value</th>
<th>Q.1B</th>
<th>Rank emphasis placed by association (1-12 or 1-13)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To a great extent</td>
<td>Not at all</td>
<td></td>
<td>a) Compliance</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>i. minimising risk</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>ii. reducing insurance costs</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td>iii. getting registration under Professional Standards legislation</td>
</tr>
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<td>4</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

#### a) Compliance

i. minimising risk
ii. reducing insurance costs
iii. getting registration under Professional Standards legislation

#### b) Increasing effectiveness

i. transforming the organisation - efficiency
ii. transforming the organisation - innovation
iii. inspiring, motivating and developing the thinking ability of staff and learning how to learn

#### c) Growing knowledge

i. building technical skills
ii. identifying various sources of knowledge

#### d) Adding value

i. new or improved services or products
ii. networking opportunities
iii. improved problem solving
iv. improved customer service

#### e) Other business benefit – specify

3) Increasing or maintaining business value - Summary

<table>
<thead>
<tr>
<th>Q.2A</th>
<th>Rank in order of significance (1-4) or (1-5)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>a) Compliance</td>
</tr>
<tr>
<td></td>
<td>b) Increasing effectiveness</td>
</tr>
<tr>
<td></td>
<td>c) Growing knowledge</td>
</tr>
<tr>
<td></td>
<td>d) Adding value</td>
</tr>
<tr>
<td></td>
<td>e) Other business benefit if nominated</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q.2B</th>
<th>What percent of the association’s PD is allocated to this (either time or $s) (may not = 100%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1=&lt;10%</td>
</tr>
<tr>
<td>2</td>
<td>2=(10%&lt;30%)</td>
</tr>
<tr>
<td>3</td>
<td>3=(30%&lt;50%)</td>
</tr>
<tr>
<td>4</td>
<td>4=(50%&lt;70%)</td>
</tr>
<tr>
<td>5</td>
<td>5= 70%+</td>
</tr>
</tbody>
</table>
4) Increasing or maintaining knowledge

<table>
<thead>
<tr>
<th>Increasing or maintaining knowledge</th>
<th>To a great extent</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to:</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td></td>
<td>3</td>
<td>4</td>
</tr>
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</table>

a) Rate effectiveness of PD in achieving the benefit for members - Likert scale (1-4)

1. New technical knowledge i.e. discipline specific knowledge not held by the professional

2. Specialist knowledge i.e. acquiring a recognised specialisation within the discipline e.g. various medical specialisations; accountants obtaining financial planning certification

3. Integrative or non-discipline specific knowledge i.e. knowledge outside the discipline e.g. finance for engineers, accountants studying marketing (MBA type programs are programs which broaden participants outside their original discipline).

4. Soft or generic skills development often referred to as graduate or employability skills and includes communication, teamwork, problem-solving, self-management, planning and organising, lifelong learning, and initiative and enterprise (DEST, 2002, 2007)

5. Supplantive knowledge (Atherton, 1999) i.e. development which involves replacing knowledge, skills or attitudes and implies unlearning as well as learning.

b) Rank in order of significance in current emphasis placed by association (1-5)

5) Increasing or Maintaining Accessibility

<table>
<thead>
<tr>
<th>Increasing or maintaining accessibility through:</th>
<th>Rank (Likert) effectiveness for members (1-4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Access to relevant experts</td>
<td>1</td>
</tr>
<tr>
<td>2. Just-in-time access to material which has been qualified and/or endorsed by experts</td>
<td>2</td>
</tr>
<tr>
<td>3. Access available to all members e.g. from regional &amp; rural locations</td>
<td>3</td>
</tr>
</tbody>
</table>

b) Rank (Likert) importance to association (1-4)

- 1. Access to relevant experts
- 2. Just-in-time access to material which has been qualified and/or endorsed by experts
- 3. Access available to all members e.g. from regional & rural locations

c) Comments:
6) **Credentialing of Professionals**

<table>
<thead>
<tr>
<th>Credentialing of Professionals</th>
<th>a) Rank importance to association (1-3) 1 = most important 3 = least important</th>
<th>b) Rank effectiveness of PD for association (1-3) 1 = most effective 3 = least effective</th>
<th>c) What percentage of the association's PD is spent on this (may not = 100%) 1 = &lt;10% 2 = (10%-30%) 3 = (30%-50%) 4 = (50%-70%) 5 = 70%+</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Maintaining existing credentials</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Obtaining/providing specialist credentials for members</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Obtaining qualifications outside the profession</td>
<td></td>
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</tbody>
</table>

d) Comments:

7) **Summary Table - consolidating Q.2, 3, 4 and 5**

<table>
<thead>
<tr>
<th>Summary Table: For each of the categories above, please rate in order of significance to your association</th>
<th>a) What percentage does the organisation place on the significance of the benefit 1 = &lt;10% 2 = (10 %-&lt; 30%) 3 = (30 %-&lt; 50%) 4 = (50 %-&lt; 70%) 5 = 70%+</th>
<th>b) Rank in order the effectiveness of PD - (1-4) 1 = most effective 4 = least effective</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Business related benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Knowledge related benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Accessibility Benefits</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. Credentialing of Professionals</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

c) Comments:
Part B Professional Development Methods/Models Classifications:

8) 

a) Indicate the PD activities acceptable (column 1) to the association for compliance purposes over the past two years using the scale:

<table>
<thead>
<tr>
<th></th>
<th>No</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4= yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tbody>
</table>

b) Indicate the PD activities provided (column 3) by the association over the past two years using the scale:

<table>
<thead>
<tr>
<th>To a great extent</th>
<th>1</th>
<th>2</th>
<th>Not at all</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>4= Not at all</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

c) Nominate and rank the five (5) most effective models of professional development (column 4) for the association. Explain your choices.

<table>
<thead>
<tr>
<th>a) Acceptable 1=no 4= yes</th>
<th>Engagement in Continuing Professional Development Classifications adapted from Rothwell &amp; Herbert (2007)</th>
<th>b) Provided by association or partner-How?</th>
<th>c) Rank the 5 most effective (1-5) (1 = most effective)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generic PD</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Technical training e.g. courses learning how to use new computer software; budgeting; marketing etc.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>b) Organisation’s internal training courses – Job related</td>
<td>XXX</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c) Acquiring generic transferable skills and competencies related to job e.g. communication skills, leadership and management, time management etc.</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Professional PD</td>
<td></td>
<td></td>
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<tr>
<td>d) Authorship of technical papers (internal or external to the organisation)</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>e) Working towards a vocational/specialist qualification paid for by the professional</td>
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<td></td>
<td></td>
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<tr>
<td>f) Working towards a vocational/specialist qualification sponsored by the organisation</td>
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<td></td>
<td></td>
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<tr>
<td>g) Using practical work situations within learning programs to integrate work and learning</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>h) Full or part-time teaching in a subject area related to profession</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>i) Attending Professional Association Conferences</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>j) Attending special interest groups (SIGs)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>k) Attending PD non-award courses – relevant to profession</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>l) Undertaking structured eLearning programs relevant to profession</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>m) Regular reading of journals and books relevant to profession</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>n) Attending branch meetings of professional association regularly</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>o) Acquiring knowledge through browsing websites or ‘surfing</td>
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</tbody>
</table>

Gerald A Murphy PhD Thesis: Enterprise PD: Adding Value to Enterprises?
### Reflective Learning

| t) | Reflective discussions with colleagues as part of a formal professional development review process |
| u) | Reflective discussions with colleagues - informal but relevant to profession |
| v) | Action learning: learning from development projects |
| w) | Keeping a reflective diary over an extended period of time |

### Work Related Activities

| x) | Reading work-related documents from the organisation |
| y) | Spontaneous learning arising from work or personal activities |
| z) | Learning through practising the rules and procedures of the organisation |
| aa) | Learning through informal teamwork in the workplace |
| bb) | Participating in internal secondments or transfers within organisation |
| cc) | Sharing knowledge with colleagues |

### Other Activities and PD (personal growth)

| dd) | Undertaking academic study that isn’t necessarily related to the job or profession |
| ee) | Other personal activities outside of work e.g. hobbies, scouts/guides, community or religious organisations, voluntary activities |
| ff) | Membership of committees at work, e.g. quality, health and safety |

### d) Explanation of why the 5 most effective models were chosen:

9) To what extent is **Structured Knowledge Acquisition** offered by the professional associations influenced by:
   a) Body of knowledge – and perhaps a standards approach to problem solving

   b) Assessment – if assessment is important what forms of assessment predominate

10) Give examples of the professional association’s support for learning which is:
    a) Self Directed
Appendix 2 Reflections on Development Phases

b) Planned by the association

c) Available just-in-time

d) Structured Learning

e) Opportunistic

f) Compliance driven to assist member specifically to maintain credentials

11) Informal Learning Models

Informal learning involves learning through participation in everyday activities and may include techniques such as:

- apprenticeship models, where the novice works under the direction of a skilled professional, gradually accepting greater responsibilities for a given task;
- mentoring, which may be provided in various ways within the organisation or the professional association;
- Work-Integrated Learning where learners are able and encouraged to apply theory covered in learning to practical work situation; and
- participating in communities of practice or communities of interest either within the organisation or through external bodies such as professional associations.

a) Do **apprenticeship** models exist? Give examples.
   i) Does this model make a significant contribution to the association's PD?
   ii) What value is placed on this (Likert scale 1-4)?
   iii) What value does the expert place on participating in the process (Likert scale 1-4)?
   iv) Is this an acceptable form of PD for the learner?
   v) Is this an acceptable form of PD for the provider?

b) Is **mentoring** offered and at what level?
   i) Is mentoring practiced for new graduates as part of the credentialing process?
   ii) Is this a compulsory component?
   iii) If mentoring is available, how is this practiced on an on-going basis?
   iv) What value is placed on this (Likert scale 1-4)?
   v) Is this an acceptable form of PD for the learner?
   vi) Is this an acceptable form of PD for the provider?
c) Are there opportunities for **Work-Integrated Learning**
   i) Is this supported and encouraged?
   ii) Give examples of integrating work with learning – how successful is this?
   iii) Is this an acceptable form of PD for the learner?
   iv) Is this an acceptable form of PD for the provider?

d) Are there effective **communities of practice/communities of interest** enabling the professional to engage in professional conversations through participation in specialist interest groups, exchanging war stories, interactive forums etc.? Give examples:

   i) Internal to the association
   ii) In collaboration with other bodies
   iii) What value is placed on this (Likert scale 1-4)?
   iv) Is this an acceptable form of PD for the learner?
   v) Is this an acceptable form of PD for the provider?

e) Are there other models of informal learning in use? Comment.

e) Summarising the effectiveness of various form of Informal Learning:

<table>
<thead>
<tr>
<th>Informal Learning classifications</th>
<th>Rank in order of effectiveness (1-4)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Apprenticeship models</td>
<td></td>
</tr>
<tr>
<td>b. Mentoring</td>
<td></td>
</tr>
<tr>
<td>c. Work-Integrated Learning</td>
<td></td>
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<tr>
<td>d. communities of practice or communities of interest</td>
<td></td>
</tr>
<tr>
<td>e. Other</td>
<td></td>
</tr>
</tbody>
</table>

**Learning Issues in relation to Methods/Models**

12) Briefly outline the overall commitment that the association has to the provision of professional development of members:

a) By the association itself:

b) Working with universities to provide specialised professional development programs:

c) Through advising/supporting/promoting other third party professional development providers:
13) **Are there specific or general compliance learning specifications?**

Designed to extend members' knowledge by the provision of:

a) Technical knowledge in the discipline
b) Specialist knowledge
c) Soft or generic skills often referred to as graduate or employability skills and includes communication, teamwork, problem-solving, self-management, planning and organising, lifelong learning, and initiative and enterprise (DEST, 2002, 2007)
d) Integrative or non-discipline specific knowledge i.e. knowledge outside the discipline e.g. finance for engineers, accountants studying marketing

14) **key professional milestones**

   a) Are there milestones which PD can help members achieve?

   b) Are there specific or general compliance learning specifications related to these milestones?

15) **How is an individual's compliance requirement for credentialing audited/monitored?**

   a) Are individual programs directed to meet specific needs for compliance for membership of the association or other credentialing?

   b) Give examples.

16) **What impact does compliance requirements have on**

   a) the Quality (directions, focus and depth of learning) and

   b) Quantity of professional development within the association?

17) **Has the professional association achieved, applied for or is planning for registration under PSL?**

   a) What are the perceived benefits to:

      i) members;

      ii) clients of members?

   b) What if any are the perceived downsides to PSL?

   c) What impact, if any, has PSL had on:

      i) the type and range of PD offered or available to members?

      ii) enrolments in PD events

18) **What constraining factors influence professional development e.g. accessibility of material; to fellow professionals; to professional development opportunities within the profession; cost; time; availability of providers etc.?**

   How can the impact of these constraints be reduced?
19) Is the cost of professional development minimised for members? How?

20) Is PD, as an association activity:
   a) expected to make a profit?
   b) expected to breakeven?
   c) underwritten by the association?

21) Is there a budget for professional development? – Yes/No Comment
   a) How is this broken down?
   b) Is PD seen as an expense or revenue item?

22) Is professional development a separate identifiable function in the association's accounts?
   a) Yes/No
   b) Does this impact professional development activity? Explain
   c) What is the breakdown of PD revenue between members and non-members?

23) How is PD policy and direction set?
   a) How is PD operational performance reported to
   b) the board

24) What changes have taken place by the association over the past two years:
   a) to PD policy and offerings
   b) in providing professional development
   c) in evaluating professional development of members
   d) in valuing professional development of members
   e) Why were these changes made?

25) In summary:
   a) What are the prime motivating factors for PD:
      i) For individuals
      ii) For the organisation

   b) What forms of PD are:
      iii) Preferred
      iv) Most effective
      v) Most used

Professional Association Profile
Professional Association

Association background:
- No. of professionals in the Association (full members post certification – not students or provisional members etc.)
- Split of full members:
  - a) No. of General practitioners
  - b) No. of recognised Specialists
  - c) No. of Integrated managers/multi-skilled professionals
- Breakdown by years in the profession
  1. No. of qualified professionals (i.e. degree or equivalent) but not eligible for full professional association membership
  2. No. with < five years full professional experience
  3. No. with five – ten years full professional experience
  4. No. with ten – twenty years full professional experience
  5. No. with > twenty years full professional experience

Contact Information:
Contact Name:
Title:
Phone:
Email:
Association Name:
Address

Confidentiality Statement:
Individual professionals and professional organisations will not be identified in any work resulting from this research. Codes will be used to protect confidentiality of the data supplied. Participating professionals and professional organisations will be given access to the results of the research.

It is expected that the data supplied by professional associations will be in the public domain and as such will not be confidential. However, each participating professional association will be given access to the results of the research and asked to indicate any areas of confidentiality. Should any such areas exist; the researcher will negotiate confidentiality to the satisfaction of the professional association.
The interview with enterprise principals/partners was divided into the three sections:

Part A Benefits of professional development
Part B Professional Development Methods/Models Classifications;
Part C Professional Organisation Profile

Interview Plan for Enterprises

Part A. Benefits of PD

1) from the list of ways below that Professional development can be used to increase or maintain business value, indicate in order of importance the four specific benefits (or other benefits nominated by you) which the organisation has gained from professional development e.g.: 1 = C1 (building technical skills); 2 = D4 (improved customer service); 3 = D1 (new or improved services or products); 4 = A1 (minimising risk) with 1 being the most important benefit the organisation has gained from PD.

<p>| | | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>3</td>
<td>4</td>
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</tbody>
</table>

a) Compliance reasons resulting in:
   i) minimising risk
   ii) reducing insurance costs and/or
   iii) getting registration under Professional Standards legislation
b) Increasing effectiveness resulting in:
   i) transforming the organisation - efficiency
   ii) transforming the organisation – innovation and/or
   iii) inspiring, motivating and developing the thinking ability of staff
c) Growing Knowledge through:
   i) building technical skills and/or
   ii) learning various sources of knowledge and learning how to learn
d) Adding Value to the business through:
   i) new or improved services or products
   ii) networking opportunities
   iii) improved problem solving and/or
   iv) improved customer service
e) Please nominate any other relevant business benefit achieved through professional development:

Comment:
2) Looking at the general headings above, when you approve or choose professional
development activities for your organisation rank in order of importance to you the major
benefits above [1 = most important, 4= least important - (5 if other business benefits nominated
above)]:

<table>
<thead>
<tr>
<th></th>
<th>Compliance reasons</th>
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<tbody>
<tr>
<td></td>
<td>Increasing effectiveness</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Growing Knowledge</td>
<td></td>
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<tr>
<td></td>
<td>Adding Value</td>
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<tr>
<td>e)</td>
<td>Other business benefit (if nominated)</td>
<td></td>
</tr>
</tbody>
</table>

3) When approving or choosing professional development activities for your organisation rank in
order of importance to you (1 = most important, 5 = least important) the use of Professional
development to increase or maintain knowledge through access to:

<table>
<thead>
<tr>
<th></th>
<th>New technical knowledge i.e. discipline specific knowledge not held by the professional</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>Specialist knowledge i.e. acquiring a recognised specialisation within the discipline e.g. various medical specialisations; accountants obtaining financial planning certification</td>
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<tr>
<td></td>
<td>Integrative or non-discipline specific knowledge i.e. knowledge outside the discipline e.g. finance for engineers, accountants studying marketing (MBA type programs are programs which broaden participants outside their original discipline).</td>
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<tr>
<td></td>
<td>Soft or generic skills development often referred to as graduate or employability skills and includes communication, teamwork, problem-solving, self-management, planning and organising, lifelong learning, and initiative and enterprise</td>
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<tr>
<td>e)</td>
<td>Supplantive knowledge i.e. development which involves replacing knowledge, skills or attitudes and implies unlearning as well as learning.</td>
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</table>

Comments:

Professionals use professional development to Retain and/or Upgrade their professional status or Credentials. Most professional associations specify a minimum compliance level of professional
development in order to maintain professional status.

4) What percentage of the organisation’s PD has been spent on the following credentialing issues
over the past two years:

<table>
<thead>
<tr>
<th></th>
<th>1=&lt;10%</th>
<th>2=(10%~&lt;30%)</th>
<th>3=(30%~&lt;50%)</th>
<th>4=(50%~&lt;70%)</th>
<th>5= 70%+</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>Maintaining the professional status of currently registered professionals</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
b) Obtaining new specialist credentials or meeting new specialist standards.

c) Obtaining qualifications outside the profession

d) Other major influences on choice of PD for the organisation (specify)

This may be measured in terms of either cost or time and obviously need not = 100%.

Comment:

Degree of Confidence:

Summarising the questions to date

5) In summary, what percentage does the organisation place on the significance of the benefit:

\[1=\text{<10\%} \quad 2=(10\%-<30\%) \quad 3=(30\%-<50\%) \quad 4=(50\%-<70\%) \quad 5=70\%+\] - (need not = 100%).

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>a) Business related benefits</td>
<td></td>
</tr>
<tr>
<td>b) Knowledge related benefits</td>
<td></td>
</tr>
<tr>
<td>c) Retaining and Upgrading Professional Credentials</td>
<td></td>
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<tr>
<td>d) Other Benefits (specify)</td>
<td></td>
</tr>
</tbody>
</table>

Comment:

Degree of Confidence:
Part B. Professional Development Methods/Models Classifications:

6) Indicate the PD activities used (column 1) within the organisation over the past two years using the scale below (classifications are adapted from Rothwell & Herbert (2007));

7) Rate the effectiveness (column 3) of those activities used by the organisation using the scale:

<table>
<thead>
<tr>
<th>To a great extent</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>Not at all</th>
<th>4</th>
</tr>
</thead>
</table>

8) Rank in order the five (5) most effective models of professional development for the organisation (column 4).

<table>
<thead>
<tr>
<th>Used Q. 6)</th>
<th>Engagement in continuing professional development classifications</th>
<th>Effectiveness of this activity Q.7)</th>
<th>Rank the 5 most effective (1-5) (1 = most effective) Q.8)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Generic PD</strong></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>a. Acquiring generic transferable skills and competencies related to job e.g. communication skills, leadership and management, time management etc.</td>
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<tr>
<td>b. Technical training outside main discipline e.g. courses on learning: how to use new computer software; budgeting; marketing etc.</td>
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<tr>
<td>c. Organisation’s internal training courses – Job related</td>
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<tr>
<td><strong>Professional PD within the profession or discipline</strong></td>
<td></td>
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<tr>
<td>d. Authorship of technical papers (internal or external to the organisation)</td>
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<tr>
<td>e. Working towards a vocational/specialist qualification paid for by the professional</td>
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<tr>
<td>f. Working towards a vocational/specialist qualification sponsored by the organisation</td>
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<tr>
<td>g. Using practical work situations within learning programs to integrate work and learning</td>
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<tr>
<td>h. Full or part-time teaching in a subject area related to profession</td>
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<tr>
<td>i. Attending Professional Association Conferences</td>
<td></td>
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<tr>
<td>j. Attending special interest groups (SIGs)</td>
<td></td>
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</tr>
<tr>
<td>k. Attending PD courses – relevant to profession</td>
<td></td>
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<td></td>
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<tr>
<td>l. Undertaking structured eLearning programs relevant to profession</td>
<td></td>
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<tr>
<td>m. Regular reading of journals and books relevant to profession</td>
<td></td>
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<tr>
<td>n. Attending branch meetings of professional association regularly</td>
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<tr>
<td>o. Acquiring knowledge through browsing websites or ‘surfing the net’</td>
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<tr>
<td>p. Learning professional knowledge e.g. discipline specific knowledge or professional codes of practice</td>
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<tr>
<td>q. Membership of committees relevant to the profession</td>
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<tr>
<td>r.</td>
<td>Exchanging emails on professional topics with other members</td>
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<tr>
<td>s.</td>
<td>Taking part in an online discussion forum relevant to profession</td>
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<td></td>
<td><strong>Reflective Learning</strong></td>
<td></td>
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<tr>
<td>i.</td>
<td>Reflective discussions with colleagues as part of a formal development review process</td>
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<td>j.</td>
<td>Reflective discussions with colleagues - informal but relevant to profession</td>
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<td>k.</td>
<td>Action learning: learning from development projects</td>
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<td>l.</td>
<td>Keeping a reflective diary over an extended period of time</td>
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<tr>
<td></td>
<td><strong>Work Related Activities</strong></td>
<td></td>
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<tr>
<td>x.</td>
<td>Reading work-related documents from the organisation</td>
<td></td>
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<td>y.</td>
<td>Spontaneous learning arising from work or personal activities</td>
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<tr>
<td>z.</td>
<td>Learning through practising the rules and procedures of the organisation</td>
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<td>aa.</td>
<td>Learning through informal teamwork in the workplace</td>
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<td>bb.</td>
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<tr>
<td>cc.</td>
<td>Sharing knowledge with colleagues</td>
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<td></td>
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<tr>
<td></td>
<td><strong>Other Activities and PD (personal growth)</strong></td>
<td></td>
<td></td>
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<tr>
<td>dd.</td>
<td>Undertaking academic study that isn’t necessarily related to the job or profession</td>
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<tr>
<td>ee.</td>
<td>Other personal activities outside of work e.g. hobbies, scouts/guides, community or religious organisations, voluntary activities</td>
<td></td>
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<tr>
<td>ff.</td>
<td>Membership of committees at work, e.g. quality, health and safety</td>
<td></td>
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<tr>
<td>gg.</td>
<td>Other forms/models of PD: Nominate…</td>
<td></td>
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</tr>
</tbody>
</table>

**Comments:**
Professional Development Methods/Models Classifications: Informal Learning Models

Informal learning involves learning through participation in everyday activities and may include techniques such as:

- apprenticeship models, where the novice works under the direction of a skilled professional, gradually accepting greater responsibilities for a given task;
- mentoring, which may be provided in various ways within the organisation or through the professional association;
- Work-Integrated Learning where learners are able and encouraged to apply theory covered in learning to practical work situations; and
- Participating in communities of practice or communities of interest either within the organisation or through external bodies such as professional associations.

9) Using the scale:

<table>
<thead>
<tr>
<th>To a great extent</th>
<th>Not at all</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>4</td>
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</tbody>
</table>

indicate how frequently these are used (Column 1) and how effective are these methods (Column 3).

<table>
<thead>
<tr>
<th>Used</th>
<th>Informal Learning classifications</th>
<th>Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>f.</td>
<td>Apprenticeship models</td>
<td></td>
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<tr>
<td>g.</td>
<td>Mentoring</td>
<td></td>
</tr>
<tr>
<td>h.</td>
<td>Work-Integrated Learning</td>
<td></td>
</tr>
<tr>
<td>i.</td>
<td>communities of practice or communities of interest</td>
<td></td>
</tr>
<tr>
<td>j.</td>
<td>Other forms of Informal Learning: Specify</td>
<td></td>
</tr>
</tbody>
</table>

Comment:

10) What percentage of professional development within the organisation is:

<table>
<thead>
<tr>
<th>a)</th>
<th>Self Directed by individuals</th>
</tr>
</thead>
<tbody>
<tr>
<td>b)</td>
<td>Planned by the organisation</td>
</tr>
</tbody>
</table>

11) What percentage of professional development within the organisation is:

<table>
<thead>
<tr>
<th>a)</th>
<th>Just-in-time</th>
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</thead>
<tbody>
<tr>
<td>b)</td>
<td>Structured Programs</td>
</tr>
<tr>
<td>c)</td>
<td>Opportunistic</td>
</tr>
</tbody>
</table>
Part C Professional Organisation Profile
(Questions in this section relate to professionally qualified staff only.)

12) Organisation/Practice background:

| a) No. of professionals in the Practice |
| b) Breakdown of professionals: |
|   i) No. of General practitioners |
|   ii) No. of recognised Specialists – |
|     (1) what are the Specialist qualifications? |
|   iii) No. of Integrated managers/multi-skilled professionals – |
|     (1) what are the qualifications? |

c) Gender Breakdown of professionals
   i) Male
   ii) Female

d) Breakdown by years in the major profession of the Practice
   i) No. of Qualified staff (i.e. degree or equivalent) but not eligible for full professional association membership
   ii) No. of staff with < five years full professional experience
   iii) No. of staff with five – ten years full professional experience
   iv) No. of staff with ten – twenty years full professional experience
   v) No. of staff with > twenty years full professional experience

e) members of professions other than the major profession
   i) No. of professionals in the Practice who are also members of other professions
   ii) No. of professionals in the Practice who are not members of the practice’s major profession(s) but are members of other professions
   iii) No. of other professions represented in the Practice

13) Are there discernible differences in the attitude to, use of and support for PD based on: years of experience, gender, holding of specialisations and/or being members of other professional associations?

14) What is the cost of professional development to the practice in:

| a) time lost and/or |
| b) fees paid |
15) Does the practice reimburse professional development? – fully/partially/No

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>a)</td>
<td>Course fees</td>
</tr>
<tr>
<td>b)</td>
<td>Course materials</td>
</tr>
<tr>
<td>c)</td>
<td>Registration fees</td>
</tr>
<tr>
<td>d)</td>
<td>Travel/accommodation</td>
</tr>
<tr>
<td>e)</td>
<td>Per diems at conferences etc.</td>
</tr>
<tr>
<td>f)</td>
<td>Other: Specify</td>
</tr>
</tbody>
</table>

Comment

16) Is there a budget for professional development? – Yes/No

Comment

17) Alignment with performance evaluation system:

Does PD process form part of an individual employee’s performance plan? Yes/No

Comment

18) Are PD plans aligned with and support organizational goals? Yes/No

Comment

19) Are the outcomes of PD linked with progression? Yes/No

How?

20) Please rank the constraining factors which influence your organisation’s use of professional development:

<table>
<thead>
<tr>
<th>Constraints</th>
<th>Rank in order of significance 1-7 (1 = most significant)</th>
</tr>
</thead>
<tbody>
<tr>
<td>a)</td>
<td>accessibility of professionally qualified material;</td>
</tr>
<tr>
<td>b)</td>
<td>accessibility to fellow professionals;</td>
</tr>
<tr>
<td>c)</td>
<td>accessibility to professional development opportunities within the profession;</td>
</tr>
<tr>
<td>d)</td>
<td>cost;</td>
</tr>
<tr>
<td>e)</td>
<td>time;</td>
</tr>
<tr>
<td>f)</td>
<td>Location/distance from providers</td>
</tr>
<tr>
<td>g)</td>
<td>Other – specify</td>
</tr>
</tbody>
</table>

Comments:
21) Other issues regarding PD:

Thank you for your participation.
Name:
Title:
Organisation:
Email:
Phone:
10.5. Reflections of Pilot Study Interviews

Analysis of the interviews conducted using these instruments, showed that while data was collected about the use of CPD within organisations and as approved and available within associations there was insufficient explanatory data – *what is* happening data was obtained rather than *why; what value; and how can* the enterprise influence the outcomes. Associations were seen as not providing insightful information on the value of PD to enterprises and were excluded as a primary source of data for the study. Employees’ views were seen as an important source of data in relation to both value and the policies and practices related to CPD.

The literature review was extended in the areas of:

- Entrepreneurial influences and approaches (Hines, 2000, Ireland and Webb, 2007, Ireland et al., 2006a, b, Morris, 1998, Neergaard and Ulhøi, 2007);

This pilot study can be considered to be an exploratory study (Yin, 1994) which guides the actual study and from which the real study may commence. The research questions were re-examined and re-specified. New research instruments were developed (DiBella and Nevis, 1998, Friedman et al., 2000, Ireland et al., 2006a, b) and tested; the research design was amended; and a new ethics clearance obtained.
Data obtained at this stage was reviewed for its relevance to the research. It became apparent that:

**Finding 39**
The detailed data obtained about the types of PD activities provided by associations and used by enterprises did not add to the understanding of how enterprises valued PD and how enterprising could add value to the outcomes of PD.

**Finding 40**
There was undue emphasis on the methodology of PD rather than the value gained by the enterprise and the EPD profile.

The Interview plan for this study was pretested with principals of two enterprises prior to the study commencing. Potential enterprises were contacted by phone to ask if they would participate in the study. Principals who agreed to become involved were sent an e-mail; an Informed Consent form which authorised the enterprise's participation in the study; a Research Consent Information Statement setting out the ethical considerations and protocols which apply to this project; research processes and the enterprise's involvement; the conditions protecting the enterprise; and the focus of the research.

At each interview, the completed Informed Consent form was collected. The Interview plan was given to and discussed with the partner/principal as a guide to the direction of the interview. Each interview was recorded digitally - these recordings were then transferred to two separate computer systems as backup. Digital recording is more effective way of reviewing data from interviews than the older technology of tape-recording. Notes were taken during each interview. Note-taking may mean that analysis and interpretation begins to occur during the interview with the risk that prematurely fixed conceptions occur (Minichiello et al., 1995). In this research the notes were transcribed and then expanded through the iterative analysis of each recording.
10.6. CPD for General Practitioners in the Medical Profession

A number of professions were considered to be suitable candidates to be used as the case study for this research. Following is the report on the case study of general practitioners in the medical profession which was abandoned when it became obvious that there would not be sufficient support within the profession to conduct a successful case study.

CPD and General Practitioners (GPs) in the Medical Profession

Relevant professional bodies involved with GPs and their CPD include:
- Australian Association of General Practitioners (AAGP)
- Australian College of Rural and Remote Medicine (ACRRM)
- Australian General Practice Network (AGPN) consisting of divisions of general practice. This body works through regional divisions and is concerned with practices rather than individual practitioners. The roles for AGPN are (Bollen, 1996):
  - Maintain and improve the standards of general practice in the region, including coordination of care between general practitioners and other service providers for the benefit of patients;
  - Improve communication between general practice, hospitals, medical specialists and community health services;
  - Encourage involvement of GPs in hospitals and other community health services;
  - Foster cooperation between GPs in providing quality after-hours services;
  - Take an active role in the continuum of education from undergraduate through to postgraduate vocational training in general practice;
  - Undertake research in general practice by establishing local research networks;
  - Involve GPs in health promotion and preventive activities;
  - Ensure appropriate access to primary health services in consultation with consumers by sharing allied health resources; and
  - Assist in the development of appropriate information management in general practice;
- Australian Medical Association (AMA) (often referred to as the “doctors union” and as such is less concerned with CPD);
- Royal Australian College of General Practitioners (RACGP) is responsible for maintaining standards for quality clinical practice, education and training. The RACGP provides the following levels of membership:
  1. Associate - registered medical practitioners;
  2. Member - medical practitioners who have a minimum of 7 years postgraduate medical experience, of which 5 years is in general practice;
  3. Fellow- Fellowship of the RACGP (FRACGP) is granted to medical practitioners who have successfully completed all college fellowship assessment requirements and
who have satisfied college council of their competence through training or experience.

4. Eligible Associate: general practice registrars who are participating in general practice vocational training;
   - Rural Doctors Association of Australia (RDAA).

Medical registration may be at:

1. **An Individual level**
   a. General Registration – or "recognised GP" for Medicare purposes.
      **Purpose:** To allow medical practitioners to work independently within the boundaries of their training and competence.
      **Eligibility:** Australian and New Zealand medical school graduates who have completed an approved internship.
   b. "Vocational registration" Being a VR GP gives access to special Medicare item numbers and higher Medicare rebates, generating higher income. **Requirement for CPD of 130 points per triennium.**

2. **A Practice level**

"Standards for General Practices" have been developed by RACGP and accredited through:

- AGPAL, and its subsidiary company QIP; or
- GPA ACCREDITATION plus

**The benefits of general practice accreditation** as stated by RACGP are that it will:
(http://www.racgp.org.au/QACPD)
- Raise general practice standards and consequently the quality of care provided to patients;
- Provide professional benefits for general practitioners; and
- Facilitate change in general practice.

**Income sources of GPs**

The income of GPs is derived through “face to face” contact with patients. The implication is that if the GP is not seeing a patient then the GP is not earning income. Bollen (1996) noted that the:

- fee-for-service funding for general practice had an inbuilt "perverse incentive" based on "the more you see and the quicker you see them the more you earn";
- method of remuneration based on a time basis did not encourage and reward the provision of high quality care.

The ability for a GP to increase income depends on increasing:
billable time – this in unlikely as GPs are already busy and any increase would come from a reduction in personal time; and/or

- the fee charged per service – this is constrained as Medicare nominates a “common fee” for each service and while many doctors charge above the common fee, the charges are generally standardised.

PD Requirements

The RACGP QA&CPD program (Error! Reference source not found.) which is required for GPs to maintain vocational Registration emphasises the development of the BoK of GPs with a bias towards Formal and/or Non Formal Learning. Note the emphasis on structured, accredited activities in Error! Reference source not found.. Informal learning has been recognised as the main way that individuals learn (Cross, 2007, Eraut, 2000, 2001, Kolb, 1983, Smith, 1999a, b, Allen et al., 2000, Chivers, 2006). Rapid ‘Plan, Do, Study, Act’, (PDSA) cycle, and Small group learning, and Supervised clinical attachment together with Unaccredited activities represent Informal learning. Informal learning is less likely to be a recognised CPD activity as it is more difficult to measure and verify compliance.

### Table 10-1 RACGP QA&CPD program

<table>
<thead>
<tr>
<th>Category 1 options</th>
<th>Category 2 options</th>
<th>Unaccredited activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active learning module (40 points)</td>
<td>Endorsed or accredited provider Category 2 activities (each activity capped at 30 points)</td>
<td>Self recorded activities (minimum of 10 hours education for 20 points for the triennium)</td>
</tr>
<tr>
<td>Clinical audit (40 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Evidence based medicine (EBM) journal club (40 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GP research: (40 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• principal investigator</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• GP research participant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Learning plan (one per triennium capped at 40 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rapid ‘Plan, Do, Study, Act’ (PDSA) cycle (40 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Small group learning (40 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervised clinical attachment (40 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher education relevant to general practice (Australian qualifications framework – accredited):</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Graduate certificate (60 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Graduate Diploma (90 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Masters degree (120 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Doctor of Philosophy degree (PhD) (150 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>RACGP assessment activities (150 points)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• FRACGP by examination</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• FRACGP by practice based assessment</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• FARACGP</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Basic CPR course</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Must meet Australian Resuscitation Council (ARC) guidelines</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Can be a Category 2 activity or part of a Category 1 activity</td>
<td></td>
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</tbody>
</table>
http://www.racgp.org.au/QACPD

Drucker (1999) describes surgeons as classic "knowledge workers". Learning and innovation becomes an integral part of their work. Reliance on colleagues for assessing effectiveness in their practice becomes part of building essential knowledge. Wenger, E., McDermott, R., & Snyder, W. M. (2002a) build on this concept and state that an expert’s knowledge results from an amalgam of actions, thinking, and conversations which is as important as the BoK of the profession.

**GPs and this research**

Contact was made with:

- Nine medical practices requesting to speak to the senior partner. In all cases, (as expected) the doctor was busy with patients. Details of the research projected were sent to three of these practices. Only one doctor returned calls. He indicated that CPD was really an individual activity rather than seen as a practice activity;
- The RACGP which indicated that they did not identify with practices (enterprises) but concentrated on CPD at an individual level;
- Six divisions of general practice:
  - All indicted that doctors are “very busy” and “time poor”
  - Four divisions felt that unless doctor was recompensed for their time they would be unlikely to participate;
  - There were many research projects doctors are asked to participate in. *Comment*: these projects are likely to be medically related projects which receive research grants and are therefore able to provide payment for participation;
  - Doctors are not seen as professional organisations and therefore the propose methodology and focus was not appropriate to local GPs;
  - One division passed the details on to members. Another division offered to assist in a mail-out to surgeries. Based on the responses received from other sources, this offer was not accepted. The probability of a successful response was rated as low.
- A consulting firm who supplies Practice Managers to medical practices confirmed that it would be difficult to find a doctor to give up some time to talk about the project. This firm indicated that in general, doctors were unresponsive to surveys.

It seems to be that medical practices do not see themselves as single business enterprises. “Sole traders” have merged into larger practices over many years enabling:

- sharing back-office costs; and
- relief from being on call 24/7.

The mergers appear not to have influenced the practice of medicine or associated CPD. The fact that doctors have their own Medicare provider numbers has resulted in little movement from the
time when doctors were seen as sole practitioners. The practice of medicine and is still seen as an individual rather than a group of business exercise.

The learning required for a medical qualification involves both formal and informal learning. The environment in which CPD operates is:

- Structured (both formal and non formal) learning seems to be the preferred way in which medical knowledge is kept up-to-date.
- There is comparatively little emphasis on informal learning in the way that CPD requirements are specified by RACGP.
- The BoK required by GPs is growing rapidly and there is pressure to maintain and grow technical knowledge.
- CPD appears to be designed at times and in ways to ease compliance requirements both for busy GPs and for an increasing number of doctors who are part-time (Bollen, 1996).


These skills will be in demand if the recommendations contained in the final report of the National Health and Hospitals Reform Commission – June 2009 “A Healthier Future for all Australians” (Bennett et al., 2009) recommended shared care arrangements to improve the way in which general practitioners, primary health care professionals, and medical and other specialists manage the care of people with chronic and complex conditions. The resulting team approach to health care will require a broader approach to enable effective utilisation of a range of services.

In view of the difficulty of gaining access to GPs it was decided not to continue to attempt to include medical practitioners in the study.

Phase 4 continued with the study of the accounting profession. During the interview process additional questions were added. In Qualitative studies which aim to develop understanding through inductive approaches, the process of reviewing and analysing the adequacy of the data collected during the collection phase may result in modifications to the data being collected as the research is conducted (Eisenhardt, 1989, Merriam, 1998, Glaser and Strauss, 1967, Guba and Lincoln, 1994, Minichiello et al., 1995).
10.7. **Phase 5**

As the study of the University faculty was a *proof of concept* study, the research instruments were not modified. It was considered that to prove that the research instruments could be transferred from one knowledge-based enterprise to another, then a research instruments should remain intact.

Professional Standards legislation does not apply to universities and this part of the interview process was quickly eliminated. As the university is a not-for-profit enterprise, Part D of the survey (Entrepreneurial Intensity) did not seem to relevant to one respondent who questioned "... how do you expect someone from a very large organisation, who spends all their time in a small section of it, to answer your numerical questions pertaining to the whole organisation? Also, it is now clear that this survey was primarily developed to apply to a 'selling widgets' type of industry and cannot be applied to (say) the education sector". Asking employees to assess the entrepreneurial intensity of an enterprise would appear to be less than satisfactory where there is no engagement and/or communication between management and employees in relation to the overall attitudes of the enterprise to growth and risk.

The proof of concept study established that the research methodology could be transferred to other knowledge-based enterprises. Differences were established between the two cases and these differences are explainable within the policies and practices of the two cases.

**References Appendix 7**

AUSTRALIAN LIBRARY ASSOCIATION (2008) What is PD?, ALIA.
APPENDIX 2
Reflections on Development Phases


BOLOGNA PROCESS (2004) Key Competences for Lifelong Learning. EUROPEAN COMMISSION.


CICA (2005/2012) The CA Competency Map. Toronto, CICA.


CLARK, D. (2009) Stop the courses, I want to get off! Email Bulletin. TrainingZONE.


CPA AUSTRALIA (2009a) About continuing professional development.

CPA AUSTRALIA (2009b) My CPD commitment.


DEST (2007) Graduate Employability Skills. Canberra, BIHECC.


ROYAL AUSTRALIAN COLLEGE OF GENERAL PRACTITIONERS (2005) What is general practice?


VAN DER HEIJDE, C. M. & VAN DER HEIDEN, B. I. J. M. (c2005) The development and psychometric evaluation of a multi-dimensional instrument for measuring employability. Maastricht School of Management, Open University of the Netherlands, University of Twente.


WENGER, E., MCDERMOTT, R. & SNYDER, W. M. (2002c) Seven Principles for Cultivating Communities of Practice. HBSWK. Boston.


11. Appendix 3 Ethics Approval

11.1. Background

HUMAN RESEARCH ETHICS COMMITTEE

Protocol 2008/061

<table>
<thead>
<tr>
<th>PROJECT FULL TITLE</th>
<th>Professional Development – Deep Learning or Sufficiency Learning?</th>
</tr>
</thead>
</table>

This project was originally approved (Protocol 2008/061) and a revision to the approval was sought (see Appendix 2).

Summary of the revision:

The aims of the project remain the same viz. to examine the value of continuing professional development (CPD) to professional organisations looking at the role and influence of professional organisations in continuing professional development (CPD) and the effect of CPD on these organisations. The trials of the research instruments demonstrated a need for more explanatory data and in relation to interviews will reduce time taken and the volume of data gathered. Additional data will be gathered by a questionnaire.

Changes were:
1. Research questions were refined to improve the focus of the study.
2. Research participants:
   - Professional associations were no longer directly involved. As the aim is to look at CPD and professional organisations interviews with professional associations became irrelevant.
   - Interviews with the CEOs of the sample of professional organisations would still occur but with less structure enabling deeper discussion of the key issues.
   - “Consulting level” staff of the sample of professional organisations were asked to complete a web based questionnaire. This instrument provides a range of views not available in the earlier application.

The revised research instruments:
- the revised interview plan is in Appendix 5; and
- the new questionnaire is in Appendix 7.
Appendix 2 contains the previous Interview plans for:
- Professional Associations; and
- Professional Organisations.

11.2. SUHREC Project 2008/061 - Ethical Clearance

10/10/2008
Anne Cain <AnCain@groupwise.swin.edu.au>
to Bruce, gamurphy, Keith

To: Dr Bruce Calway and Mr Gerald Murphy, FHEL

Dear Bruce and Gerald

SUHREC Project 2008/061  Professional Development - Deep Learning or Sufficiency Learning?
Dr Bruce Calway  FHEL  Mr Gerald Murphy
Approved Duration: 10/10/2008 To 30/06/2010

I refer to your revised protocol (emailed 23 September 2008 with revised documentation attached) forwarded in response to the ethical review of the above project undertaken by a SUHREC Subcommittee (SHESC3 email 03/09/2008). Following due consideration by a delegate of the Subcommittee (SHESC3), the Subcommittee has approved the project with changes as submitted. Some concern was expressed, however, about the length of the questionnaire and the time commitment required of participants.

Unless otherwise notified, human research activity in the project may commence in line with standard or any special conditions for on-going ethics clearance.

The standard conditions for ethics clearance include the following:

- All human research activity undertaken under Swinburne auspices must conform to Swinburne and external regulatory standards, including the current National Statement on Ethical Conduct in Research Involving Humans and with respect to secure data use, retention and disposal.

- The named Swinburne Chief Investigator/Supervisor remains responsible for any personnel appointed to or associated with the project being made aware of ethics clearance conditions, including research and consent procedures or instruments approved. Any change in chief investigator-supervisor requires timely notification and SUHREC endorsement.
- The above project has been approved as submitted for ethical review by or on behalf of SUHREC. Amendments to approved procedures or instruments ordinarily require prior ethical appraisal/clearance. SUHREC must be notified immediately or as soon as possible thereafter of (a) any serious or unexpected adverse effects on participants and any redress measures; (b) proposed changes in protocols; and (c) unforeseen events which might affect continued ethical acceptability of the project.

- At a minimum, an annual report on the progress of the project is required as well as at the conclusion (or abandonment) of the project.

- A duly authorised external or internal audit of the project can be undertaken at any time.

Please contact me if you have any queries or concerns about on-going ethics clearance. The SUHREC project number should be cited in communication.

Best wishes with the project.

Yours sincerely

Anne Cain
Secretary, SHESC3

Ms Anne Cain
Research Administration Coordinator
Faculty of Business and Enterprise
Swinburne University of Technology
H95
PO Box 218
Hawthorn Vic 3122 Australia
Telephone +61 3 9214 8605
Fax +61 3 9214 5040
email: AnCain@swin.edu.au
12. Appendix 4 Documentation sent to Participating Enterprises

a) Explanatory E-Mail to Participating Enterprises Re the Research

From: Gerald Murphy

To: xxx.com.au

Subject: PD Study of Accounting Practices

Attachments: Consent Form revised.doc (32 KB)
Consent Information Statement - Accountants.doc (55 KB)
Draft A513 Email.doc (28 KB)

Dear XXX

Thank you for agreeing for XXX to be part of this study of a sample of professional organisations within the accounting profession to determine the impact of CPD on the organisation and the way that organisational culture can influence CPD. Within each professional practice, the research establishes the methods used, and the extent to which CPD is used to:

- Derive value to the organisation through increasing the effectiveness of professionals;
- Certify compliance of professionals to regulatory and professional standards; and
- Transfer knowledge to professionals.

Further details of the project are set out in the attached Research Consent Information Statement. This sets out the:

- Ethical considerations and protocols which apply to this project
  - Research processes and your involvement
  - Conditions protecting your organisation
- Focus of the research

Also attached is an Informed Consent Form to be collected at the interview. Alternatively, the form can be returned directly to Prof. Bruce Calway, for contact details please see below.

This investigation forms part of the requirements for a doctoral study leading to a Doctor of Philosophy at Swinburne University of Technology.

Your involvement entails participation in an interview lasting about 1 hour. Following the interview, you will be asked to email to all “consulting” level staff within your organisation a request that they complete the study’s questionnaire via a web link. A draft of this email is attached. The questionnaire should be able to be completed in 20-30 minutes.

Further information about the project – who to contact

<table>
<thead>
<tr>
<th>Principal Contact</th>
<th>Mr. Gerald A. Murphy FACS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Associate Dean (International)</td>
<td>PhD Candidate</td>
</tr>
<tr>
<td>Higher Education Lilydale Division</td>
<td>Higher Education Lilydale Division</td>
</tr>
<tr>
<td>Locked Bag 218</td>
<td>Locked Bag 218</td>
</tr>
<tr>
<td>Lilydale Vic 3140</td>
<td>Lilydale Vic 3140</td>
</tr>
<tr>
<td>email: <a href="mailto:bcalway@swin.edu.au">bcalway@swin.edu.au</a></td>
<td><a href="mailto:gmurphy@swin.edu.au">gmurphy@swin.edu.au</a></td>
</tr>
<tr>
<td>Tel No(s) +613 9215 7311 Mob. 0414 324 751</td>
<td>Tel No(s) 0410 602 721</td>
</tr>
</tbody>
</table>
I look forward to our meeting on Tuesday, 8 December at 9.30.

best wishes

Gerald

Gerald A. Murphy FACS
PhD Candidate
Ph. 98787578
Mob. 0410 602 721

Explanatory E-Mail to Participating Enterprises regarding the Research
b) Research Consent Information Statement

Project Title: *Professional Development – Deep Learning or Sufficiency Learning?*
A study of:
- The value of continuing professional development (CPD) to professional organisations; and
- The way that organisational culture can influence CPD.

**Research Consent Information Statement**

**Principal Investigators:** Prof. Bruce A. Calway FACS, Associate Dean (International), Gerald A. Murphy FACS, PhD student.

**What is this study about?**
This study of CPD examines a sample of professional practices which provide advice and/or services to business and/or the public within specific professional disciplines. The project focuses on the corporate or organisational (not individual professional) level investigating the impact of professionals’ CPD on professional organisations and the way that professional organisations may affect the end result of CPD. The research concentrates on the CPD of professionals who represent the organisation at a professional (or consulting) level. These individuals would hold, or be eligible for, full professional membership of the relevant professional association. To obtain a diversity of views, participating organisations will be mainly SME’s with a profile of between 3-20 partners/principals.

This part of the study will look at a sample of professional organisations within the accounting profession to determine the impact of CPD on the organisation and the way that organisational culture can influence CPD. Within each professional organisation, the research establishes the methods used, and the extent to which CPD is used to:
- Derive value to the organisation through increasing the effectiveness of professionals;
- Certify compliance of professionals to regulatory and professional standards; and
- Transfer knowledge to professionals.

Following an examination of one profession, the research will study other profession(s) as a basis of comparison. Variations in the expectations that professional organisations and professions have for CPD, and in the outcomes resulting will be identified.

This investigation forms part of the requirements for a doctoral study leading to a Doctor of Philosophy at Swinburne University of Technology. There is no external funding for, or sponsors of, the project.

**Why is the study important?**
CPD has been made mandatory for accountants in order to maintain professional certification. Studies have examined CPD for various professional associations and for individual professionals within different professions. CPD has also been researched for various businesses (mainly government and large enterprises). Professional organisations derive their income from knowledge-based activities. The body of knowledge required needs to be maintained and extended through CPD. The value of CPD to professional organisations has not been studied.

While CPD is fundamentally an individual activity, professional organisations have a vested interest in professionals being engaged in CPD to maintain credentials (compliance) or extend their body of knowledge. This study investigates how the outcomes of CPD within professional organisations are affected by the policies and practices in operation within the organisation, which in turn are influenced by corporate goals, the entrepreneurial intensity, the learning profile and the factors which facilitate learning within the organisation.

The concentration of this research of CPD for professional practices is on determining from these organisations:

- the impact that CPD has on the organisation and how the organisation may influence the effectiveness of CPD.
- is CPD undertaken for compliance or for development?
- what value does the organisation place on professional development?

What will each Professional Organisation obtain from participating?

Professional organisations participating in the research will be provided with:

- A profile of their approach to CPD in relation to their entrepreneurial intensity;
- An analysis of the factors which facilitate learning within the organisation;
- Feedback on the effectiveness of various learning models to meet corporate objectives; and
- A review of the organisation’s learning profile;
- Means of determining the:
  - costs of CPD to the organisation; and
  - value that CPD brings to the organisation.

What does the study involve?

Your involvement entails participation by a senior member of your organisation in a single interview. Following the interview, you will be asked to email to all “consulting” level staff within your organisation a request that they complete the study’s questionnaire via a web link. A draft of this email is attached.

Sample interview questions are:

1. *How does the organisation demonstrate to professionals within the practice:*
   
   a. The organisation’s need for CPD; and
   
   b. The value the organisation places on CPD?

2. *What is the impact of compliance requirements and Professional Standards legislation on the organisation’s CPD policies and practices?*

3. *Does the organisation monitor and plan CPD or is it left to the individual?*

4. *What is the breakdown between CPD provided internally and externally?*

Give examples of how the organisation supports learning through recognising the need for CPD and developing learning cultures which enhance the potential of CPD.
There are five parts to this questionnaire (A-E) which all “consultant level” staff within the professional organisation are asked to complete:

1. Assessing the Organisational Learning Profile
2. Determining the Facilitating Factors for CPD
3. What Corporate Goals are satisfied for the Organisation by CPD
4. Measuring the organisation’s entrepreneurial intensity
5. An example of CPD’s contribution at an individual or corporate level.

Apart from time, there are no costs involved and no compensatory payments apply. All data required will either be known to participants or should be readily accessible from each organisation’s records. There is a possibility that additional data may be required as a result of findings from the project. In this case, prior interviewees may be contacted for this supplementary data. The findings and appropriate feedback will be distributed to participants for comment.

What is the time commitment?
An interview will on average last about 1 hour (with 1.5 hours being a maximum time). Interviews will be conducted at a mutually acceptable location – generally on your premises.

The questionnaire should be able to be completed in 20-30 minutes by each consultant. After this data has been collected you may be asked to provide further explanatory material or participate in reviewing the findings. This further commitment will be at your discretion.

Will all data provided be confidential?
Individual professionals and professional organisations will not be identified in any work resulting from this research. You will not be required to give your name during the interview. Each participating organisation will be assigned a unique identity number for the purpose of grouping questionnaire responses and matching these with the interview. This number is the only identifying material in the questionnaire. The corporate code is known only to participants of that organisation and to the researchers.

Notes will be taken during the interview, which will also be digitally recorded, then transcribed. When transcription has been validated the recording will be destroyed. Questionnaire responses will be directly forwarded to the researcher via the web.

Data and consent forms will be stored separately in a locked filing cabinet. Should names be used informally during the interview, these will be removed during the transcription process and replaced with pseudonyms. Accordingly, all data will be anonymous and data will not be traceable to a particular individual. No information about any individual or professional organisation will be given to Swinburne University, or to any other individual or organisation. All processed data will be stored electronically with password protection. All electronic records (audio and computer) will available to researchers only. These files will be stored securely) at Swinburne and separately at a backup site.

How Will the Data Be Used?
The major output of this project is a PhD thesis. Findings from this project may be published in academic publications or presented at conferences. Separate reports will be written for participating professional organisations. All reports will be available to participants electronically as part of a process of continuing feedback. Participants are invited to discuss these reports with the researcher for clarification.

It is expected that the case study analysis will be of value to participants in framing professional development policies and therefore of interest and value to participants, professional associations and to a wider body interested in professional development.
Data will be analysed and reported on a corporate (organisational) level and on an aggregate (group-level for the profession) basis. Individual responses will not be identifiable in the reporting. The study will enable the organisation to better understand the factors which determine the outcomes of CPD and the value of CPD.

**Research Protocols**

Individuals, professional organisations and professional associations are free to participate and may withdraw at any time without any obligation or explanation. Withdrawal can be either in relation to: further participation; or the use of any material or data already provided.

All participants will be asked to complete an Informed Consent Form which accompanies this document. This form will normally be collected at the interview. Alternatively, the form can be returned directly to Prof. Bruce A. Calway, for contact details please see below. This research is subject to the provisions Swinburne’s Policy on the Conduct of Research available at [http://www.research.swinburne.edu.au/researchers/ethics/](http://www.research.swinburne.edu.au/researchers/ethics/) and Privacy Policy at [http://ppd.swinburne.edu.au/humres/Privacy.htm](http://ppd.swinburne.edu.au/humres/Privacy.htm).

Further information about the project – who to contact

<table>
<thead>
<tr>
<th>f) Principal Contact: Prof. Bruce A. Calway FACS</th>
<th>g) Mr. Gerald A. Murphy FACS</th>
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<tr>
<td>Associate Dean (International)</td>
<td>PhD Student</td>
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<td><a href="mailto:gamurphy@ireland.com">gamurphy@ireland.com</a></td>
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<td>Tel No(s) 9878 7578 Mob. 0410 603 721</td>
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j) Concerns/complaints about the project – who to contact:

This project has been approved by or on behalf of Swinburne’s Human Research Ethics Committee (SUHREC) in line with the *National Statement on Ethical Conduct in Human Research*. If you have any concerns or complaints about the conduct of this project, you can contact:

- Research Ethics Officer, Swinburne Research (H68),
  Swinburne University of Technology, P O Box 218, HAWTHORN VIC 3122.
- Tel (03) 9214 5218 or +61 3 9214 5218 or resethics@swin.edu.au

Your participation will be valued and appreciated.

**Gerald A. Murphy**
c) Consent Form

Higher Education Lilydale Division

Project Title: Professional Development – Deep Learning or Sufficiency Learning?

Consent Form

Principal Investigator(s): Prof. Bruce A. Calway FACS, Mr. Gerald A. Murphy FACS

1. On behalf of: ______________________________________ (Name of Organisation)

   I hereby authorise the following official(s)/employee(s)/agent(s) to participate in the project in a representative capacity, the project’s particulars having been satisfactorily explained to me:

   Name of representative(s): ____________________________

2. Please circle your response to the following:

   o I agree that s/he can be interviewed by the researcher  Yes No
   o I agree that the interview can be recorded by electronic device Yes No

   o I would like to check any transcription / citation in respect of my organisation’s involvement for accuracy  Yes No
   o I agree that professional staff within this organisation can participate in the survey associated with this project  Yes No

3. I acknowledge that: the data itself is for the purpose of research with an aim of producing publishable/ peer reviewed outcomes and not for direct profit.

   Name of Authority and Position:

   ______________________________________
   ______________________________________

   Signature  ______________________________________

   Date:  ______________________________________

Gerald A Murphy PhD Thesis:  Enterprise PD: Adding Value to Enterprises?
**Draft e-mail for partners/principal to send staff re the questionnaire**

**Draft Email:** to be sent by the professional practice’s CEO, or partner responsible, to staff within the practice.

The CEO is free to edit this in any way to reflect preferred communication usages within the organisation. Highlighted sections can be specifically tailored to suit individual preferences. ID codes will be allocated by the researcher for each organisation.

**Subject:** Review of Value of Professional Development to the Practice

This practice has agreed to participate in a research project being conducted at Swinburne University of Technology on the value to professional organisations of continuing professional development (CPD). As you know, CPD at an individual level is a requirement for on-going membership of CPA Australia, ICA and NIA. The project will give us the opportunity to look at CPD at a corporate level and to review our use of CPD. We will be supplied with:

- A profile of our approach to CPD in relation to our entrepreneurial intensity;
- An analysis of the factors which facilitate learning within the organisation;
- Feedback on the effectiveness of various learning models to meet corporate objectives; and
- A review of the organisation’s learning profile;
- Means of determining the:
  - costs of CPD to the organisation; and
  - value that CPD brings to the organisation.

I am asking all "consulting level" staff to complete the questionnaire which can be found at: [http://opinio.online.swin.edu.au/s?s=pdsurvey2009gqtyofjdgcymngyi](http://opinio.online.swin.edu.au/s?s=pdsurvey2009gqtyofjdgcymngyi)

use this link, or cut and paste the address. The majority of the survey requires responses to multiple choice questions. There are opportunities to add comments (not essential) and to provide examples where, for either you as an individual and/or the practice, CPD has resulted in:

1. benefits; and
2. problems occurring (note there may not be an instance of this).

The survey will enable us to better understand the processes surrounding CPD within the practice and within the profession as in addition to an analysis of our position; we will be given access to comparative material from other practices participating in the study. No practice will be specifically identified in any report of the project.

To ensure adequate time for processing, I would be grateful if you would complete the survey online by [insert date allowing two weeks for completion]. In completing the survey you will need to use the **ID code A513** to identify the practice to the researchers. The code will ensure our anonymity while enabling all our responses to processed as a group.

Salutation/Signature

---

Figure 12-1    Draft e-mail for partners
13. Appendix 5 Interview Plan - Questions to CEO of Professional Enterprise

1) **Theme:** *What do you expect from CPD? and how would you define success* (adapted from Kirkpatrick, 2009)?

2) **How does the professional organisation value professional development?**
   d) Is the value of CPD to the organisation assessed using standard accounting techniques? If so, how
      • Breakeven analysis
      • ROI
   e) Is Balanced Scorecard used – if so how is the value of CPD incorporated into the balanced scorecard?
   f) Is the value added by staff each year assessed? How?

3) **What value does CPD bring to the organisation?**
   c) Have there been instances where CPD has resulted in noticeable tangible benefits?
   d) Overall would you see that CPD provides value for the organisation?

4) **How does the organisation demonstrate to professionals within the practice:**
   a) The organisation’s need for CPD; and
   b) The value the organisation places on CPD?

5) **What is the impact of compliance requirements and Professional Standards legislation on the organisation’s CPD policies and practices?**

6) **Does the organisation monitor and plan CPD or is it left to the individual?**

7) **What is the breakdown between CPD provided internally and externally?**

8) **What risks do you associate with CPD**
   a) Loss of body of knowledge through employee leaving
   b) Body of knowledge is not passed on within organisation
   c) Body of knowledge is not extended within the organisation.

9) **Give examples of how the organisation supports learning through recognising the need for CPD and developing learning cultures which enhance the potential of CPD -? particularly models such as:**
a) Work-Integrated Learning (WIL): Situated learning provides more meaningful learning as it is seen to be relevant for, and by, the learner.
b) Mentoring: supporting the growth and focus of their members in a caring and helpful environment.
c) Apprenticeship models: these models support a learning focus with steps undertaken by master and apprentice at varying levels as knowledge, skills and understanding.
d) Communities of practice/communities of interest: To enable the professional to engage in professional conversations through participation in specialist interest groups, exchanging war stories, interactive forums, accessing expert knowledge etc. – either internal or external to the organisation.
e) Other forms of non-formal professional learning e.g. authorship of technical papers (internal or external to the organisation); full or part-time teaching in a subject area related to profession etc.

How would you value these models in their contribution to the organisation?

**Organisation’s profile:**

**10) Organisation/Practice background:**

a) No. of professionals in the Practice

b) Breakdown of professionals:
   i) No. of General practitioners
   ii) No. of recognised Specialists –
       (1) what are the Specialist qualifications?
   iii) No. of Integrated managers/multi-skilled professionals –
       (1) what are the qualifications?

c) Gender Breakdown of professionals
   i) Male
   ii) Female

d) Breakdown by years in the major profession of the Practice
   i) No. of **Qualified** staff (i.e. degree or equivalent) but not eligible for full professional association membership
   ii) No. of staff with < five years full professional experience
   iii) No. of staff with five – ten years full professional experience
   iv) No. of staff with ten – twenty years full professional experience
v) No. of staff with > twenty years full professional experience

e) members of professions other than the major profession

  i) No. of professionals in the Practice who are also members of other professions
  ii) No. of professionals in the Practice who are not members of the Practice's major profession(s) but are members of other professions
  iii) No. of other professions represented in the Practice

11) Do years of experience, gender, ethnicity, holding of specialisations and/or being members of other professional associations create discernible differences in the attitude to, the use of, and support for, CPD?

12) Do you have a measurement of cost of CPD as a percentage of fees?

  d) As CPD can be used for compliance and/or the development of knowledge can you breakdown the costs into those for compliance; knowledge development and those where knowledge development is used as part of compliance?
  e) What items do you use in calculating costs e.g. time lost; and/or fees paid; any other costs
  f) In your costs of CPD do you include costs for formal learning, non formal learning or informal learning? Give examples.

### 14. Appendix 6 Survey Data

#### Part A Organisational Learning Profile

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Gerald A Murphy PhD Thesis: Enterprise PD: Adding Value to Enterprises?
Describe your understanding of how the organisation goes about acquiring and disseminating knowledge and its approach to learning within the organisation (We recommend that you use 50 words or less).
Text input
Technical updates from external sources passed on to employees in group format and participation
We take a hands on approach with work undertaken which is supported by formal team training from an external source where it has a practical application.
Everyone is encouraged to read frequently for ongoing long-term development, and on a need to basis for current completion of projects. In addition we attend external seminars. We also discuss any new developments internally in team meetings to ensure that all team members are aware of any significant issues.
Identifies key areas of concern and provides workshops and seminars on the solutions
Professional Development activities are chosen by individuals but align with institutional strategies. Apart from the completion of reports, there is absolutely no way in which the value of PD is fed back into the fabric of the institution, making PD, like research, an isolated experience. Institutional knowledge is disseminated in group and faculty meetings, generally in a top-down information-focussed way. There is, inexplicably, always a power gap between what happens in committee meetings and what staff know.
In fact, the organisation is so complex that it is impossible to talk about in general terms, the respondent is really only aware of their own experience. Unfortunately, these questions have been formulated to be so widely applicable, that the respondent [sic] has no real sense of which “knowledge” is being referred to.
there is no formal organisational knowledge management process
Knowledge is acquired and disseminated in an ad-hoc manner and biased towards input from a clique of staff
Use of written policies, papers, procedures and committees for dissemination is common.
Seems to be very ad hoc at the moment
Individuals (all academic staff) are constantly involved in questioning and updating and exploring and adding to an existing body and knowledge by sharing this through a range of pertinent channels.
## Appendix 6  
### Survey Data

### Facilitating Factors

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Question 23
Describe your understanding of the factors which may facilitate CPD within professional organisations. (Once again we recommend that you use 50 words or less):

Text input

Need to keep up with technical changes/knowledge and satisfy CPD requirements
To undertake internal CPD an organisation would need considerable resources and would not be economically viable at say less than 40personnel. Team need to be kept up to date to cope with the level of tasks undertaken so in a smaller firm practical CPD is sought
Either a long-term goal is established for CPD, and this then sought to be fulfilled, and/or individual short-term shortfalls are identified which require immediate rectification through CPD
Effective CPD occurs when individual desires coincide with institutional imperatives. CPD needs to be actively encouraged, follow-ups elicited and outputs respected. There needs to be two way engagement.
The range of interests of individuals needs to be accommodated into a flexible model of institutional strategy.
These questions can elicit no useful data. For example, Q17 and Q18 are more likely to reflect the industry in which the organisation is located rather than the nature of that organisation within the industry. Q19 seems to assume that learning can be measured (and this assumption will doubtless skew the results); there is substantial evidence that the belief that learning can be objectively measured is an illusion that does more harm than good. You'll need a very charitable PhD examiner to pass using data from this questionnaire.
Encouragement and affirmation from leadership
Shared vision, opportunity to engage with strategic direction of the organisation, knowledge of own role.
Promoting or featuring how CPD is endorsed and deployed by celebrity/star/respected individuals.
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Question 34
Describe your views of the relevance of CPD in contributing to the organisation.
(Once again we recommend that you use 50 words or less):
Text input
Improves overall knowledge base of staff and enables the practice to service clients to the highest standard.
CPD is often too deep and theoretical to have a practical application on its own merits and is of no use unless it can be related to the level of tasks being performed.
Essential - professional accountants working in tax must be up-to-date always.
At this point I have lost the reference to 'the organisation'. Does it refer to OUR organisation, where we work; or is this now a generality? I'm also confused that the scale in the questions above is opposite to that described in the instructions at the top of the page.
Since you don't define "CPD" (and, no, it doesn't have a broad intuitive interpretation), you can't read much into these answers either.
The organisation does not in practice demonstrate commitment to CPD despite making financial allocations available for the purpose.
If done correctly, I feel it is a critical ingredient to success and motivation at both the individual and organisational level.
CPD is akin to lifelong learning and those who work within an educational environment ought to be committed to the needs and benefits of participating in change and continuous improvement.
Highly relevant but not practised within the organisation.
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| A09   | 0   | 4   | 5   | 2   | 2   | 6   | 5   | 4   | 4   | 2   | 4   | 6   | Less than 4 | Less than 4 | 4   | 4   | Less than 4 |

| A09   | 0   | 4   | 6   | 7   | 5   | 3   | 4   | 5   | 6   | 5   | 4   | 4   | 5-Aug | Less than 4 | 5-Aug | 4   | 2   | 9-Dec |
| A09   | 0   | 5   | 5   | 5   | 5   | 5   | 5   | 5   | 6   | 5   | 5   | 4   | 5-Aug | Less than 4 | 5-Aug | 5   | 5   | 9-Dec |
| A09   | 0   | 5   | 6   | 4   | 6   | 5   | 6   | 4   | 3   | 2   | 4   | 6   | Less than 4 | Less than 4 | 4   | 4   | Less than 4 |

| A51   | 3   | 2   | 6   | 5   | 3   | 5   | 5   | 2   | 2   | 2   | 2   | 5   | 40395 | 40521 | 4   | 2   | 40395 |
| A51   | 3   | 5   | 7   | 2   | 5   | 4   | 6   | 2   | 3   | 2   | 2   | 6   | 5-Aug | Less than 4 | 9-Dec | 4   | 3   | 5-Aug |
| A51   | 3   | 4   | 5   | 4   | 5   | 4   | 5   | 4   | 2   | 3   | 4   | 6   | 5-Aug | Less than 4 | 5-Aug | 3   | 3   | 13-16 |
| A51   | 3   | 6   | 6   | 4   | 4   | 5   | 4   | 5   | 4   | 4   | 5   | 5   | 5-Aug | Less than 4 | 5-Aug | Less than 4 | 5-Aug |

| A51   | 3   | 6   | 6   | 4   | 2   | 4   | 5   | 4   | 4   | 4   | 4   | 6   | Less than 4 | Less than 4 | 4   | 4   | Less than 4 |
| A51   | 3   | 4   | 6   | 5   | 5   | 5   | 5   | 3   | 4   | 3   | 5   | 5   | Less than 4 | Less than 4 | 4   | 4   | Less than 4 |

| A51   | 3   | 3   | 6   | 4   | 6   | 5   | 5   | 4   | 4   | 4   | 4   | 4   | Less than 4 | Less than 4 | 4   | 2   | Less than 4 |
| A51   | 3   | 6   | 6   | 4   | 4   | 4   | 5   | 3   | 3   | 3   | 5   | 4   | Less than 4 | Less than 4 | 1   | 4   | Less than 4 |
| A51   | 3   | 4   | 5   | 2   | 2   | 4   | 5   | 3   | 1   | 1   | 1   | 7   | Less than 4 | Less than 4 | 2   | 4   | Less than 4 |

| A04   | 3   | 4   | 3   | 4   | 4   | 4   | 5   | 4   | 4   | 4   | 4   | 4   | 5-Aug | 5-Aug | 4   | 4   | Less than 4 |
| A04   | 3   | 6   | 6   | 6   | 6   | 6   | 6   | 6   | 7   | 6   | 6   | 6   | Less than 4 | Less than 4 | 6   | 6   | 5-Aug |
| A23   | 1   |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |     |
|                | 8   | 6   | 2   | 5   | 6   | 5   | 6   | 2   | 2   | 4   | 7   |          |          |          |
|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|          |          |          |
| A27            |     | 40395 | 40395 | 4   | 4   | 40395 |       |     |
| A27            |     | Less than 4 | 5-Aug | 3   | 1   | 9-Dec |       |     |
| A32            |     | Less than 4 | Less than 4 | 4   | 1   | 40521 |       |     |
| A32            |     | Less than 4 | 5-Aug | 4   | 3   | 5-Aug |       |     |
| A46            |     | Less than 4 | Less than 4 | Less than 4 | 6 | 5-Aug | Les
| A46            |     | Less than 4 | Less than 4 | Less than 4 | 6 | 5-Aug | Les
| A46            |     | Less than 4 | Less than 4 | Less than 4 | 9-Dec |       |     |
| A56            |     | Less than 4 | Less than 4 | Less than 4 | 40395 | 40395 | 4   | 1   | 40521 |       |     |
| A56            |     | Less than 4 | Less than 4 | Less than 4 | 40395 | 40395 | 4   | 4   | 9-Dec | Greater than 30 |     |
| A88            |     | Less than 4 | Less than 4 | Less than 4 | 5-Aug | 5-Aug | 4   | 2   | 9-Dec |       |     |
| A88            |     | Less than 4 | Less than 4 | Less than 4 | 5-Aug | 5-Aug | 4   | 5   | 5-Aug |       |     |
| E08            | 9   | 5-Aug | 5-Aug | 4   | 5   | 5-Aug |       |     |
| E08            | 9   | 7   | 7   | 7   | 7   | 7   | 7   | 7   | 7   | 7   | 7   | Greater than 30 | 7   | 2   | 17 - 20 |
| E08            | 9   | 2   | 4   | 2   | 1   | 4   | 5   | 4   | 6   | 1   | 7   | 3   | 5-Aug | 5-Aug | 4   | 5   | 5-Aug |
| E08            | 9   | 5   | 3   | 6   | 3   | 5   | 2   | 4   | 4   | 6   | 4   | 4   | Less than 4 | Less than 4 | 5   | 4   | 5-Aug |
| E08            | 9   | 5   | 5   | 5   | 5   | 4   | 3   | 5   | 6   | 6   | 4   | 2   | 9-Dec | 17 - 20 | 5   | 5   | 5-Aug |
| E08            | 9   | 8   | 5   | 5   | 4   | 3   | 5   | 4   | 3   | 4   | 6   | 5   | 5-Aug | Greater than 30 | Less than 4 | 6   | 5   | 5-Aug |
| E08            | 9   | 6   | 6   | 6   | 6   | 3   | 3   | 6   | 6   | 6   | 5   | 4   | Greater than 30 | Greater than 30 |     |     |     |     |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| 9 | 5 | 5 | 3 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |  |  |  |  |  |
| E08 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 9 | 5 | 6 | 6 | 6 | 5 | 5 | 6 | 6 | 5 | 4 | 5-Aug | 5-Aug | 5-Aug |  |  |  |
| E08 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| 9 | 5 | 5 | 4 | 5 | 5 | 4 | 4 | 6 | 3 | 6 | 5-Aug | 9-Dec | 4 | 5 | 5-Aug |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Unexplainable Data | 40395 | 40521 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
Part E Examples of Continuing PD

Can you think of an example of a CPD activity which has made a significant positive contribution either to an individual or to the organisation?

Question 51
What was the type of the CPD activity e.g. formal award program, technical workshop, participation in a special interest group, workplace exchange etc.?

Text input
Workplace group meetings
Technical Workshop
group training
Workshop
Australian Taxation Office session on tax changes for the new tax year and what is changing
Attendance at seminar Attendance at conference/workshop

Since I don't really understand what you mean by "CPD" it's impossible to say. Also, in section D, how do you expect someone from a very large organisation, who spends all their time in a small section of it, to answer your numerical questions pertaining to the whole organisation? Also, it is now clear that this survey was primarily developed to apply to a "selling widgets" type of industry and cannot be applied to (say) the education sector. For heaven's sake, don't waste your time trying to analyse this data!
n/a
Seminars and workshops
Introduction of PDR reward process, and PD funding for individuals
Not aware
participation in a special interest group

Question 52
Who was the learning provider (e.g. university, TAFE, Professional Association, Internal to the organisation, private provider, the Web etc.)?

Text input
External organisation
Professional Organisation
private provider
Professional association
University/ professional body
n/a
Internal as well as industry bodies
University
internal to organisation
Australian Tax Office
Professional Association

Question 53
In broad terms when did it occur?

Text input
Monthly
3 months ago
Monthly 2.5 hours
Monthly
During 2009
n/a
Throughout the year
Over the past two years
monthly
July
2 years ago

Question 54
What was the motivation to undertake this CPD activity?
Text input
Further knowledge/skills
To Gain more knowledge in a specific area
Improve knowledge base
Te maintain knowledge on what the ATO were doing.
Remain at the forefront of knowledge in a specific area
To gain knowledge
Its ability to maximise the learning I wanted to inform my practice
n/a
Further understanding of external environment, and internal processes.
Mandatory
improve research output

Question 55
What were the expected outcomes?
Text input
Further knowledge/skills
To gain more knowledge
improve knowledge base
Improvement in knowledge
Better informed personell
Know everything about the topic
Contribution to corporate outputs
n/a
Better understanding of workplace context and drivers of change
Greater engagement by staff, more input into workload and goals
improved research output

Question 56
Were there any additional or incidental outcomes achieved?
Text input
Awareness
Gained confidence in the knowledge already possessed
satisfy CPD requirements
Yes
Confidence after hearing other attendees stories that we are equal/better than some of their practices.
Networking and collaborative opportunities
n/a
no
no

Question 57
The outcomes (both specific and incidental) from this CPD activity resulted in me and/or the organisation ...

Text input

Great knowledge and further understanding

Having more confidence in dealing in that topic with clients

Of all work-related activities, I gain the most from my involvement in my chosen CPD and it is crucial to my engagement with the organisation

n/a

Question 58
What was the type of the CPD activity e.g. formal award program, technical workshop, participation in a special interest group, workplace exchange etc.?

Text input

Workplace group meetings

Monthly Workshop

Workplace exchange

The PDR process workshops and meetings with managers, supposed to focus achievement, had an incredibly deleterious effect on engagement and moral due to its shoddy structure and dire managerial implementation

n/a

NA

Not aware

Question 59
Who was the learning provider (e.g. university, TAFE, Professional Association, Internal to the organisation, private provider, the Web etc.)?

Text input

External organisation

Private Advisor

University

n/a

Internal

Question 60
In broad terms when did it occur?

Text input

Monthly

Within the last 12 months

2009

n/a

This year

Question 61
What was the motivation to undertake this activity?

Text input

Further knowledge and skills

Employment Requirement

Improve overall knowledge internally

It was compulsory

n/a
Question 62
What were the expected outcomes?
Text input
Further knowledge and skills
To be informed of the legislative changes to our industry
Improve overall knowledge internally
A programme for PDR that suited less the individual than the institution
n/a

Question 63
What were the detrimental or other adverse outcomes resulting?
Text input
None
Staff feeling overwhelmed, lack of confidence in ability, lack of confidence in knowledge and uncertainty of wanting to continue in this profession.
Negative attitudes of staff
Clear exposure of a difference between individual desires and institutional imperatives
n/a

Question 64
The outcomes (both specific and incidental) from this CPD activity resulted in me and/or the organisation ...
Text input
Being more negative towards the attitudes of some staff
feeling a rift
n/a
15. Appendix 7 Interview Data

Interview Summary - Questions to CEOs of Professional Enterprises

Note: each enterprise are identified by a code e.g. A043; A090 etc. E089 is the code for the university faculty which is not part of the major case study - details of the study of the faculty are included in Appendix 8 as a Proof of Concept.

Theme: What do you expect from CPD? and how would you define success (adapted from Kirkpatrick, 2009)?

A043: Essential activity:
improves skills and knowledge
keep up to date
A090 - Continually keep knowledge and skills up to date. Give confidence in ability to perform the job and do required tasks. Compulsory part of the job – required by profession to maintain accreditation, employer and individual drive to maintain professional skills.
A137 - Vital part of our organisation:
knowing what not to do
Ensure not exposed to risks.
Success: PD contributes a lot:
Attract and maintain clients (clients are clever enough to detect lack of professional knowledge).
Clients need innovative solutions.
A184 - Internal – huge value 2 hours every 2 weeks. Look at real practical point of view current issues, software technical. Assignments given and presentations made by all. Senior staff work out programs of PD, Various members then prepare papers, circulated internally and sometimes published or distributed to clients, eventually will publish them on web.
and External mainly used for compliance – F.P. and audit. Reported back to internal meeting groups. CPA discussion groups, CA and NTAA attended in the main by senior staff. Short courses the main external source.
Annual FP conference of dealer group 17 hours.
Run dealer group for F.P. and present at conferences.
A278 - Expectation is that it gives individual tools to perform required tasks. Keeps them informed. Alerts them to what they need to do as well as the dangers and risks.
A lot of PD has a negative orientation – creating situations where risk is stressed – often not really relevant.
A325 - Meet code of ethics of insolvency profession e.g. OH&S; knowledge of particular industries e.g. standards on hotel industry, nursing homes etc. Required to do PD
Enables you to pitch yourself for new work.
Success - continual improvement, satisfies a need to know. Always get benefit which might be short term or long term sticks in mind not always immediately relevant but may be of benefit at a later point
A466 Continued development of staff – skill base not stagnant; improved skill levels, emphasis on tax as goal post change constantly - knowledge base not stagnant.
Success – no KPIs – measuring is difficult – fewer mistakes, greater confidence in discussing matters with clients. Program success is development of individual staff fewer mistakes. Flag areas for review and for PD - In review reflective analysis- identify areas to cover at start of the year with gaps for hot topics
A513 - Focus is internal process for internal results. Obligation from institute to do PD but not the driver – continually train staff. Objective to maintain skills, particularly tax in its broadest sense not primarily accounting.
Appendix

Interview Data

Success is related to standard of work given to clients: fully meets with legal compliance requirements; no or as few errors as possible; strive to give best advice possible.

A560 - Professionals kept up to date – particularly over the full range of Taxation compliance areas and in Practice Management – to run a successful practice need to know how to run a business. CPD requirement but is a way to keep up to date as well as a requirement.

Practice Management - more efficient in way handle business enhances ability to value add for clients – covers courses for management in a broad range of areas to value add for clients (examples given).

Success is assessed at the coalface – ability to talk through issues – 1 or maximum of 2 people attend an activity then brief others of important staff e.g. train the trainer course success is reflected by ability to pass on knowledge. No measurement – assessed by feedback given to other staff.

A231 - Smallish firm - hard to keep up. Select areas to attend e.g. fringe benefits, Audit particularly solicitors., Div 7A pick areas which have significant relevance to clients.

Broaden knowledge and make sure no claims – have insurance but... Impact of claims are: black mark, increase in premiums and particularly time lost when preparing for possible or the actual contesting of claim.

A419 Professional accountants need to:

- comply with standards and legislation and
- keep up to date with all changes.

Increased skills reflect on client’s perception and the professionalism of the firm.

A889 CPD is very important. Practical experience is very important. Training by itself is not sufficient it must be applied. Professional development is someone telling you how to do something. Want people questioning how you do something better.

Success = customer happy with the level of service provided -- have the necessary knowledge wherever it comes from and it comes in many shapes and sizes; and customer is happy to pay the bill. Customer retention and referral means you doing work at a professional level.

Also staff assessment with staff feel at the end of the year they have learnt and developed. They know more at end of year than they did at the beginning.

E089: Expectation that people are equipped to carry out their role & do it well. PD targeted where it will do most good for individual & organisation. Need of the organisation is unlikely to override the needs of the individual.

Trend is not to train where there is no expertise – buy in rather than train. Expectation is a high level of buy in by the individual.

Value adds are determined by lots of KPIs –

Success is a tenuous link to PD - get everyone meeting personal goals (and feeling happy about themselves) linked to organisation needs. PD may set a trigger for change or provide a broader knowledge base (practical examples) for L&T. PD should be entrenched with the Hope L&T moving in the right direction.

PD should be about knowledge rather than training

Theme revisited

A137 - Ethics, systems, procedures covered in PD.

40 % of fees gained because CPD maintained.

Danger of falling behind if CPD not done.

A184 - Look at PD on a practical basis- learn from that – knowledge transfer define success e.g. trust distribution when rules are followed and less follow up and rework.

Reduce potential problems for partners

Focus on advanced work rather than compliance.
A278 - Many professionals do CPD in order to tick the boxes – although they won’t admit it publicly – do activity purely because hours are required. CPA compliance forms are overly demanding. Problems of what is counted by CA for compliance – reading not counted networking e.g. PKF and Pitcher partners, knowledge shop provides answers based on facts given and through other larger firms provides real learning – used for problem solving – immensely valuable. Difficult to count as PD – valuable training but doesn’t easily tick the boxes. PD should look at how referral processes work and work processes are developed within the firm particularly about how compliance problems are handled. Frightening when accountants meet CPD compliance but do not give client proper advice.

PD should enable you to walk the walk not talk the talk
Need CPD but a lot is done for compliance. Without requirement for PD people won’t allocate the time. CBT is not necessarily the answer as there is no guarantee of learning (or being done) – no control of how knowledge is used and shared.

Discussion groups focus on doom and gloom and irrelevant discussions e.g. football, cricket.
Provide a resource to the client
Product disclosure statements and prospectuses seldom if ever read – doesn’t provide protection
CPD has to be part of the whole approach.
Audit standards don’t suit small and not for profit business – too expensive – don’t cover exposure risk – too busy on compliance problems (tick the boxes).
Emphasis on providing same professional to clients on an on-going basis. Larger firms have turn over chasing growth – lack of continuity – loose personal understanding – KPIs should reflect a long term approach to business and developing partnerships – retaining clients and meeting their needs.

A325 - Expectations are high. CPD is a big part of what we do. Need to stay on top and we do this successfully – feedback is positive from referring professions. Continual growth in staff. Need to educate clients. More emphasis on technical PD less on soft skills.

A466 - Success cannot be given a measure – continual development is continual improvement. People don’t stop learning need improvement if the way people relate to client
A513 - Success = quality of work produced represented by: reduced rework; reduced exposure to PI claims; cost efficiency and recoverability of fees.
A560 - Success - Practice continued growth as a business & professionalism philosophy not tax agents but accountants.

A419 - Revisited: CPD is part of the business. Always need to pay attention to the need to balance CPD and workloads which can be heavy. Approach is based on the fact that it needs to be suitable for a small practice.
A889 - allow staff to develop –Ben doing his degree, Peter needs to finish I A. CPD one component in providing a workplace where someone wants to work.
Focus on providing opportunities to the staff e.g. meeting with senior staff time when learning can be quite extensive.

Short term/ long term benefit?

A466 - 80% of PD has long term benefits – 20% is right here right now
A513 - Ultimate measure of ability to have successful practice e.g. Division 7A rules – 2 sessions a year – most common issue of compliance – short term return but is a massive issues as a long term management issue both
A560 - As PD builds knowledge, benefit is long term. There may be short term benefits when specific knowledge is gained.
A231 - 60% long term
Pressing matters can be accessed online. Part of package junior staff can be offered.
A419 - Always consider CPD as a long term benefit, some part may be short term.
A889 - Over 50% relates to short term -- specific jobs, software etc. Get short-term benefit

Technical/Generic Focus?

A466 - Planned PD: 90% technical 10% soft skills. Planned sessions are run by internal resources.
A513 - Technical – tax 50-75%
Soft skills +IT +accounting rest
A560 - 80% technical – tax and accounting
20% soft
A231 - IT covered in monthly sessions by IT support and providers and through reading. Need to keep up to date in IT.
90% PD technical accounting tax
– audit 10% of business
Consulting/acquisition and mergers 20%
Rest is compliance (Accounting and Tax)
could do more on soft skills
A419 - Technical (Accounting, Tax) 70%, Generic includes IT efficiency, cultural awareness. Practice management is generic.
Approval is based on common sense.
A889 - CPD focuses more on technical issues. Soft skills taught on job.
How does the professional organisation value professional development?

A043: As above
A090 - Not Quantified no correlation with revenue generated and cost of CPD. More qualitative assessment. Necessary cost
A137 - Really a value judgment. Look at the overall training rather than individual courses.
A184 - No systems in place for valuing PD. Value is reduction in rework – reduces costs and frees partner time; and greater confidence with clients. Don’t value specific value of PD– greatest benefit but hardest to quantify – confidence adds value. PD is of intrinsic value and critical.
If we didn’t do PD - issues with rework – impacts partner’s time, and greatest factor is that it reduces client confidence. Need accountants up to date giving unqualified answers – value can’t be measured – impact would be loss of clients and add on value of referral business – gained new clients because staff member was able to give unqualified answer to problem.
A513 - Value – one measure is have we had any P.I. claims which can have significant impact – caused by not having the right competency levels. Others – more important: amount of rework which takes partners time and is lost productivity; job comes in on budget and meets compliance.
A889 - Value is a difficult concept to assess at the best of times.

E089 - Performance, Development and Rewards (PDR) is a new process only started this year – based on a reward system (fraught with angst) rewards to encourage participation – value is in doing, getting the best from people. Encourage staff to engage in conversations with mgrs. Organisation has expectations which need to be made clear.
Set expectations, identify development needs, ensure development occurs.
On-going conversation Mgmt sees development – staff see rewards ($1000 per staff member p.a. to support staff in PD activity) endorsed by managers. Need process to be right.
Results in wide ranging activities:
Better able to carry out function;
Stretch capabilities
Individual initiatives need to be linked to the organisation needs and role in the organisation
Money given to support nominated activities – not prescriptive. Follow up processes to determine success not developed as yet.

Is the value of CPD to the organisation assessed using standard accounting techniques? If so, how
No
No – logical way of doing this. If person is knows what he is doing he will generate revenue – individual courses contribute little
A466 - No
A513 - No
A560 - No
A419 - no
E089 - No

Breakeven analysis
ROI
Is Balanced Scorecard used – if so, how is the value of CPD incorporated into the balanced scorecard?

Is the value added by staff each year assessed? How?
A560 - No one thing – general accumulation of knowledge – knowledge develops over time. Practice has designated specialists who need and provide depth of knowledge and act as first point of reference for other staff.
PD removes professional from day to day problems and stimulates thinking about different ways of doing things – provides thinking time not just in areas being covered – takes you away from the swamp (alligators) puts mind in a mode to think.

A231 - No way of valuing – no ROI used
have we improved knowledge within say past 12 months, set up PD requirements on 12 month cycle.
Stagger sending people on PD.
A889 - No

E089 - Some targets measurable: Papers published DEST points, Rankings for entry, Good University guide,
L&T goals harder, measurable that they went but value add more difficult e.g leadership skills not measurable directly – are there take-aways?
Soft skills not directly measurable

What value does CPD bring to the organisation?
A137 - Need to understand new fields of profession. Need depth of understanding through training – and in overall knowledge. Don’t go to a single course to become an expert – takes internal training and many other activities. Demonstrated over time e.g. development of a specific field takes time.
A184 - Assessed by feedback received – main assessment is relevance of material.
A278 - Value is in the ability to do tasks. Retention of knowledge and the ability to apply knowledge is critical. When knowledge is not used after the PD it is often lost.
A325 - Meet other professionals who may provide referrals.

Keeping everyone skilled up
A513 - Trains and develops staff at all levels to a higher proficiency levels to service clients.
2 hour training sessions once a month run external providers.
2 hour monthly meeting reviews PD matters includes staff matters e.g. IT training results in fewer compliance mistakes mistakes low. Service providers give training. External PD frustrating - not an efficient use of time (cynical critical of providers with own agendas). PD industry a self satisfying profession.

When external PD attendees session evaluated and report back to staff – more critical of external PD.
A560 - Invaluable – it is a requirement but it is a necessity for the business – couldn’t exist without it.
A419 - Value is based on perceptions of clients. If we do good job then client is happy with professionalism and value for money, professionalism of service then business will grow through referrals from clients – 20% growth p.a. Don’t know how you can put a value but it is reflected in growth.
A889 - In the future: Methodware software will bring value to the business. No training in specific industries.

Have there been instances where CPD has resulted in noticeable tangible benefits?

A043 - Nothing specific
A090 - Training provided accreditation for superannuation advice – can be advertised – ups prestige and service of the business. IT mgr became a certified trainer – gets referrals. Both increase business opportunities for the firm & billable time.
A137 - Definitely does add value. 20 years ago practice was Tax based – low level knowledge required. Competition was based on price, difficult to charge for services. Change the way service clients.
Strategic decision made to use PD. As a result: better staff, larger clients. Business grew and better quality staff attracted and retained.
A184 - No – get email updates from various sources so the way PD is run is different
A278 - Only have informal KPIs – did we learn something new and useful?
A419 - No direct links – through CPA Australia link to website and reference to firm as a multi-cultural firm is used for marketing

A889 - (Basic course which brought back learning -- new ideas - possibly more valuable to the business than the individual.

E089 - PDR still new – impact not known. DEST points are measurable. Haven't directly measured what people did. E.g. has learning and teaching improved?
Need data base of activities undertaken to review performance

Overall would you see that CPD provides value for the organisation?

A043 - In areas such as taxation, standards, record keeping
A090 - Value is the main driver. Requirement is an individual but firm would not spend money if there was no value. Committee considers applications for training.
New junior staff sent on Tax basic courses.
Equips staff and provides job satisfaction
A184 - Benefits e.g. email updates (counts as reading). Value of PD not as relevant as it used to be –
NTAA extremely practical and useful, interface with – use 2nd tier firms for advice
Email advice counts as reading for compliance
CPD of limited value – relevance factor – depends on the topic.
A278 - Brings about a more informed workforce. Tax office seminars (at least one a year) are the most effective – practical relevant application.
A325 - Definitely worthwhile, real world development, enhances the theory gained in university.
Insolvency requires a broad knowledge.
A513 - PD is valuable, essential. How staff complements learning and skill sets of staff providing training and understanding of issues they are dealing with.
A231 - Value is intangible
$600 is average daily cost of a PD activity whether CPA or anyone else + time lost + wasted time. Hard to justify unless you have a special need. Hire graduates and move them through the practice. Young staff get benefits and want to participate.
For new graduates value is when they attend PD get excited and want to learn. Send one staff member, often younger staff, then review and spread knowledge. Senior guys don’t get much out of it. How did they learn and what can we learn from that.
Does not really provide value – use on an “as needs basis”. Mindful of need to teach younger ones.
Believer in CPD. Strategy used when recruiting staff is to tell them they will be sent on PD – good for recruiting and for morale. CPD helps them learn (CPA journal not generally read and therefore not effective for CPD), provide CPD on computer and communications technology.
Improve knowledge of staff.
A419 - Yes provides tools to run successful business – without CPD professional accounting practice as business will fail. Necessity for a professional accounting firm. Catch up with changes in legislation etc
A889 - Haven’t worked out how to share knowledge of training courses undertaken by staff members will not

E089 - Process is valuable – still early to determine impact e.g. DEST – some staff cynical and haven’t seen opportunity to develop. In fairness available to all staff – admin struggled to spend. Will be more valuable as people become less cynical.

How does the organisation demonstrate to professionals within the practice:
E089 - Investing in PDR
Encourage conversations between mgrs and staff.

A137 - Empower staff. Weekly staff seminars were stopped a month ago. Staff asked for them to be re-instated as they were needed. This was accepted as seen as a measure of sharing knowledge - covers development of knowledge, changes in legislation etc.
A184 - Part of the review process is to be aware of requirements for PD. Senior management will decide relevance of topic and suitable person to attend - identify and assist with PD.
A513 - Mixture of staff - Experienced staff recruited are programmed to do PD.
A560 - In preparing budgets time allocated for PD, time is reserved for traditional/critical events e.g. NTAA seminars, FP conference, training days for all staff
A419 - Principal or manager attends CPA events or 2nd tier firms' briefings and then train internally for all staff.
A889 - When recruiting talk about CPD in the interview process. Three months induction includes CPD on software development and where necessary I a courses.

The organisation’s need for CPD; and
E089 - Investing in PDR
Encourage conversations between mgrs and staff.
A043 - Attending SIGs and sharing knowledge gained
A137 - Staff are told:
their position depends on the knowledge they have (increases motivation);
higher level knowledge is the way to advance particularly through specialisation. Knowledge is gained both internally and from external courses.
A278 - Training is relevant to work. Compliance requirements (e.g. auditing for CAs) may be over the top - most of audit PD is irrelevant as only do simple audits.
Topics specified where relevant and valuable - Everyone goes to the Tax office sessions – brings everyone up to date. General discussions within ourselves most valuable
A325 - Weekly briefings identify knowledge gaps and share knowledge. Conferences cover various topics e.g. ethics of insolvency needed
A466 - Weekly PD session compulsory for every staff member – 1 hour. Monthly Kaplan updates –staff attend on rotation depending on interest and need.
Staff encouraged to identify PD events to attend - haven’t stressed that it is important to firm but that it is important to the individual – implies it is important.
A513 - Staff are encouraged to participate – all staff rostered to present topics, all contribute staff requested to research a topic and present to staff meeting or to partner.
A419 - Staff expect regular internal training (every 2-3 months) learn technology etc
A889 - Encourage staff to attend IA meetings. Want to be seen at conferences and encourage staff to learn and also attend association grouping.

The value the organisation places on CPD?
A043 - Encourage staff reading, using ATO site, small business references, use of software
Provide external training e.g. tax, specialist, IT etc.
A278 - Value in the $, experience knowledge gained measure knowledge in terms of enhancing ability to interpret situations
A325 - Need to understand why and how not just processing.
A466 - 90% lead by D.O. partner
A513 - Partners more focussed on quality of work to reduce errors (causes are carelessness, motivation, and partly depth of knowledge).
Work life balance – can’t match salary levels of larger firms but don’t work long hours
Accounting is a profession where you are judged by your mistakes.
Appendix 7  Interview Data

A419 - Send staff to external events. Sources include CPA, Taxpayer Aust., ATO. Kaplan not used at this stage due to cost as a small player. No external providers used inhouse. Because of the multicultural nature of the business cultural issues for PD is more important than legal e.g. AustTrade applications, business migrants and permanent residency issues - 163 visa categories, emphasise the importance of proper paper trails and the subsequent tracking.

A889 - Order books suggested by staff. Buy books at conferences. Environment includes literature around the office. Sponsoring a staff member to complete a degree in business by getting time off study and scheduling work around study requirements.

What is the impact of compliance requirements and Professional Standards legislation on the organisation’s CPD policies and practices?

E089 - PSL n.a. – individual academics have professional compliance requirements. Individual staff training for: Compliance requirements for dealing with international students, Occ. Health and Safety, equal opportunity, ESOS, bullying, Research??? Workshops

A043 - CPD is valuable for its own sake. PSL does not apply
A513 - No visible effect – firm already complies.
A137 - Penalties occur if mistakes are made. Ticking the box for CPD is not important. Staff do, and need to do, more than minimum compliance. PSL little impact – more interested in tax issues.
A184 - Meet compliance needs because we have to. Find out relevant areas. Major firms have high jacked PD. CPAs etc have gorged themselves on fees. Relevant PD meet by NTAA rather than PAs. Very easily meet compliance requirements.
A278 - PSL results in overburdened formal policies and procedures requirements for reporting compliance. Keeping records major problem – unnecessary paper work doesn’t stop rogue accountants. Standards are needed but compliance does not of itself guarantee anything. PSL is there to protect the firm as firm has limited resources. Impact has never been measured.
A325 - Compliance CA CPA and Insolvency practitioners – all individual requirements PSL has had no impact but is worthwhile gave a view of why firm does things in a particular way.
A466 - Compliance is not the driver. Driver is to ensure staff is kept up to date. PSL not considered in relation PSL - would do PD regardless.
A513 - No impact. Quality control audit resulted in improvement in level of internal work papers
A560 - Compliance easily met e.g. writing articles 2 per week for 42 weeks, other staff have to be aware. Compliance is not prime reason for doing PD but does give an extra impetus.
A231 - PSL makes it harder, always in the back of mind – QA every 5 years puts pressure on smaller practices in terms of time and cost.
A419 - Need to show basis of advice to clients. Taxation services bill requires that you know your clients and keep up to date.
A889 - No impact - PSL does not apply.

Does the organisation monitor and plan CPD or is it left to the individual?
A043 - Individual
A090 - Records kept of firm sponsored (external) activities (full records not kept). Individuals are required to keep CPD diary for CPA compliance – often need to ask for access to firms records for help. Time sheets also useful (only when not out of hours)
A137 - Individuals are asked to attend relevant PD activities. It does happen without formalisation. Report back to internal weekly seminars.

Gerald A Murphy PhD Thesis:  Enterprise PD: Adding Value to Enterprises?
A184 - See above
A278 - CPD left to the individual to meet compliance requirements – informal development although Team meetings identify needs.
A325 - Insolvency - compliance is individual, knowledge gaps may be identified but up to individual to address topic.
A466 - Internal planning but monitoring of external sessions – attendees report back – spreads information and ensures grasping of concepts covered – examples where staff have misinterpreted topics and this has been picked up in review sessions – validates understanding
A513 - No monitoring. Internal PD ensures compliance. Always one doing CA program – no spill over to the firm but makes more technically skilled staff.. Staff reviews and supervision identify areas where lacking in knowledge and skills.
A560 - Not directly but time budget is essential to know when people are taking time off for PD.
A231 - CPD activities monitored by principal, select activities for staff– no compliance checking. CPA compliance forms reasonable.
A419 - Don’t directly monitor. Encourage staff to attend & participate in CPA modules (120 points), CPA Box Hill discussion group. No need to worry about the hours – sufficient hours.
A889 - Monitoring is a bit of both (planning requires monitoring to happen). Business has a view of what is required. I.A. it doesn't enforce CPD requirements in the way the CPA does.

What is the breakdown between CPD provided internally and externally?

E089 - With conferences lean to external – more expensive – not a lot of training – coming to the end of PhD development.

A043 - External only
A090 - More than half internal.
Monthly a/cants meeting (2.5 Hrs) sometimes has external speaker. Weekly team meetings
Annual training day.
Discussion groups (CPA)
NTAA courses
CPA Public Practice convention (2.5 days).
Others as required
A137 - External: usually attended by senior or specialist staff (corporate affairs, payroll, FP, tax).
external - 140-150 hours in total.
internal - 60 hours * 8 people = 480 hours
mentoring of new staff – takes 2 years for them to be productive through on the job training Mentoring 20% external
A184 - 2 full days of training + staff meetings = 60-70 hours – relevance of internal activities outweighs external courses. Not as structured as PAs may want. In past designed FP courses and had them recognised – not done for accounting. Internal about 65%
A278 - 90% external - rest is via team meetings. Not all team meetings PD. Way over the stated hours for compliance (but not in all areas e.g. auditing). Good professional will ensure he is capable of doing the job.
A325 - 50% internal – group meetings presentations
50% external conferences; external parties give presentations internally
Various forms - CPA Insurance committees other forums
A466 - Staff would do 2 external sessions of 2 hours
A513 - Hybrid of external and internal. Papers provided in internal sessions but questions are specific to organisation.
A560 - External leads to internal as attendees are required to provide update to others. Internal all done internally which includes systems training . Internal Training greater than 40 hours
Appendix 7

Interview Data

A231 - 80% external includes tax office briefings.
Internal monthly lunch used to discuss technical issues, client and practice matters. Senior staff member is responsible for internal CPD training. Use tax office briefing.

A419 - Principal & Manager 70% external
Staff 70% external (different activities) e.g CPA study various external training etc.
Internal sessions 2 hours per quarter??

A889 - Both
Transfer knowledge internally e.g. one staff member showing another how to use a customer's system.
One staff member doing a CIA course and others attending meetings of June 1 the Association

What risks do you associate with CPD

E089 - There are huge risks but not considered in approving PD. Knowledge is more significant than attending PD.
A043 - Not an issue
A090 - Train and they might leave; not train and they might stay.
Can't stand still
Leave or stay not really an issue
Won't have a business if you don't train. CPD opportunities likely to increase staff morale (said after formal interview) – see 12 below.

A137 - Lose people often – may take clients with them. Despite this it needs to be done for survival.
A184 - Always a risk Risks lessened by reporting back after attending – can't rely on partners doing all PD therefore delegated to others - emphasis is on staff growing and being able to meet requirements
Business relies on knowledge transfer.
A278 - Tick the boxes approach to PD does not eliminate risk.
A325 - No perceived risk works in our favour. People more likely to leave if unhappy. Culture with the firm is more significant.
A513 - In past PD risk in attending external events being targeted by headhunters. Risk you have to take if session is right.
A560 - Not a problem sometimes problem may be getting people to leave.
A231 - Focussing on risk would be a short term view. Happy when staff learn. Can’t treat staff in a way that restricts their development.
A419 - Try to do best for staff (pay properly, match markets). Not too worried about leaving. Confident won’t lose clients if staff leave due to the nature of business (relationship are important).
A889 - Philosophical approach: if people want to leave we can’t control this. Build skills so others can take takeover if people leave by documenting processes help particularly in capturing the internal body of knowledge. Don't hold back on training. Let people go out and Learn as much as possible. Interpretation is a critical element in the work and therefore PD should enable this to happen.

Loss of body of knowledge through employee leaving

A278 - Loss of practical knowledge and experience rather than CPD knowledge
A466 - Risk is not PD provided but in finding replacements which is difficult in suburbs. Size of firm means not able to provide a complete career path. Prefer to have a competent person for 1.5 years than a person not trained or developed who we have to get rid of. Having people who are confident in skills that they are able to leave is endorsement of PD.
A560 - Knowledge gained is passed on.
A231 - Everybody learns from the sharing of learning. Briefing back to staff ensures knowledge is passed on and that misunderstandings and/or misinterpretations are cleared up.
Body of knowledge is not passed on within organisation
A278 - Real risk - Team meetings help here.
A466 - All external sessions reported back on.
A513 - Reviews of external PD ensures knowledge is past on.
A419 - Staff will pass on specific material after they attend specialist events e.g. FBT, GST and Property Taxes changes.

Body of knowledge is not extended within the organisation.
A278 - Team meetings help here.
A466 - Competent persons more important
A419 - Need to test understanding more to ensure interpretations are correct,

Give examples of how the organisation supports learning through recognising the need for CPD and developing learning cultures which enhance the potential of CPD - particularly models such as:
A137 - On the job training used to allow people to become more knowledgeable – incomparably higher.
A278 - Learning on the job is big in small firms.
A231 - Sent Graduate who was a migrant on English language course – positive impact on that staff’s loyalty and performance. Problems previously on misunderstanding – can now relate to problems.

Work-Integrated Learning (WIL): Situated learning provides more meaningful learning as it is seen to be relevant for, and by, the learner.
E089 - No – staff into industry – could do more.

A043 - n.a.
A090 - Have used IBL students but not seen as happening for qualified accountants. Not a training organisation must be a business value. No application of learning as part of the business.
A137 - Graduates need practical on the job training
A184 - Use IBL students - recruit from that source. Two day practical session each year for tax compliance covering technical issues, new software and plans for the year. Use a large number of software tools in order to increase productivity – all need training. Emphasis on learning on the job.
A278 - Situated learning is more meaningful and relevant. Sit down with somebody working through summary forms. Learn more from on the job training – CPD is lost if not applied particularly if related to rules and regulations – adds value to learning.
A325 - Taken 3 IBL students who after IBL studied part time – 2 doing CA, 1 doing insolvency – study while you are working
A466 - WIL best way to learn through practical outworking of the theory. Organisation probably learns from the process may encourage a different way of thinking – look for ways to continually improve and new ways to do things.
A513 - Take Monash Coop students. Forces firm to focus on training at lower levels and gives more junior staff exposure to supervision.

A560 - Trialling Trainee accountant who has progressed from administrative work to study and more responsible work.
Re-enforced idea that people entering the profession have a greater BoK but less ability to problem solve and apply theory practically – “don’t come with a problem but come with the problem and a possible solution. You need to be able to think your way through the problem
A231 - WIL is becoming popular in many courses
Year 12 work experience students (comment so different from the book). Uni students should have hands on approach in their course reflecting the real world. Part time students are more interested – they can relate to the problems in the class room and see how things fit in, so their learning is better.
A419 - No WIL recruiting to gain new graduates. Year 12 work experience students in the past – more social benefit than learning.
A889 - Have an IBL student.
Introduction of Methodware software - to work in the area before learning the software -- involved work followed by learning followed by work. Like learning Microsoft products when you have basic skills you are able to learn more.

Mentoring: supporting the growth and focus of their members in a caring and helpful environment.
E089 - No - sink or swim – probably should do – ad hoc happens

A043 - n.a.
A090 - New staff given a mentor to introduce them to way things are done. Staff work in teams – environment is supportive. Accounting meetings provide opportunities to ask questions.
A137 - See above
New staff mentored over two years
Teams of 3/4 – senior, assistant, support (not an accountant), new graduate
A184 - Mainly in first month for new employees. Encouraged to identify problems but come with possible solutions and issues - search out solutions.
A278 - Mentoring is important for staff – critical in small business. Rely on junior staff to do the work.
A325 - Mix of mentoring and apprenticeship because of specialised nature of practice.
A466 - Not formal but happens through processes e.g. open office environment instils values, high level of integrity, ethics and communication skills.
A231 - Mentoring 3 graduates for CPA – 2 on staff and 1 at a client. Everybody learns in the process.
A419 - 3 CPA mentees – 1 internal, 2 external for clients
A513 - Allocated for new employees – gives a sense of comfort and is less intimidating. Allow them to say things they wouldn’t say to a partner.
A889 - Work closely together -- Buddy to review work. Not always the same person acts as the Buddy. Work is reviewed in circle to ensure quality -all learn through this. Can see how other people write reports and produce better drafts and final reports. Different views are encouraged regardless of seniority.

Apprenticeship models: these models support a learning focus with steps undertaken by master and apprentice at varying levels as knowledge, skills and understanding.
E089 - no

A043 - Introduction of new graduates who are encouraged to ask questions and through sharing of new knowledge
A090 - no
A184 - Prefer graduates who completed diploma before starting degree – gives a practical orientation hands down winner in practical things rather than just tax law. Easy transition from IBL to recruitment.
A278 - Use junior staff for routine tasks e.g. filing, which provides them with all round knowledge – need all round knowledge.
A325 - Mix of mentoring and apprenticeship because of specialised nature of practice.
A466 - Not formal but encouragement of staff – e.g. one of best accountants was receptionist developing over time through bookkeeping through new tasks through to obtaining qualifications.
A513 - n.a.
A560 - See above – small practice
A419 - Grads may apply for permanent residency after 6 months. Graduates most require a PY service in order to qualify. Dept change requirements may become relevant based on type of business –
relevant to type of business and business rewarded by reimbursement of salaries paid. Way to get PR. Not at this stage.
A889 - n.a.

Communities of practice/communities of interest: To enable the professional to engage in professional conversations through participation in specialist interest groups, exchanging war stories, interactive forums, accessing expert knowledge etc. – either internal or external to the organisation.

E089 - Learning and teaching group, research, learning disabilities, Different discipline groups have various levels of collegiality which may vary over time e.g. writing, economics, law, stats – work to develop new knowledge in discipline. Academics connect with community through learning disabilities group, tourism, economics, IBL supervision (inform programs), industry contacts and professional associations. Connect with other academics through conferences and networking No formal sharing of PD activities IBL feedback to academics

A043 - Professional based: SIGs important way of finding new knowledge skills and understanding. Internally: Informal sharing of knowledge skills and understanding.
A090 - Internally: team meetings, A/cants meetings V. important ability to “run things past”. Size of practice provides opportunity to run things past and gain knowledge. Externally discussion groups major source of knowledge, mingling with other people in the same profession.
A137 - Teams of 3/4 – senior, assistant, support, new graduate Weekly seminars to share knowledge Vic North discussion group (25 practices) meet on a monthly basis and share knowledge – “I had experience on that”
A184 - Fortnightly staff meetings – Discussion groups hold networking lunches every two months with accountants who refer clients (limited learning) more us helping them rather than learning. Assignments with clients allow for caucus time.
A278 - Encourage involvement in community groups to broaden knowledge and skills. Workshop sessions are better – ability to interface with other professionals. Knowledge fades over time if not used, Teaching is the best way to learn
A325 - Weekly meetings discussions of files – often talked about prior to the meetings. More senior members deal with solicitors and other professionals.
A466 - Staff are encouraged to develop outside firm: To discuss with other professionals – don’t sit on your own, get and mingle to discuss outside training e.g. Kaplan training. We could encourage more. Internal weekly sessions very important – Specialist can give immediate input: with hot topics: do we have any clients that this can relate to? How do we overcome the problem? Could we have done things differently? Discussion is important
A513 - Internal – monthly activities External tax discussion group - one partner, alliances with other practices e.g. Pitcher Partners elite network, PKF courses, mid tier firma, recognition that don’t need to jealously guard clients but can use larger firm for specialist tasks PD providers provide training
A560 - Not a lot
PD days within FP – don’t get a lot back - networking major benefit external PD.  
Internal PD involves discussion done on a semi formalised basis (not everyone attends every session)
A231 - Discussion groups a waste of time – ego driven and too much points scoring.
(post interview) Informal meetings with other practice’s partners valuable through sharing of knowledge.
Internal monthly staff lunches.
A419 - External: Taxpayer discussion group, Box Hill CPA.
Internal: Staff meetings quarterly.
A889 - Externally: Need to be in touch with others in the profession and industry at large e.g. young IA group which is not always concentrating on professional matters that can include social activities where war stories will be told; members meetings to know what’s going on and reinforce situations where we are on track - bring back to our workplace.
Internally: around a particular job drives the need to talk about a particular situation. Don’t sit around talking about the needs of the profession.

Other forms of non-formal professional learning e.g. authorship of technical papers (internal or external to the organisation); full or part-time teaching in a subject area related to profession etc.

E089 - This is core business

A043 - n.a.
A090 - Newsletter service for clients requires identification of key issues. Editorial committee seeks contributions on specific topics.
Quality Review Committee asks for research and reporting on topics. Part time teaching has been done. Forces you to look up material and gain generic skills e.g. presentation skills.
Involvement in committees and groups to grow the business.
A137 - Staff attending University and CPA qualifications,
Liaising (networking) with bodies such as Workcover – asking q & getting answers.
Learn from clients e.g. tell you something – check it out
A184 - Senior staff have conducted FP planning courses and sessions at CPA conferences.
A325 - Newsletters on topics of interest and relevant to accountants and solicitors who refer work. Share teaching on insolvency – keeps you up to date. Other staff attend classes and learn from others attending
A466 - n.a.
Hot topics presentations are researched
A513 - No – previously run GST training sessions, presented at community groups in pat. Informal networks of partners enable to ring other practitioners to discuss problems.
A560 - Writing technica papers a major activity – see above
A231 - University teaching done in the past – learned something from this but not a lot.
The longer this was done the less learning occurred as became familiar with material.
n.a.
A889 - Member of the International committee reviewing articles for professional journal.

E089 - Need to review Informal learning processes

A043 - SIGs very important
A090 - Essential for all staff the keep tax knowledge up to date. Structured activities important. Informal up to the individual.
A184 - Work hard on technical understanding – allows us to select what we need to be up to - internal about 65%
Networking with 2nd tier practices (Pitcher Partners) solicitors, NTAA, tax office M&K in Dandenong, PKF Insolvency practices bring immediate benefit. Auditing compliance dropped. Deal it with immediately rather than waiting for a course. Comply with tax FP but not audit.

A278 - Practical learning represents 80% of PD – formal CPD is less value – danger if you move away from a practical approach to learning. May be different for a large organisation where formal processes are used more.

A325 - Informal more enjoyable, more rewarding get more out of it. 75% of learning balance helps in “now I understand what that was about”

A466 - No one is more important than another. All form part of PD – need a balance of external and internal to avoid inbreeding

A513 - Overall essential – not process driven but needs driven, drills right down to specific issues – need a balance of activities.

NZ accountant learned tax largely informal; and attended a course

A231 - CPA brand is important for business. Try to help staff qualify for professional membership CPA or CA. CPD brings staff on.

A419 - Informal learning is very practical – major element for staff – over 50% Major element for senior staff and in influencing junior staff.

A889 - Formal learning useful for some specific and task oriented problem solving. I a has great speakers at conferences highly knowledge development but are for good networking. Potential from a business perspective.

Do years of experience, gender, ethnicity, holding of specialisations and/or being members of other professional associations create discernible differences in the attitude to, the use of, and support for, CPD?

E089 - No – people are different - depends on passion

A043 - n.a.
A090 - No – need to be team players – would not last. Important staff attend PD.
A137 - Personal factors and motivation more important
A184 - No display of lack of support for PD

Lesser experienced staff often do not focus on potential applications of topics covered in PD

A278 - Years of experience make professionals more critical of value gained from CPD and processes; younger staff are less discerning – will do CPD because it is required – danger conferences may be just be drink fests

A325 - No – individual based
Partners influence flows down
A466 - No
For more experienced staff it is a reminder
A513 - no
A560 - No

A231 - Older staff become more cynical (realistically they don’t know it all). Non paying CPD mainly used to get up hours.

Tax office, solicitors super bodies Morrows etc… reading tax Institute, tax agents, CPA Fin review
A419 - Part of normal routine
A889 - Older generation are more used to CPD than younger generation.

Do you have a measurement of cost of CPD as a percentage of fees?
E089 - $200,000 p.a. for conferences etc – replacement and opportunity costs vary rarely included – need a plan to cover absence. Revenue is $12m

A043 - no
A090 - Direct cost about 3 – 5% of fees – i.e. cost of attending external events, costs of guest speakers, includes internally organised training. PD is an overhead.
a/cants have 20-30% non-billable time which would include time lost for CPD.
A137 - Initial development of graduate $40K – wages paid to learn. Pay $45K p.a. - cost $20K (over two years). Internal meetings in terms of lost productivity $30k per annum.
Total $90K = 7% of fees
A184 - Labour costs most significant – no measure - possibly 5% of fees.
A278 - No measurement of cost
A325 - No probably would not want to know – courses evaluated on the merits/relevance of the course
A466 - External costs are recorded
A513 - Pay - 0.5 of CA program, costs of external PD providers - identifiable
A560 - PD not a cost but an investment – not a % of revenue
Post interview: PD provides intrinsic value – value may degrade if we try to come up with a formula,
A231 - No. For activity cost is initially looked in deciding whether to approve + time lost. No formal approval processes. Don’t attend exotic conference
A419 - Out of pocket is < 1% ($8000)
In total at least 4%-6%+
A889 - Record of the cost paid for CPD is in the company accounts. CPD and training recorded on timesheets but not directly costed. Could be extracted if required.

As CPD can be used for compliance and/or the development of knowledge can you breakdown the costs into those for compliance; knowledge development and those where knowledge development is used as part of compliance?

E089 - n.a.,

A043 - 80% Knowledge
A278 - No measurement
A325 - No – easy to get up the hours
A466 - no
A231 - Both compliance and knowledge development particularly .
ATO, CPA, Taxpayer Australia Inst of Taxation, Portals have wonderful reference material available more cheaply and as required at leisure.
Balancing act to ensure Junior staff go on PD events at least twice a year.
A419 - Cost split between compliance and KD – all put together both important
Compliance not an issue.

What items do you use in calculating costs e.g. time lost; and/or fees paid; any other costs?

E089 - Direct costs only

A043 - n.a.
CPA certification costs reimbursed 12 months after the event (risk Factor) to encourage staff to stay.
Various reasons why staff leave.
Appendix 7 Interview Data

A137 - Training a new grad: $40,000 – 2 grads $20K p.a. each for 2 years
Lost productivity 8 people * 100 * 50
Lost productivity $30K
Seminars $20K
Total $90K

A184 - No – disservice if focus is on hours lost as it could limit discussion even unconsciously as pressure could be to wind things up – e.g. last week session went for 1.5 hours

A513 - PD costs are overheads, not related to fees. Time lost is not recovered directly
Average opportunity cost = $150 per hour for 9 staff and 3 partners - 10 on average at each session.
$1100 per session to external providers
Opportunity cost not actual cost
$4100 par month + what is spent on event.
Over 100K per annum = approximately 5% of fees

A231 - Cost not an issue if it adds value to the practice.
Practice management – Team Executive seminar quarterly discuss practice issues

In your costs of CPD do you include costs for formal learning, non formal learning or informal learning? Give examples.

A043 - n.a.
A090 - No – CPD is a two way street required by:
individual
Business
Profession
Staff reviews look at CPD done and plans for the future

A231 - Costs of PD activities is too much should be halved and more people would participate. Could be part of membership fees – doesn’t help the profession.
A466 - Can improve in the way we deal with external communities.