Educating for professionalism: purpose, motivation and judgment

THE FUTURE OF PROFESSIONALISM SYMPOSIUM

CPA CANADA & UNIVERSITY OF TORONTO, 10 MAY 2018

MARTIN MARTINOFF, ICAEW

On 4 July 2012, we asked "What would audit look like today if fifteen years ago, one of the big audit firms was called Apple?"

AuditFutures sprang up as an innovation and foresight programme within ICAEW, seeking to reimagine the profession within 21st century society.

Our ambition is to **motivate and empower** professionals by creating a more positive and creative vision of auditing and accountancy.

We hope to **foster agency** and to **catalyse innovation** within institutions by disrupting current practices and providing tools for thinking systemically.

By **creating spaces** for dialogue, collaboration and experimentation, we invite a wider range of participants who share our passion and aspirations.

Highlights and milestones

2012 **2013** **2014** **2015** **2016** **2017**

AuditFutures Assemblies

Over 300 people from more than 100 organisations, and firms came together to kick-start the initiative
4 July & 12 December

AuditFutures University

Catalyst sessions and discussion events with more than 20 business schools

Royal College of Art

We brought together designers and accountants to discuss and prototype

Philosophy for Accountancy

Pioneering initiative to integrate constructivist pedagogical methods in education
January 2015

Firm-specific Projects

Bespoke projects and collaborations with individual firms

Future Firms Framework

Practical toolkit, developed with contributions from more than 200 participants from 20 firms

FRC Innovation Summit

A design-led collaboration to reimagine the approach to future of reporting
July 2017

RSA Partnership

A ground-breaking report "Enlightening Professions: a vision for audit and better society"
11 February

Engaging Academia

Active partner and contributor to AAA, BAFA and BAP

Audit Jam

48-hour hackaton on audit, design and collaborative innovation
(April 2015)

Future Professional: the Journey

Report and workshops to call for a broader professional education
April 2017

Design-thinking and service design

Introduced design tools and methodologies for innovation within organisations, assurance and education

World Congress of Accountants

Special invitation to present on the new horizons for the profession
November 2014

Ethics by Design

International conference on fostering ethical culture in organisations
22 November 2016

Ethos Project

Report and workshops to introduced the new concept of ethos and emphasise the significance of character, virtues and purpose as necessary in guiding the work of ICAEW chartered accountants

6 *years*
250 *organisations*
3000 *people*
24000 *online*

Looking forward

Key areas of research and community-building

Educating for the future

Professionalism & virtue ethics

Future of work & the firm

Culture & ethics by design

Design-thinking & innovation

Artificial intelligence

Audit & blockchain

In 2018-19, AuditFutures projects will aim to pursue four salient themes:

Reviving professionalism through education	Proactive thinking about technology	Fostering motivation and future capabilities	Encouraging Entrepreneurship
Designing Education	Audit of blockchain	The Good Professional	Reimagining the Firm
Ethos & Virtue Ethics	Developing ethical AI	AuditFutures University	Designing Assurance

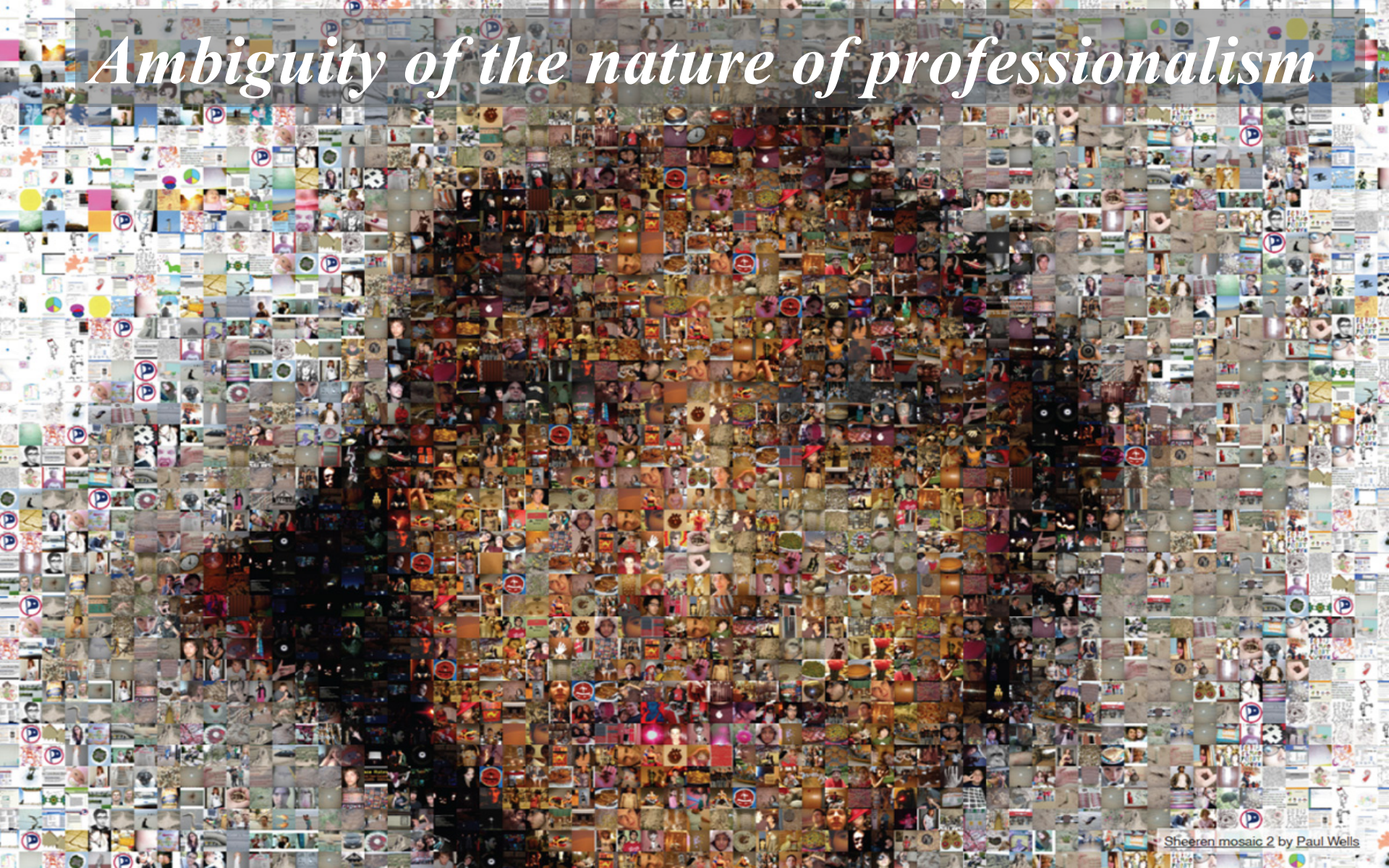Are we shifting away from relying on character to following rules?

Fostering human capabilities

Identity formation and the professional practice

Ambiguity of the nature of professionalism

Impoverished understanding of professionalism

- The meaning of *professionalism* has been impoverished – seen as mainly skill/knowledge with no broader reference to commitments, purpose and role.

- *professionalism* is often perceived as an elusive component

- *professionalism* is attributed to and understood as 'soft skills', and reduced to a body of technical knowledge that can be codified in ethical codes and decision theories

Professionalism is an elusive concept for many

Professional service firm:

"Our goal is to have an ethics and compliance program that is a model for our profession. To achieve this goal, we must ensure that every individual feels personally responsible for fulfilling the firm's Promise of Professionalism by doing the right thing in the right way for our people, for our clients, and for the capital markets we serve."

Accounting & Finance Student:

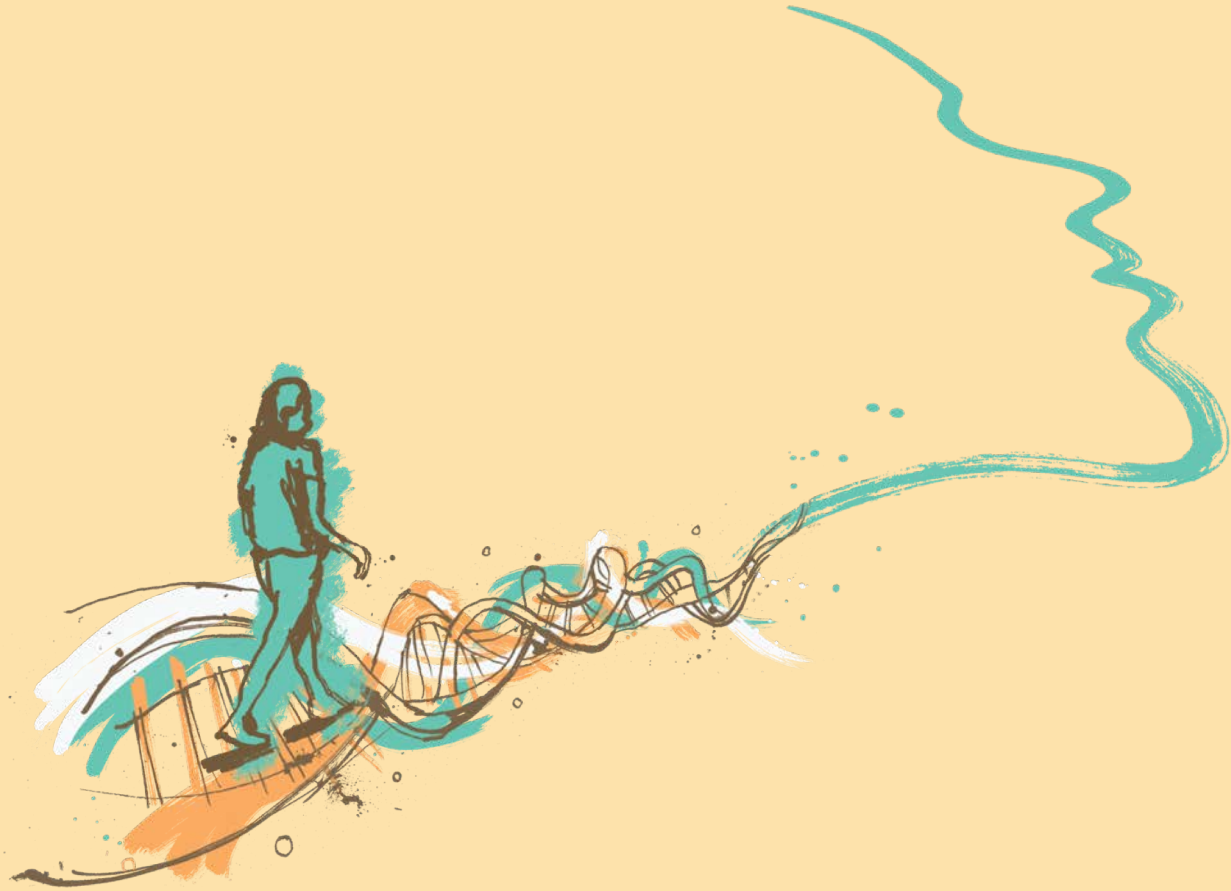"*many things about professionalism we don't understand…different meanings, how is it different to other occupations?*"
(BSc accounting student)

Accounting practitioner:
"*I work for [a Big Four Firm].*"
"*I sell services.*"

Renewing attention to traits, values and motivations

- We collaborated with the Jubilee Centre for Character and Virtues (University of Birmingham) on a research project to explore what virtues and attributes are prized and upheld by ICAEW members and what they associate with the ideal professional for chartered accountants.

- **honesty and integrity** are identified as important virtues for experienced business professionals, but an awareness is lacking among undergraduates, for whom **financial aspirations** trump any references to moral virtues or the common good.

- motivation to pursue business, <u>financial rewards </u>were more prominent. When asked what motivated them to pursue a career in business and finance, 'money' rather than working for the public good was the most popular reward highlighted by students

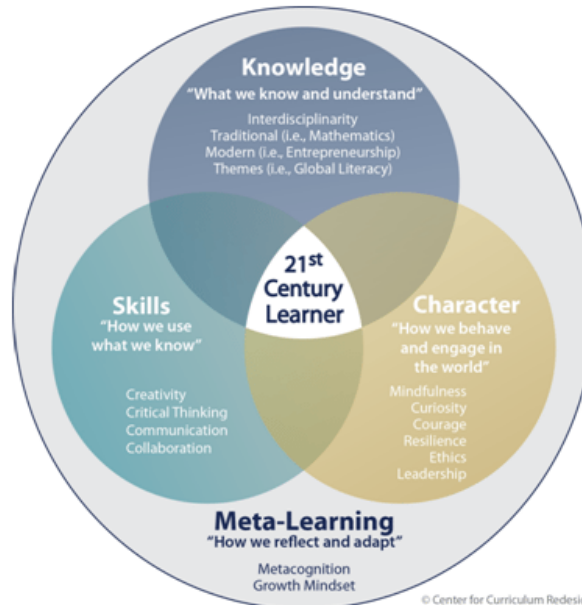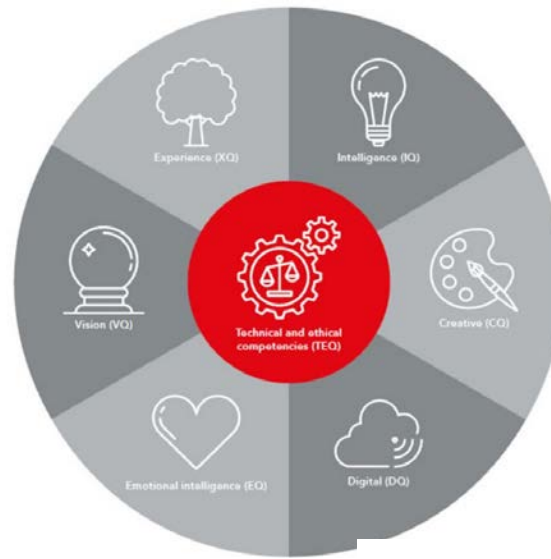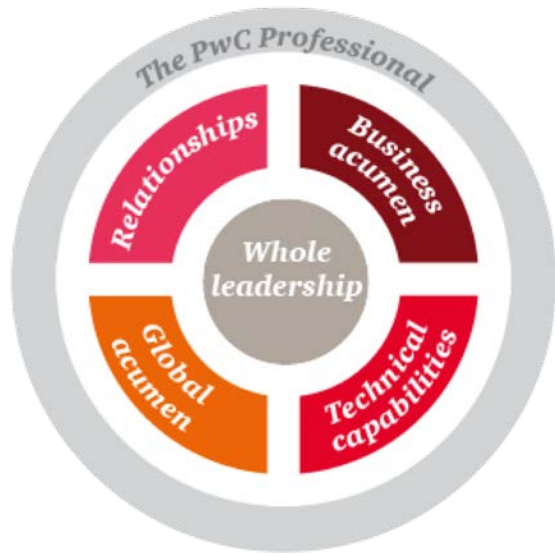# *Agency and moral reasoning (instead of controlling observable behavior)*

- Studies which show that "ethics can't be taught" and that reasoning "cannot fix the fallibility of practice" have become powerful narratives in parallel with implicit assumptions about the corrupted human nature.

- Because it is harder to control or predict for how culture, meaning-making and capacities of judgment could impact behaviour, the process of reasoning is dismissed and replaced by controlling and incentivising for observable behaviour.

- This refuses to examine the things people do in terms of "intentions, purposes, and reasons for action" and makes normative theories appear irrelevant to practice, which is of particular concern for accounting education and the moral formation of young professionals.

- As MacIntyre argues, there is a need to revive the importance of philosophical perspectives and a deeper understanding of human rationality, as interpersonal and responsive to reasons

The Future Professional

Broader skill set for professionalism

- Future skills and Lifelong Learning (UK Government Office for Science)

- Developing Character Skills in schools (UK Department for Education)

- 21st century skills (OECD)

- Future competencies and qualifications (ICAEW)

The PwC Professional

Relationships

Business acumen

Whole leadership

Global acumen

Technical capabilities

Experience (XQ)

Intelligence (IQ)

Vision (VQ)

Technical and ethical competencies (TEQ)

Creative (CQ)

Emotional intelligence (EQ)

Digital (DQ)

Knowledge
"What we know and understand"

Interdisciplinarity
Traditional (i.e., Mathematics)
Modern (i.e., Entrepreneurship)
Themes (i.e., Global Literacy)

Skills
"How we use what we know"

Creativity
Critical Thinking
Communication
Collaboration

21st Century Learner

Character
"How we behave and engage in the world"

Mindfulness
Curiosity
Courage
Resilience
Ethics
Leadership

Meta-Learning
"How we reflect and adapt"

Metacognition
Growth Mindset

© Center for Curriculum Redesign

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450 DAYS OF PRACTICAL WORK EXPERIENCE

15 EXAM MODULES

Adding value

Communication

Technical competence

Decision making

Teamwork

Problem solving

Ethics and Professionalism

ACA

PROFESSIONAL DEVELOPMENT

ETHICS AND PROFESSIONAL SCEPTICISM

FINANCE FOCUS

Deep interest in enterprise and finance

- Curiosity to learn something new
- Deep business intuition and fluency in cost control
- Appreciation of the changing nature of the business and regulatory environment
- Breadth of business and finance experience
- Considering ethics as a constant behind their business and personal decision-making
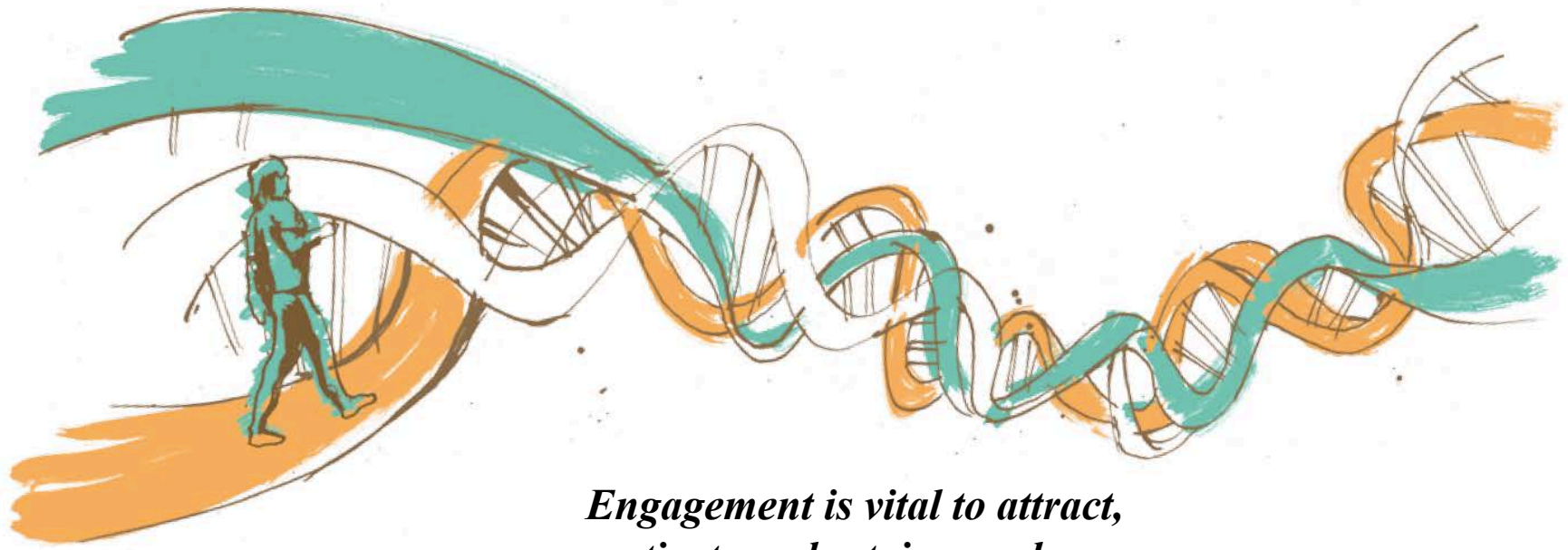
COMMITMENT TO PROFESSIONALISM

Willingness and aptitude to take responsibility and get things done properly

- Resilience, adaptability and reliability in meeting objectives
- Enthusiasm and sense of fun
- Ability to manage a complex project – from inception to conclusion
- Problem-solving skills, ability to respond to challenges
- Common desire to give back to profession and society

ANALYTICAL SKILLS

Ability to cut through complexity to communicate a meaningful message

- Developed and up-to-date technical knowledge
- Understanding of the importance of being well- informed
- Consciousness of the bigger picture, of the impact of actions beyond immediate role

Excellence is more than technical expertise

Professionalism should be first and foremost a pursuit of a good that is internal to the practice, such as improving the knowledge, the practice and the individual.

It should not be defined around the pursuit of purely economic efficiency

Engagement is vital to attract, motivate and retain people

A richer theoretical and practical understanding of the profession and its impact on society could increase the motivation and commitment to work.

As such, a broader education and training should contextualise the technical aspect of professional practice by emphasising its impact on society and environment.

Ethics as a worldview

We would like to broaden this definition by placing emphasis on the being rather than doing, where being ethical stems from the identity and/or character of the professional, rather than just being a reflection of his/her actions.

Ethicality should be understood by the motivations, and judgments, as well as the actions of the professional.

What should drive professionals forward?

- Professionals such as ICAEW chartered accountants are rightfully proud of their ethics code, their shared experiences and their specialized skills.

- However, we want to challenge: is this enough to capture a professional identity and would it inspire and motivate future professionals?

- We argue that through a shared purpose and virtues, professionals might distinguish their professional identity and develop a more powerful narrative for their profession.

Embracing purpose…

- It is important to understand that as part of their journey, professionals should develop not only knowledge but also moral sensitivity, and the ability to critically recognize oneself as a responsible individual, whose actions have a direct impact on society and who contributes toward a specific good.

- To develop such critical outlook and moral motivations, a higher purpose has to be embedded and communicated through the ethos of the organisation or the team

- The need to understand the purpose, to contribute to group efforts and to have an impact has been shown to motivate individuals to engage and excel.
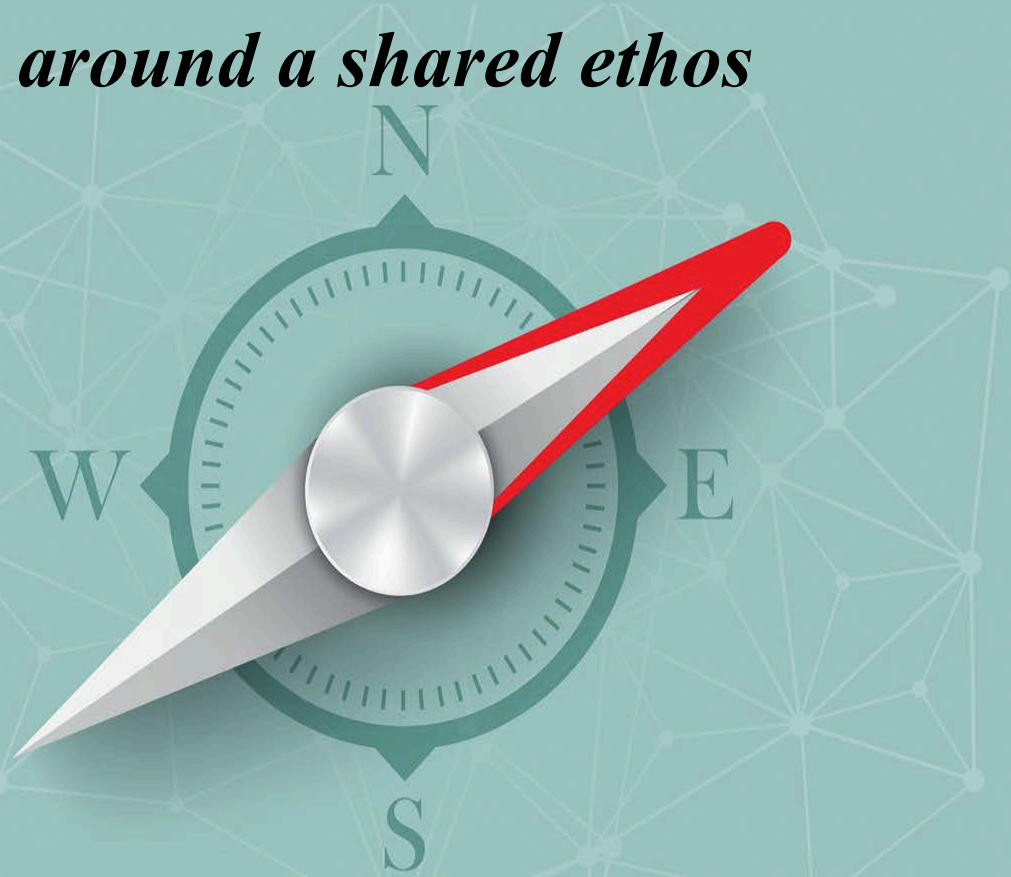
… and embodying virtues

- To preserve its attractiveness, relevancy, retention and respect, the profession as a whole might benefit from placing more emphasis on the characteristics, values and commitments that its members identify with.

- These personal qualities, attitudes and strengths for moral behavior are what we define as virtues.

- We need to focus on the conditions and culture that foster and encourage these virtues to flourish. An important part of this approach is to understand the journey of becoming a professional - the stages at which individuals become aware, develop values, interests and then develop as a professional.

Unifying the profession around a shared ethos

Ethos is an important guiding principle for the young professional on their journey, as they learn, develop knowledge and skills, and build experience.

People develop their professional identity as they gain experience but their beliefs and attitudes are shaped by the existing ethos within the profession and within practice.
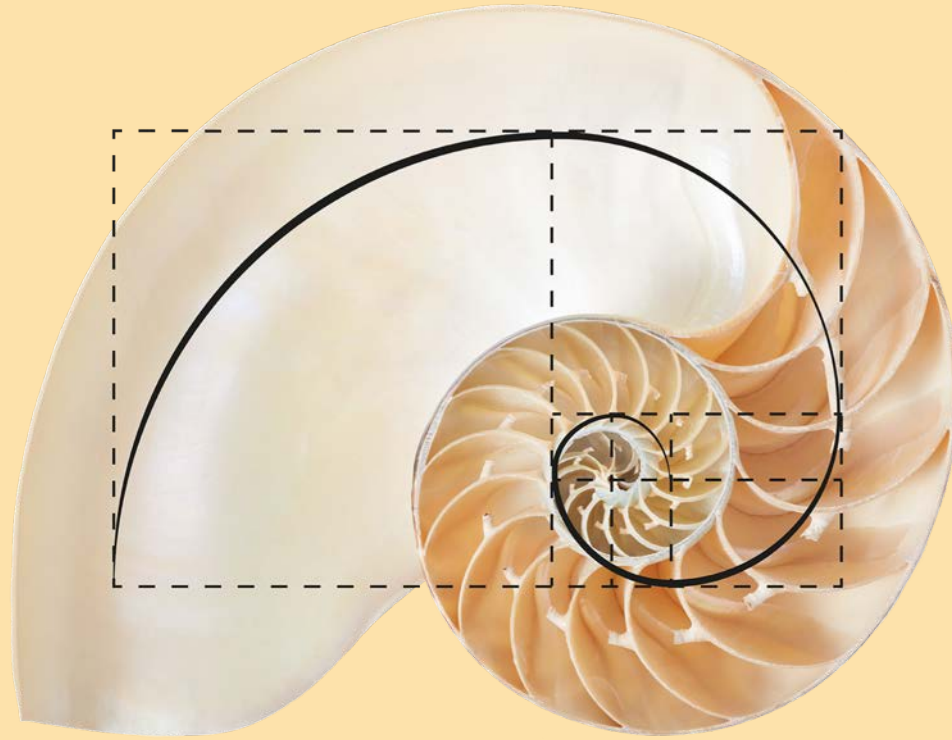
Ethos: a guiding compass for the future professional

According to Aristotle one has to think of oneself as a member of the larger community ... and strive to excel, to bring out what is best in ourselves and our shared enterprise. What is best in us — our virtues — are in turn defined by that larger community, and there is, therefore, no ultimate split or antagonism between individual self-interest and the greater public good.
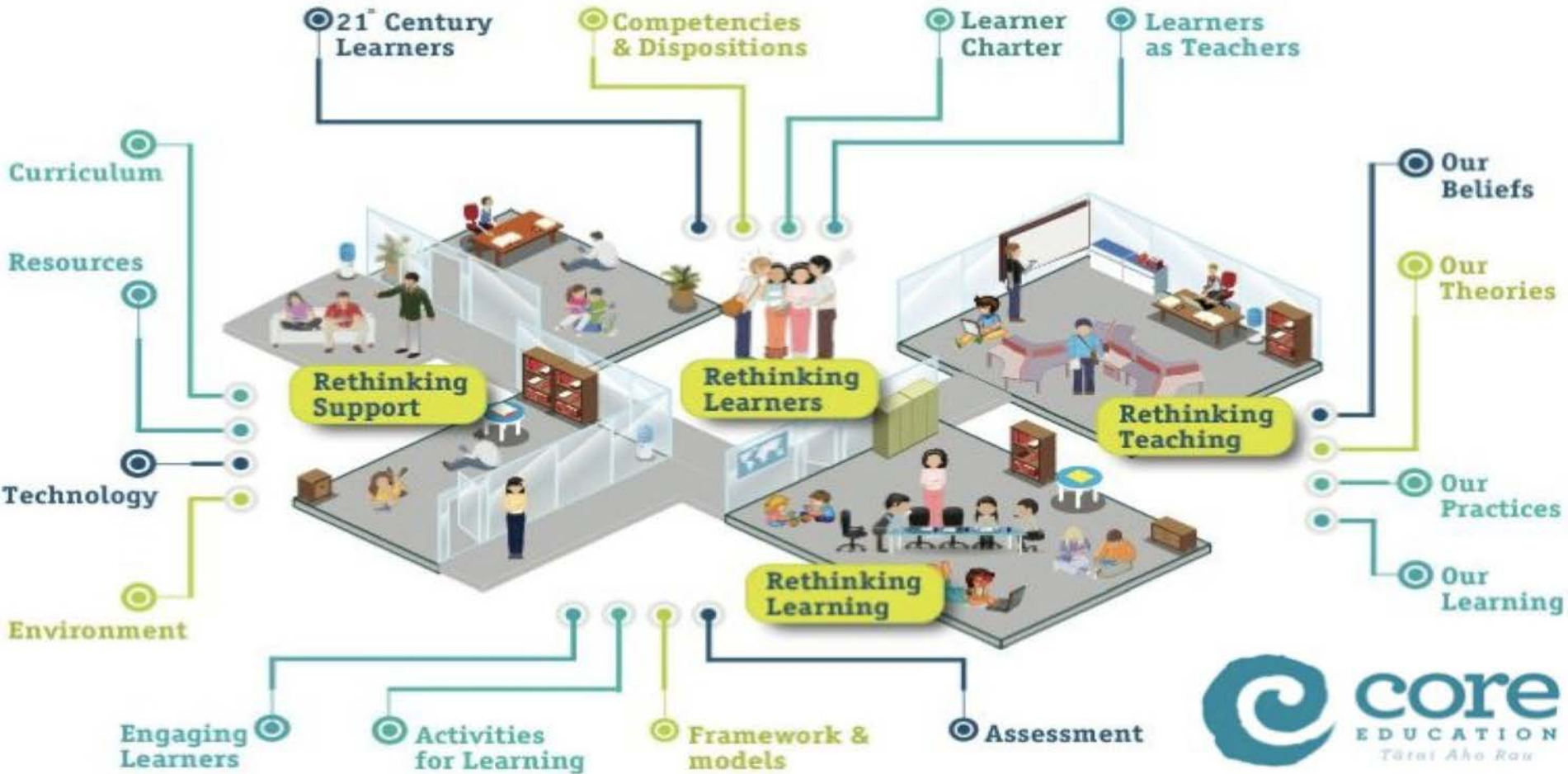
(Robert Solomon)

Professional identity develops through the journey which starts with the initiation into practice. The ethos of the profession might offer a rudder and guide individuals on that journey.

Designing Education

Cognition + Culture + Design

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Courage: leadership & inspiration

Professionals XXI

- We support lifelong learning in practice to help develop and retain talent by engaging and supporting novice professionals to enhance their capacity and commitment to the profession.

- In partnership with businesses, accounting firms and civil society organisations, we design and host workshops for junior professionals to capture their enthusiasm and to inspire them to take a dynamic role in shaping the future of society and their profession

Blended learning

Blended learning

How we might we re-imagine student learning, animated by the notion of "blending"?

How do we teach across disciplines, across space and time, across virtual and real spaces?

- **Constructivist** pedagogy is based on learners constructing their own knowledge and meaning through experience
- **Social constructivism** is a hypothesis that states that individuals learn as a result of social interaction and collaboration with others.
- **Problem-based learning** encourages active learning, use of real world scenarios, social learning and the application of knowledge to new situations.

Finding 'purpose' is key teaching ethics

- The main goal of ethics education within accounting degrees is to give importance to understanding the professional purpose/goods internal to the practice of the accounting, which provide the foundations for moral motivation and embed ethics codes in a purposeful narrative.

- Ethical education in accountancy and business has focused on rule-based and cognitive approaches to solving ethical dilemmas, and less on fostering beliefs, personalised commitment, moral sensibility or professional values.

- These are hard to teach because it is hard to measure their long-term impact beyond university, and they ultimately relate to the innateness of character and traits,... which then poses an appropriate question whether it is the role of universities to take such responsibility.

Some tools for systemic approach:

- Focus on both **formal and informal elements** of learning - content, language, environment, ethos, power dynamics

- Clear communication of **vision and values** throughout institution

- **Integrated Ethics** content integrated in the curriculum and mission, communicated through the culture, the language, the narratives and role models of the faculty; and through the shared experiences that extracurricular activities and group research projects foster

- **Individual and group identity** should be leveraged as part of the education experience

- The concept of '*professionalism*' should be explored intentionally and critically, and approached holistically (through culture and content)

- Engage in **communities of inquiry or problem-based learning** - which have shown to improve group cohesion and learning triggered by solving problems, which is of particular importance to developing socio-emotional intelligence, management, and motivation in professionals.

Practical guidance - Aligning how is taught with what is taught.

- **Purposeful practice**

- **Demonstrating or modelling skills** or capacity (provide students to practice what they have learned)- simulations, case studies

- **Pedagogies of enactment** - active learning designed to engage students (problem-based learning, service learning, learning communities and research).

- Teamwork that aligns intention of perspective taking and collaboration with how they are evaluated and how students take on work

- **Case studies** – again pedagogy of enactment and of heuristics. Raises ethical sensitivity by exposing to situations and "provide practice applying heuristics to different situations".

- **Role play, Simulations –** ICAEW drama

Narrative as meaning-making

The Good Professional Project

- The ambition of this project is to engage the profession in a critical and reflective discussion on the nature of professionalism and to inspire people in our sphere of work

- we are collecting and creating stories to build a more positive, genuine and forward-looking vision for the profession that will help to change public perceptions and to attract and inspire the next generation of professionals

- Aims of the project:
  - Engage professionals from practice, business and academia to critically reflect on the key elements that define what it means to be a "good professional" within accountancy and finance
  - Identify character traits and capabilities that will help us design education experiences and foster an environment for people to flourish
  - Capture stories of inspirational professionals to exemplify and promote the good work that we do

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Community of inquiry

Philosophy for Accountancy

- P4A is a successful university intervention that we have developed as part of leading accountancy degree programmes in the UK.

- We have engaged students in active seminars that use constructivist methods of learning in order to improve their critical and creative thinking. Through the integrated philosophy seminars and curriculum planning, we have expanded and humanised the understanding of financial tools, procedures and regulations.

- By creating a normative culture of community-of-inquiry, our aim has been to 1) inform students' moral beliefs about the profession, 2) challenge their pre-existing, culturally-informed values and 3) motivate them by engaging them in a socialised, problem-based learning project.

"It doesn't have to be this way"

ICAEW