

Factors Influencing Accountancy Diploma Students' Intention to Pursue Accounting Advanced Program

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ABSTRACT

Professional accountants also known as Chartered Accountants and/or MIA members possess at least a bachelor degree from the local university or have passed professional examination and have become a member of the professional body. However, Bumiputra graduates in Accounting Advanced Programs have decreased over the decades. This paper aims to identify the factors influencing Malay Accounting Diploma students to pursue study in bachelor degree and professional qualification in accountancy. Therefore, to achieve the objective, questionnaires have been developed and distributed among students of Diploma of Accountancy from UiTM. It is expected that this paper will provide an insight of the factors that affect students' interest to pursue study in accounting and to identify the barriers that hold them from proceeding to higher level of education in accounting. As such, more Bumiputra accountants can be produced in the near future.

Keywords: *Accountancy Professional Program; Education; Diploma Accountancy; Bumiputra*

Introduction

Lacks of Malay professional qualified accountants have been the subject of ongoing debate in Malaysia. Statistics provided by the Association of Chartered Certified Accountant (ACCA) in year 1999 stated that, only 12% of Malay accountants have registered for the professional examination from 13,000 Chartered Accountants who registered under the Malaysia Institute of Accountant (MIA). Indeed, from 15,000 Malay Accountants registered in 2001, the number has dropped to 11,000 in 2011. Thus, this gives bad signal to the Malay community in accountancy career. In fact, according to Malaysia's Prime Minister, Dato' Seri Najib Abdul Razak, 65,000 accountants is needed by year 2020. In order to become a Chartered Accountant and a member of the MIA, they should hold a bachelor's degree from the local university or have passed the professional examination such as ACCA, CPA, MICPA and become a member of the professional body. Therefore, this study is carried out to identify the factors that influence Malay Accounting Diploma students to pursue their study in bachelor's degree and professional examination in accountancy.

Problem Statement and Research Questions

Negative perceptions on job in the accounting career have demoralised students to undertake higher level education in accounting programme (Hardin et al., 2000), hence, students tend to pursue their advanced level studies in courses other than accounting. The accounting skills and knowledge which they have obtained may seem to be a 'time wasting' journey. Some anecdotes include the long hour works, various assignments, strict deadlines, work load stress and dateline pressures. As such, MIA President Datuk Mohd Nasir Ahmad reiterated that a shortage of accounting professionals will continue in the short and medium term (Accountant Today, 2011). In order to be accounting professionals, a person should possess at least accounting advanced level or professionals qualifications.

Thus, starting from their fundamental level, the students should decide their journey in accounting field and career. Hence, the questions for the study may raise a few issues:

1. What are the factors that may influence students' intention to continue their studies in accounting advanced level program?
2. What is the perception of students on advanced accounting programme?

Research Objectives

The objectives of the study are as follows:

1. To identify students' intentions to pursue their studies in Bachelor Degree and Professional Programs in Accountancy and the factors that affect their intentions.
2. To evaluate the students' perception towards advanced accounting programme level.

Literature Review

Understanding students' intentions in pursuing higher level of accounting course is an important step in order to attract students' interest and passion in the accounting course. It is believed that the students' intention becomes an attribute for the students to learn further in accounting and in accounting profession. Based on records in Students' Affair Department of UiTM in Kedah as at December 2008, it was found that only 7% of Diploma in Accounting graduates were currently pursuing their studies to professional accounting programme (Noorain, 2009).

However, students' intention may be very much influenced by students' perception towards accounting subject and the programme itself. It was found that students with negative perception in accounting may dilute students' intention to in depth their knowledge and expertise in accounting (Hardin et al., 2000) whereas positive perceptions on accounting may promote their intention in accounting career (Germanou et. al, 2009). Students remarked accounting is boring, precise, number crunching, difficult and rule memorizing knowledge (Sugahara et.al, 2009 and McDowall and Jackling, 2010).

In addition, Noorain (2009) found that gender was among of the factors influenced the students' intention in the accounting education and career. Her study found that more than 50% of female students have the intention to pursue to professional levels.

The students also will consider job availability factor in determining their career choice before majoring in accounting programme (Myburgh, 2005). According to Noorain (2009), those who possessed professional qualification have better career prospects, highly demanded in job market, being recognized internationally and being paid well by employers were among of the common thoughts embedded in students' mindset. Apart of that, beside decision making and self esteem factors, job security were the main thoughts in the students' perception in order to further the study from fundamental level to higher accounting level (Germanou et.al, (2009).

Furthermore, Sugahara et.al (2009) identified that those who had majored in accounting subject in secondary school tend to have the intention to pursue in professional programmes. Noorain (2009) found that those who have obtained good Cumulative Grade Point Average (CGPA) during Diploma in Accounting will trigger students's intention to further their study to advanced level. Hence, those students who have basic knowledge and have good academic performance in accounting will have high intention to continue their studies to higher accounting program level. Therefore, from the above literatures this study attempts to identify the factors of students' perception and demographic which may contribute to students' intention to pursue their studies in accounting advanced programme.

Research Methodology

This section will explain the methodology adopted in this study. The data were drawn from Diploma in Accounting students at UiTM Pahang. UiTM students is chosen for sampling because the University is well known in Malaysia for it produces 100% Bumiputra graduates including Malays and local ethnics of Sabah and Sarawak. Not only that, the Diploma in Accounting students may pursue the study to the undergraduate levels at any higher education institution in Malaysia and also act as a feeder in Bachelor in Accounting (Hons) in UiTM

itself. Thus, the data gathered may provide useful data especially in their future planning of study and career. 259 Diploma in Accountancy students were randomly chosen in this study.

A set of questionnaires have been distributed, administered and collected from classrooms beginning November 2011 until May 2012. The questionnaires have been divided into three sections. Part A assessed the demographic profile of the respondents. For Part B and Part C, the study adopted and adapted the questionnaires constructed from Noorain (2009). Part B is to assess the students' intention to further their study to the advanced level either in bachelor program or professional programme. Whereas in Part C, is to assess the students' perception on the advanced level either for bachelor or professional programme. In this section, four-point Likert scale ranging from strongly disagree (1) to strongly agree (4) was used to measure the extent of respondents agreed to the corresponding statements. Statistical method was used in this study for descriptive statistics and cross tabulation.

Findings and Discussion

The data from the questionnaire has been analysed using frequency and cross tabulation. Thus, the following are the findings and discussion of the results.

Part A: Demographic

According to the gender, there were 34% male and 66% female respondents. It was found that 36.7% of the respondents belong to final year students followed by second year students (16.6%) and first year students (46.7%) respectively. In this section, the respondents also were requested to provide their current CGPA achievement. Thus, 57.5% of the respondents achieved good results with CGPA 3.00 and above. Interestingly, majority of respondents who enroll the diploma programme in UiTM Jengka have basic accounting knowledge either during their secondary school or matriculation (62.9%) and only 37.4% of respondents do not have basic knowledge in accounting. While, 88% responded that they do have interest in accounting subject and only 12% do not have interest in accounting subject. This would explain the reason some of the students chose accounting programme even though some of them may have no basic accounting knowledge. Furthermore, it was found that most of them registered for accounting course because they perceived that Diploma in Accounting graduates would stand a better chance for a wide job opportunity.

Part B: Plan after completing Diploma

Part B evaluates the intention of students to pursue study in advanced program. Almost all respondents (96.9%) have the intention to pursue a degree programme. Nonetheless, only 3.5% of them have no intention to pursue degree with the majority of them plan to work after completing diploma. From those who have planned to pursue degree, 66.3% have intention to pursue degree since their secondary school level. This result is supported by Sugahara et.al (2009) that students in secondary school who had majored in accounting subject, will show high tendency to pursue for higher accountancy course. Stimulatingly, some of them build their interest when they have enrolled diploma in accounting program (28.9%). Out of those who have the intention to pursue degree, they have been requested to state their most preferred degree programme.

Table 1 Preferred Degree Programs by Students

| | Frequency | Percent |
|------------------------------|-----------|---------|
| Bachelor in Accounting | 210 | 81.1 |
| Bachelor in Business Studies | 15 | 5.8 |
| Bachelor in Islamic Banking | 7 | 2.7 |
| Education | 10 | 3.9 |
| Others | 9 | 3.5 |
| Total | 251 | 96.9 |

The result from Table 1 above reveal that although the majority of diploma in accounting students have intention to pursue degree, not all of them choose to further their studies in Bachelor in Accounting (BIAC). Nearly 17% of the respondents who have intention to further degree choose to pursue other bachelor program

such as Bachelor in Business Studies, Bachelor in Islamic Banking, Education and others. Table 2 shows further analysis of the respondents who have no intention to pursue degree programme. The result shows that 55% of the respondents do not have intention to pursue Bachelor in accounting think that accounting course is difficult. This result conforms to Hardin et. al (2000) which stated that negative perception in accounting will affect students' intention to proceed to advanced level. However, 21% of the respondents believe that their current diploma results are not good enough for them to pursue Bachelor in Accounting.

Table 2 Reasons for not choosing Bachelor in Accounting

| | Frequency | Percent |
|-------------------------------|-----------|---------|
| Difficult | 21 | 55.3 |
| Diploma Result Unsatisfactory | 8 | 21.0 |
| Not Interested | 5 | 13.2 |
| Others | 4 | 10.5 |
| Total | 38 | |

The respondents also were required to answer whether they have the intention to pursue to professional program beside degree program. Indeed, as shown in Table 3, only 72.2% of the respondents have intention to pursue professional programmes as compared to pursuing in degree (96.9%). The main reason is because they believe that graduates with professional qualification will have better career opportunities as compared to those without professional qualification. This result is consistent with the report made by Noorain (2009) and Germanou, et. al, (2009) which implies that career opportunity attracts students to pursue their studies in advanced programme. Table 3 also provides other reasons for pursuing Professional Programme:

Table 3 Reasons of Pursuing Professional Program

| | Frequency | Percent |
|----------------------|-----------|---------|
| Career Opportunities | 142 | 54.8 |
| Self-satisfaction | 38 | 14.7 |
| Parents | 5 | 1.9 |
| Others | 2 | .8 |
| Total | 187 | 72.2 |

After identify the intention to pursue professional program, the respondents were requested to identify the professional program that they may favour. Based on the result in Table 4, almost 70% of the respondents who have intention to pursue professional course choose ACCA as the most favorable professional program followed by CIMA (10.9%), CPA Australia (6.0%), MICPA (5.0%) and CTIM (4.5%).

Table 4 The Most Favorable Professional Program

| | Number of respondents | Percent |
|---|-----------------------|---------|
| Association of Chartered Certified Accountants (ACCA) | 148 | 73.6% |
| Malaysian Institute of Certified Public Accountants (MICPA) | 10 | 5.0% |
| Chartered Institute of Management Accountants (CIMA) | 22 | 10.9% |
| Certified Public Accountant (CPA) | 12 | 6.0% |
| Chartered Tax Institute of Malaysia (CTIM) | 9 | 4.5% |
| Total | 201 | 100.0% |

Table 5 shows that out of 184 respondents who intend to further their degree, 69 of them are male and 115 are female. Among male respondents, it was found that 80% have intention to pursue professional programme and among female shows 68% have intention to pursue professional programme. This might explain that male students are career oriented as compared to female students because the main reason for them to pursue

their studies is due to job opportunity. This result is in line with the findings in Noorain (2009) that genders do make difference in decision to pursue study especially in accounting programme.

Table 5 Intention to pursue Professional by Gender

| | | Gender | | Total |
|------------------------|-----|--------|--------|-------|
| | | Male | Female | |
| Intention_Professional | Yes | 69 | 115 | 184 |
| | No | 17 | 54 | 71 |

Part C: Perception towards Degree and Professional Programmes

This part of questionnaire captures the perception of students towards degree and professional programme. Table 6 represents the percentages of respondents who agree/disagree with the statements on perception of pursuing advanced program in accounting:

Table 6 Perception Towards Degree and Professional Program

| | C1 | C2 | C3 | C4 | C5 | C6 | C7 | C8 | C9 |
|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Disagree | 44.27% | 39.22% | 18.36% | 8.98% | 0.78% | 13.04% | 4.74% | 23.05% | 4.69% |
| Agree | 55.73% | 60.78% | 81.64% | 91.02% | 99.22% | 86.96% | 95.26% | 76.95% | 95.31% |

- C1 Only excellent students are able to continue their studies to degree / professional level
- C2 Degree programs / professional is only suitable for students with a strong foundation in accounting
- C3 Degree programs / professional are only suitable for students who are disciplined and have a strong commitment.
- C4 Degree programs / professional are more difficult than diploma program
- C5 Professional qualifications are recognized international level
- C6 Degree / professional graduates are preferable to be hired than graduate diploma
- C7 Degree / professional graduates are able to be employed with higher salary than diploma graduates
- C8 Professional qualified accountant is more respected than a degree qualified
- C9 Professional qualified accountant will have better chances in your career.

Based on the result, more than half of the respondents perceive that only excellent students can pursue to degree/professional level (56%) and degree/professional programs are only suitable for those who possessed strong accounting knowledge (61%). About 99% of the respondents remarked, those who possesses professional qualifications are recognized at international level. Slightly more than 95% of the respondents identified that in becoming qualified accountant with professional qualification will have better career opportunity. Not only that, 95.26% recognized those who possessed degree/professional tend to have higher salary compared to diploma holders. This is supported by the study done by Myburgh (2005), Noorain (2009) and Germanou et. al, (2009) that students may consider career prospect and opportunity before majoring their studies in advanced accounting programme.

Conclusions

Lack of Malay professionals in accounting profession gets the nation attention and to identify the cause is crucial. Based on the results, the majority of students have the intention to pursue accounting advanced program since their secondary school days. Majority of them prefer to proceed to degree level in spite of professional programme. The reason may be due to the fact that some of the students still perceive the advanced accounting program is too difficult, moreover, at professional programme. However, this finding may bring some light for accounting academicians to give the correct picture in changing the mind set of students to be correlated with current needs and updates in accounting syllabus as well as in accounting profession.

Under the demographic factor in students' intention, majority of the female students were keen to choose degree level as compared to male students. Despite gender difference, majority of the male students have the intention to proceed to professional program which dominantly favoured to choose ACCA, due to the good prospect of job opportunity. It also undeniable that CGPA performance during diploma level affects their

intention to pursue advanced accounting programme. Thus, the findings answered the first research question on the factors that may influence students' intention to continue their studies in accounting advanced level program.

As for the second research question, regarding students' perception towards advanced accounting programme, the findings revealed more than half of the respondents agree that only excellent students with strong accounting knowledge is able to pursue to degree or professional level. Indeed, almost all of them believe that degree or professional programme will provide better career opportunity and higher salary than diploma holders. That might explain the reason for them to proceed to advanced accounting program although they believe that these programmes are difficult compared to diploma level.

However, this study is using small sample size and only confined on the students Diploma in Accountancy in Jengka, Pahang. The results and findings in this study may generate bias for whole population i.e. the whole UiTM as the largest public University in Malaysia. Nevertheless, this study provides opportunity for future study. It can be extended to a bigger sample size from other UiTM branches and other universities. Not only that, further study can also be conducted to assess the students' perception and intention of secondary schools students in advanced accounting programme.

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