

Employers' Expectations and Observations on Accounting Interns' Skills: A Disparity Analysis

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Abstract

Internship provides a platform for the students to get real working exposure and for the employers to seek for the potential new employees. This study looked into the disparity between employers' expectation and observation on the skills of accounting interns in a public university. The study was conducted on 200 interns from Bachelor degree and Diploma level who have undergone internship in year 2008 and 2009, at various firms in several locations. For Bachelor of Accountancy interns, results from Wilcoxon Rank test indicate that there is evidence of disparity between expected and observed interpersonal skills and leadership skills. However for Diploma in Accounting Information System interns, evidences of disparity found to exist between expected and observed communication, intellectual, initiative taking, job attitude and leadership skills. Findings of this study will provide insight to the concerned public university and the universities at large, on the interns' capabilities from the employers' perspective.

Keywords: *Interns, Skills, Expectation, Observation, Accounting, Disparity*

1. INTRODUCTION

Working experience has become a vital component of any education and profession. This lead to an increasing role of internship in the career development of students in any field, as internship acts as a platform for enhancing knowledge and motivation among the students (Beard, 2007). For students, internship provides important insights into the 'real world' of accounting because they are inexperienced with the real job nature. Internship offers a structured platform for students to apply their classroom knowledge, improve career prospects and develop other skills such as communication and problem solving (Cord, Bowrey & Clements, 2010). It can also open the doors to permanent employment opportunities (Goodman, 1982; Siegel and Rigby, 1988 as quoted by Beard, 2007). Dulgarian (2008) showed internship increased interns' job opportunities and they have a better chance of getting hired. Callanan and Benzing (2004) also found a linkage between completion of internship and finding career-oriented employment. Similarly, Baker (2008) stated that internship helps to ascertain the right match between students and organizations.

For employers, internship can support the need for skilled and dedicated temporary employees at a minimal cost for businesses and nonprofit organizations particularly during peak seasons of business operations. For example, a study by Knechel and Snowball (1987), as quoted by Beard (2007) found that the auditing course work performed by interns was significantly better than that of the non-internship students. Most companies and firms are currently searching for knowledgeable employees that can do their job without full and close supervision. They would favor those candidates that have intellectual skills, communication and interpersonal skills as well as being independent and competent. Thus, working experience under internship program is fundamental to students entering the job

market, as it would provide them with the essential practical knowledge required by the profession of accounting. Beard (2007) found out that internship experiences can contribute to the student, institution and the employing entity in terms of enhancing the student's ability to integrate academic knowledge with practical applications, for career development.

According to Henderson (1996), the accounting profession sees universities and higher learning institutions as job training center, which provide students with skills for careers in accounting. They expect that the university courses will focus on training young accountants both in theoretical and practical skills. Conversely, the university views their roles as educating their students, rather than training them. From the university point of view, students who are able to analyze arguments, logically and critically; independent and adaptable are considered as an ideal graduate. Although university attempts to provide both theoretical and practical knowledge to their students, the profession would normally regard new graduates as inadequately prepared: full of theory, unaware of the most basic aspects of the 'real' world, and virtually useless for as long as a year (Henderson, 1996).

For some years there has been much debate between various stakeholders about the need for accounting graduates to develop a broader set of skills to be able to pursue a career in the accounting profession. Currently, the demand for knowledge workers with high levels of technical and soft skills is ever increasing. Employers are expecting that the graduates should possess a good understanding of basic accounting skills, strong analytical skills and also having business awareness and knowledge in terms of the real world. Generally, the common perceptions from employers are that many of the essential non-technical and professional skills and attributes are not being developed sufficiently in university accounting programs. The main research finding in a study done by Milner and Hill (2007) found that, there is a disagreement between the accounting academics and accounting profession in terms of the skills that should be developed in the accounting degrees or program courses. This debate has resulted in the disparity between the employers' perception and graduate perception. In a study done by Gurrinder and Sharan (2008), they found that the graduates and employers have significantly different perceptions concerning the employability skills needed in the job market and what the graduates can provide. Additionally, Milner and Hill (2007) detailed out the skills gap that point to what accounting graduates are lacking, which include communication and problem solving skills expected by the accounting profession. They focus on the discussion and opinions of accounting academics about the issues concerning skills, amongst others, definition of skills and what skills should be developed.

Among the employability factors are problem solving and adaptability skills, human skills, English language proficiency, ICT skills, personal organization and time management, leadership skills and communication skills. Faruk, Mitchell and McAlum (1999) mentioned that many of the skills and abilities previously provided by management education and believed to lead to career success may not be applicable in the current, ever-changing environment. The critical attributes needed by business school graduates, desired by prospective employers, and taught by university faculty change as business adapts to changes in the operating environment. Velde (2010) concluded the employers perceived the extreme importance of graduates possessing positive attitudes and behaviours, such as being responsible and adaptable and working safely in the workplace. Muhamad, Shahimi, Yahya and Mahzan (2009) found that there is a gap between interns' perception before and after they have completed the internship attachment. Students did not obtain the expected knowledge and experience from the attachment which they can use in their future working environment. They also revealed that the internship experience does not improve their technical and interpersonal skills except in the public sector accounting. It could be due to

the internship attachment in a small audit firms that still maintain manual recording and auditing process rather than automated working papers and automated audit software.

Realizing the potential benefits of internship, most universities in Malaysia have implemented internship programs for various groups of students of different programs including Accounting. Universiti Teknologi MARA (UiTM) is one of them that have implemented internship in its accounting program as a compulsory course. Currently, the students from Semester 5 Diploma in Accounting Information System (DAIS) and Semester 7 Bachelor of Accountancy (BAcc) are required to complete their internship for the duration of six months. During the period, interns must demonstrate good analytical skills, independence and competency when performing the tasks assigned in order to pass the internship requirement. As stated by Saat and Ahmad (2009), both hands-on skills and soft skills such as communication, interpersonal, and teamwork skills would be developed during the internship, thus gaining marketability upon graduation.

This study is therefore carried out with the purpose of assessing the skills of the interns based on employers' expectation and observation. At the same time, this paper attempts to evaluate the disparity between employers' expectation and observation on interns' skills.

2. MATERIALS AND METHODS

2.1 Sampling and data collection

The population for this study is 200 students who have undergone internship in year 2008 and 2009, at various firms in several locations. This study only focused on the students from Accounting Programs, including both Bachelor in Accountancy (Semester 7) and Diploma in Accounting Information Systems (Semester 5). This is a population survey, thus no sampling technique was applied. The respondents were all employers involved in internship program with accounting faculty of Universiti Teknologi Mara Terengganu (UiTMT). The completed questionnaires were collected at the end of the internship period by Internship Observers. As the questionnaires were monitored by the Coordinator of Internship Program, 100% responses managed to be collected.

2.2 Instrument

This study used a developed questionnaire consisting of five sections. Section A consists of questions on demographic information, Section B on Company's Expectations, Section C on Company's observation, Section D on Adequacy of University's Curriculum and Section E on open-ended questions regarding weaknesses, strengths and ways to improve intern's capability. Every question in section B uses a Likert scale of 1 to 10, where scale of 1 indicates not expected and scale 10 indicates highly expected. Questions in Section C also use Likert scale of 1 to 10, where scale of 1 indicates unsatisfactory and scale 10 indicates highly satisfactory. Section D uses Likert scale of 1 to 10, where 1 indicates strongly disagree and scale 10 indicates strongly agree. All questions use sentences in the affirmative form. For the purpose of this study, section E was excluded from the analysis.

2.3 Method

Descriptive statistics was used to analyze the demographic information of the respondents. In assessing the skills expected and observed by employers the measure of central tendency was used which was mean analysis. A check on the distribution of data reveals that they were not normally distributed. Thus, Wilcoxon Rank test was used instead of paired t-test to examine the disparity between employers' expectation and observation on interns' skills.

3. RESULTS AND DISCUSSION

Table 1 shows the internal reliability of the instrument which was investigated using Cronbach's Alpha. Values between 0.913 and 0.957 indicate that all variables under each factor can be highly considered as measuring the same concept. Table 2 shows the respondents' profile. Since the population proportion of female students is bigger than the proportion of male students, the percentage of female respondents (78.5%) is naturally higher than the percentage of male respondents (21.5%). Most of them were in semester November 2008 (36.5%) followed by semester May 2008 (31.0%). 51.0% of the respondents were bachelor students, while 49.0% were diploma students. More than half of the respondents (59%) have undergone their internship in accounting and audit firms which mainly are sole traders (27%) and private limited companies (26.5%). These firms are primarily located in Terengganu (36.5%) and majority of the firms (80%) are with the number of employees less than 100. Receiving the students for internship has been part of the regular practice of 94% these firms. Referring to Table 3 and 4, the criteria expected by employers are effectiveness in communication (b1), intellectual skill (b2), initiative taking (b3), positive job attitude (b4), quality work (b5), quantity of work (b6), ability to learn (b7), leadership skill (b8), job knowledge (b9), English communication skill (b10), third language communication skill (b11), creativity (b12), pro-active (b13), punctuality (b14), high endurance (b15), properly attired (b16) and appropriate personality for the job (b17).

Result from Table 3 shows that for Accounting and Audit firms, the highest score for criteria expected by employers on DAIS interns is properly attired with 9.13 and the lowest is 7.68 for English communication skill. The results for b11 (Third language communication skill) is excluded from this analysis because third language is not strongly affecting the environment for internship program of UiTMT. Most of the companies stated that third language is not expected of the interns. For non Accounting and Audit firms, the highest score is 9.5 that is the expectation for quality work, quantity of work and ability to learn. Table 4 shows the criteria expected of BAcc interns. For Accounting and Audit firm, the highest criterion expected by employer is punctuality with the score of 8.56 and the lowest is leadership skill with the score of 7.67. For non Accounting and Audit firm which is services in nature, properly attired is highly observed by the employers (8.83). On the other hand creativity and pro-active are least expected by these employers. Meanwhile for government agencies, initiative taking, positive job attitude, and creativity are the most expected criteria by employer with the score of 10. The least observed skills by these employers are English communication and properly attired.

Table 5 and Table 6 indicate that, the criteria observed by employers during the internship are interpersonal skills (s1), communication skill (s2), intellectual skills (s3), initiative taking (s4), job attitude (s5), personal efficiency (s6) and leadership skills (s7). For DAIS interns, job attitude scored the highest (8.77) while the lowest scored observed skill is communication (7.99). Similar results are shown for BAcc interns where the highest score of 8.19 is job attitude. However the lowest score of 7.71 is initiative taking. Table 7 and 8 refer to the analysis on the disparity between the employers' expectation and observations for BAcc interns. The result from Wilcoxon Rank test revealed that there are significant differences between criteria expected and observed by the employers for interpersonal skills and leadership skills with significant p value of 0.000 and 0.009 respectively. Generally employers expect a higher interpersonal (8.44) skill than observed (8.01) whereas for leadership skill, interns performed higher than expected.

However for DAIS interns, the criteria that have significant differences between expected and observed are communication, intellectual, initiative taking, job attitude, and leadership

skills. The significant p values were between 0.000 to 0.030, as shown in Table 9. In all these skills, interns generally perform better than expected. Results in Table 10 show that mean observed scores are all higher than mean expected scores. This finding is consistent with the previous research by Gurvinder and Sharan (2008) which revealed that all the seven employability skills tested (problem solving and adaptability skills, human skills, English language proficiency, ICT skills, personal organization and time management, leadership skills and communication skills) are significantly different between what graduate provide and what employers require. In another study by Milner and Hill (2007) also found that there is a gap between the skills of accounting graduates and skills expected by employer in terms of lacking in communication and problem solving skill.

Table 1: Internal reliability

Factor	Cronbach alpha	Number of items under each factor
Interpersonal skills	0.913	3
Communication skills	0.920	4
Intellectual skills	0.957	5
Initiative Taking	0.945	4
Job Attitude	0.943	5
Personal Efficiency	0.953	4
Leadership skills	0.930	3

Table 2: Respondents' profile

Sex			
Female	78.5%	Male	21.5%
Semester			
May 2008	31.0%	May 2009	18.0%
Nov 2008	36.5%	Nov 2009	14.5%
Discipline of Study			
BACC	51.0%	DAIS	49.0%
Types of firm			
Sole-Trader	27.0%	Private Limited Co.	26.5%
Partnership	20.5%	Others	18.5%
Limited Company	7.0%		
Location			
Terengganu	36.5%	Selangor	9.0%
Kelantan	21.0%	Kuala Lumpur	8.0%
Pahang	12.0%	Perak	0.5%
Melaka	1.0%	Kedah	3.0%
Johor	7.0%	Sabah	1.0%
N Sembilan	0.5%		
Nature of Firm			
Accounting & Audit	59.0%	Non Accounting & Audit	41.0%
No. of Employees			
<100	80.0%	500<1000	1.5%
100<500	12.0%	>1000	5.0%
Regular Practice			
Yes	94.0%	No Answer	1.0%
No	2.0%		

Table 3: Mean score - Criteria expected by employers on DAIS interns

Nature of organization	b1	b2	b3	b4	b5	b6	b7	b8	b9	b10	b11	b12	b13	b14	b15	b16	b17
<i>Accounting & Audit</i>	8.61	8.48	8.3	9	8.7	8.39	8.82	7.91	8.17	7.68	6.83	7.96	8.52	8.87	8.26	9.13	8.65
<i>Non Accounting & Audit</i>																	
Hospitality	7.67	8.33	8.67	8.67	8.67	9	9	7	8	7	6	8.67	8.67	8.67	8.67	9.33	8.33
Manufacturing	7.56	7.78	8.11	8.78	8	8.22	8.11	6.67	7.67	6.75	4.33	6.88	8	8.33	8.11	8.78	8.44
Consumer Trading	8.5	8.25	8.25	8.5	9	8.5	8.5	7.25	8	7.5		8	8.25	8.5	8.75	9	8.5
Services	7.96	7.54	8.09	8.5	8.08	7.83	8.71	7.45	7.83	7.09	4.6	7.67	8.04	8.46	7.74	8.46	8.33
Education	9	8	7.5	8.5	9.5	9.5	9.5	8.5	8.5	8		9	8.5	8.5	8.5	9	9.5
Government Agency	8.09	8.3	8.52	9.04	8.48	8.43	9.22	7.96	8.09	7.67	6	8.27	8.61	9	8.52	9.17	9.09
Others	7.5	7.5	7.63	8.5	8	7	8.38	6.57	6.88	6.71	4	6.63	6.5	7.88	7.38	7.75	8.13

Table 4: Mean score - Criteria expected by employers on BAcc interns

Nature of organization	b1	b2	b3	b4	b5	b6	b7	b8	b9	b10	b11	b12	b13	b14	b15	b16	b17
Accounting & Audit	8.04	7.75	8.15	8.52	8.18	7.88	8.52	7.67	7.82	7.77	6.24	7.38	7.92	8.56	8.11	8.8	8.46
Services	7.5	7.5	7.33	8	7.67	7.5	8.17	7.33	7.83	7.67		7.17	7.17	8	7.83	8.83	8.67
Government Agency	9	9	10	10	9	9	9	9	9	8		10	9	9	9	8	9

Notes: b1-effectiveness in communication, b2-intellectual skill, b3-initiative taking, b4-positive job attitude, b5-quality work, b6-quantity of work, b7-ability to learn, b8-leadership skill, b9-job knowledge, b10-English communication skill, b11-third language communication skill, b12-creativity, b13-pro-active, b14-punctuality, b15-high endurance, b16-properly attired and b17-appropriate personality for the job.

Table 5: Mean score - Observed skills on DAIS interns

Nature of organization	s1	s2	s3	s4	s5	s6	s7
Accounting & Audit	8.41	7.99	8.26	8.15	8.77	8.39	8.45
Hospitality	8	7.42	8.33	8.08	8.27	8.17	7.67
Manufacturing	7.93	7.56	7.91	8.08	8.64	8.33	8.33
Consumer Trading	7.42	7.13	6.95	7.25	7.1	7.38	7
Services	8.26	7.76	8.04	8.04	8.52	8.35	8.11
Education	8.5	8.75	8.9	8.5	8.4	8.88	8.5
Government Agency	8.86	8.58	8.77	9.04	9.23	9.07	8.9
Others	8.33	7.63	7.88	8.13	8.62	8.25	8

Table 6: Mean score - Observed skills on BAcc interns

Nature of organization	s1	s2	s3	s4	s5	s6	s7
Accounting & Audit	8	7.73	7.79	7.71	8.19	7.87	7.89
Services	8.06	7.88	7.87	7.96	8.17	7.88	7.94
Government Agency	9.67	9.25	9.4	9.25	9.8	9.5	9.33

Notes: s1-interpersonal skills, s2-communication skill, s3-intellectual skills, s4-initiative taking, s5-job attitude, s6-personal efficiency and s7-leadership skills

Table 7: Disparity analysis for BAcc interns

	Epersonal - personal	Ecomm - communication	Criteria: Intellectual Skill - Intellectual	Einitiative - Initiative	Eattitud - attitude	Eeficiency - efficiency	Criteria: Leadership Skill - leadership
Z	-3.839 ^a	-0.742 ^a	-1.420 ^b	-0.056 ^a	-0.509 ^a	-1.720 ^a	-2.611 ^b
Asymp. Sig. (2-tailed)	01.000	0.458	0.156	0.956	0.611	0.086	0.009

Table 8: Skills observed and expected for BAcc interns

Skills observed and expected	N	Mean	Std. Deviation	Minimum	Maximum
Observed interpersonal	102	8.0163	1.31454	4.33	10.00
Observed communication	102	7.7549	1.26988	4.00	10.00
Observed Intellectual	102	7.8108	1.30785	4.20	10.00
Observed Initiative	102	7.7443	1.45165	3.25	10.00
Observed attitude	101	8.2040	1.29984	3.80	10.00
Observed efficiency	100	7.8850	1.27892	4.25	10.00
Observed leadership	100	7.9067	1.34597	4.00	10.00
Expected interpersonal	100	8.4450	1.13015	5.00	10.00
Expected communication	100	7.8900	1.19886	4.00	10.00
Expected Intellectual Skill	100	7.75	1.306	4	10
Expected initiative	100	7.8333	1.41521	3.00	10.00
Expected job attitude	100	8.3600	1.18035	4.00	10.00
Expected efficiency	100	8.0933	1.16626	4.00	10.00
Expected Leadership Skill	95	7.66	1.470	3	10

Table 9: Disparity analysis for DAIS interns

	Epersonal - personal	Ecomm - communication	Criteria: Intellectual Skill - Intellectual	Einitiative - Initiative	Eattitud - attitude	Eeficiency - efficiency	Criteria: Leadership Skill - leadership
Z	-1.837 ^a	-2.501 ^b	-2.365 ^b	-2.176 ^b	-2.319 ^b	-1.681 ^b	-5.949 ^b
Asymp. Sig. (2-tailed)	0.066	0.012	0.018	0.030	0.020	0.093	0.000

Table 10: Skills observed and expected for DAIS interns

Skills observed and expected	N	Mean	Std. Deviation	Minimum	Maximum
Observed interpersonal	98	8.3707	1.13255	5.33	10.00
Observed communication	98	7.9541	1.12054	5.25	10.00
Observed Intellectual	98	8.2184	1.17046	5.00	10.00
Observed Initiative	98	8.2908	1.08747	5.25	10.00
Observed attitude	98	8.6918	1.06729	4.80	10.00
Observed efficiency	98	8.4847	1.14526	5.25	10.00
Observed leadership	98	8.3299	1.21700	5.33	10.00
Expected interpersonal	98	8.4643	1.23991	5.00	10.00
Expected communication	98	7.7398	1.18023	4.50	10.00
Expected Intellectual Skill	98	8.01	1.248	4	10
Expected initiative	98	8.0646	1.26673	5.00	10.00
Expected job attitude	98	8.5034	1.09486	5.33	10.00
Expected efficiency	98	8.3002	1.18558	5.50	10.00
Expected Leadership Skill	95	7.52	1.443	4	10

4. CONCLUSION

The findings from this study provide evidences that in general, accounting interns do meet certain expectations of the employers. However there is still a disparity on certain skills expected and actually observed by the employers. The present study suggests that more efforts should be undertaken to minimize the disparity between the employers' expectation and observation during the internship. This is possible by having the employers and academia working hand in hand in providing the input to better groom the students according to the employers' expectations. This is important as internship is regarded as a platform for the students to continuously improve their skills and enhance their knowledge in order to meet the expectations of employers. Ultimately internship does not only enhance students' marketability but at the same time offers greater opportunity for the employers to hire better skilled employees.

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