Motivations to Pursue Professional Accounting Qualifications Among Accounting Undergraduates in Malaysia

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ABSTRACT

The new developments in the economy such as the establishment of Asean Economic Community, the aims of the government of becoming a high income nation and the transformation of accounting profession landscape in Malaysia require more accountants to be trained in this country. Despite many initiatives taken by the government to increase the number of accountants with professional qualifications in this country, recent report suggests that the number of accountants especially the Bumiputeras is still far behind the targeted number of 60,000 in 2020. It is thus important to understand the factors which could motivate the undergraduate accounting students to pursue their career as accountants with qualifications from professional bodies. This paper provides some preliminary findings from a preliminary survey with third year accounting students in a public university in Malaysia. The findings of this study suggest that career development, amount of salary received by accountants with professional qualifications, interest in accounting, influence of family members and better social status are among the factors which could motivate them to obtain professional accounting qualifications after completing their bachelor degree. The findings provide insights to the universities, Ministry of Higher Education, relevant statutory bodies and professional accounting bodies on the factors which could motivate the future accountants to become professional accountants in their career life. The findings could be beneficial to the relevant authorities in developing their strategies to increase the number of accounting graduates taking professional qualifications especially the Bumiputeras.

Key Words: Professional Accounting Qualifications, Undergraduate Accounting Students, Survey

ABSTRAK

Perkembangan terbaru di dalam ekonomi seperti pembentukan Asean Economic Community, matlamat kerajaan untuk menjadi negara berpendapatan tinggi dan transformasi kerjaya di dalam bidang perakaunan di Malaysia memerlukan lebih ramai akauntan terlatih di negara ini. Walaupun kerajaan telah melaksanakan pelbagai inisiatif untuk menambah bilangan akauntan yang mempunyai kelayakan professional di negara ini, laporan terkini menunjukkan bilangan akauntan terutamanya Bumiputra masih jauh ketinggalan berbanding jumlah 60,000 akauntan yang disasarkan di tahun 2020. Oleh yang demikian, adalah penting untuk memahami faktor yang boleh memotivasikan pelajar Sarjana Muda Perakaunan untuk menjadikan akauntan dengan kelayakan profesional sebagai kerjaya pilihan. Kertas kerja ini melaporkan dapatan awalan dari kajiselidik
INTRODUCTION
Globalisation has changed the landscape of how business is being performed nowadays and with the establishment of the ASEAN Economic Community (AEC) in 2015, it brings along open market, greater opportunities as well as challenges to businesses in Malaysia. In addition to that, Malaysia aims to become a high income nation which requires quality accounting service providers in line with the Economic Transformation Programme (ETP). Accountants as people who are trusted by the stakeholders are always in demand and because of this it is vital to ensure they are competent. There are currently around 33,000 Chartered Accountants (CAs) in Malaysia of which only 8.42 percent are Bumiputras (The Malaysian Reserve, 2017). The number is alarming since the government aims to have 60,000 CAs in 2020 and increase the percentage of Bumiputras CAs to 30 percent.

The accounting education and profession in Malaysia are currently regulated under the Accountants Act 1967 and at the moment its governance is enforced by the Malaysian Institute of Accountants (MIA). Section 23 of the Accountants Act 1967 exclusively restricts any person from using the title “accountant” unless that person is a registered member of the MIA. The Committee to Strengthen the Accountancy Profession in Malaysia (CSAP) suggests that to ensure accountants have the required competency, graduates of accounting should be encouraged to obtain professional accounting qualifications from professional accounting bodies. Currently, a few agencies were set up such as Yayasan Peneraju, Talent Corporation and Malaysian Professional Accounting Centre (MyPAC) to increase the number of professional accountants in Malaysia as well as Bumiputra by offering sponsorships and assistance to the candidates.

Throughout the years, studies in accounting education have recorded unfavourable findings on the number of students who have the intention to obtain professional accounting qualifications in their career or becoming a CA. For instance, a study by Said et al. (2004) indicate only 30.3 percent first semester and 25.8 percent final semester accounting students in Malaysian universities registered with the Ministry of Higher Education (then Ministry of Education) are interested to become CA. Yusoff et al. (2011) reported that 68 percent respondents have the intention to pursue professional accounting qualifications and in contrast, a more recent study by Mustapha et al. (2012) indicates that 70 percent of respondents in their study would like to work immediately after graduating and only 28 percent are interested to pursue professional accounting qualifications in their career.
There are many reasons why accounting students do not have favourable perceptions towards professional accounting qualifications. Among those reasons are the long time spent to obtain professional accounting qualifications, it is challenging to pass the professional examinations (Mustapha et al., 2012) and it is costly (Ghani et al., 2008). The new developments in the economy with the establishment of AEC and changes in the landscape of accounting profession in Malaysia which is expected from the CSAP Report require better understanding on the factors which motivate accounting students as future accountants, to pursue professional accounting qualifications. It is important and worthwhile to study the motivation for obtaining professional accounting qualifications to assist in developing the right strategies by the relevant parties. Thus, the objective of this paper is to identify factors which could motivate accounting undergraduates to pursue professional accounting qualifications. To fulfil this objective, the paper aims to answer the following question.

“What factors do you think could motivate accounting undergraduates to pursue professional accounting qualifications?”

This paper is structured as follows. This section presents an introduction to the study as well as the research objective and research question. Next is the Literature Review which discusses relevant past studies on motivations and followed by the Methodology section which explains the method used in the study. The Results section is the fourth section explaining the findings of the study and lastly, the Conclusion.

LITERATURE REVIEW

Prior studies in accounting education have examined many factors related to the motivation of accounting undergraduates to become professional accountants in their career. Among the factors discussed are attitude towards becoming a CA (Felton et al., 1995 & Law, 2010), financial and job-related factors (Ahmed et al., 1997 & Harnovinsah, 2017), knowledge (Yusoff et al., 2011), students’ perception (Mustapha et al., 2012) and environmental factors (Jaffar et al., 2015).

Attitude is an important factor in motivating accounting students to become a CA as reported in previous studies in accounting education. In a questionnaire survey by Felton et al. (1995) in Canada on 897 graduating business students, the study found that attitude influences students’ decision to choose CA as a career. The importance of attitude is also supported in a study by Law (2010) in Hong Kong. The study indicates that attitude is important in motivating accounting students’ choice to become a CPA. In another study on attitude, Ghani and Said (2009) found that Malay undergraduate accounting students have different attitude compared to non-Malay undergraduate accounting students in their preferred choice of career. The study indicates that Malay undergraduate accounting students prefer to hold a management position rather than becoming Chartered Public Accountants (CPA). In contrast, non-Malay accounting undergraduate students prefer to become CPAs rather than holding a management position. Bagley et al. (2012) also reported that attitude is important in influencing accounting students whether or not to pursue career with Big Four accounting firms.

In addition to attitude, social pressure from important others (subjective norms) such as families, friends and lecturers are also found to be important in the decision of accounting students to become a professional accountant. Felton et al. (1995) and Bagley et al. (2012) indicate that
subjective norms are important in influencing students’ decision to pursue a career as a CA or a career with the Big Four accounting firms. Ghani and Said (2009) also reported that family, society and lecturers influenced students to study accounting. Parental influence is found to be an important factor in determining students’ choices of becoming a CPA in Hong Kong as evidenced in a study by Law (2010). The influence of lecturers in motivating students to pursue professional accounting qualifications is also evidenced in a study by Mustapha et al. (2012) which stated that 47 percent of the respondents became aware of the professional programmes from their lecturers. In a study by Jaafar et al. (2015) indicates that those accounting graduates with family members working as a CA, have higher preference to become a CA himself. A more recent study by Harnovinsah (2017) also suggests that family influences students in Indonesia to become public accountants. Interestingly, the influence of family and peers are not important in choosing a career as as CA in New Zealand as evidenced in a study by Ahmed et al. (1997). This is possibly because the New Zealand people practice a more loosely-knit relationship culture in its society (Abdul Hamid, 2014).

According to Ajzen and Fishbein (2010), perceived behavioural control includes environmental factors such as availability of information and possessing the right skills. In the context of accounting career, having the appropriate knowledge and skills are important to become a CPA. A study done by Yusoff et al. (2011) suggests that there is a significant different between students who have knowledge about professional accounting qualifications and those who do not have the knowledge in choosing CPA as their career choice. The number of students choosing CPA as a career is higher among those who have knowledge about professional accounting qualifications compared to those who do not have the knowledge.

Having experience and self motivation are also important to become a successful CA (Ghani et al., 2008; Ghani & Said, 2009). In addition to that, students who are highly self-motivated have more courage to practice as CA (Jaffar et al., 2015). In Indonesia, having interest in becoming a public accountant is among the factors which could motivate students to become professional accountant (Harnovinsah, 2017).

Salary is another important factor in motivating accounting students to become a professional accountant (Said et al., 2004; Subramaniam & Ramachandran, 2012; Harnovinsah, 2017). Based on a survey with accounting students in five universities in New Zealand, Ahmed et al. (1997) found that financial reward is significantly important in motivating respondents to pursue career as a CA. In a study by Ghani and Said (2009), it was reported that respondents regard it as among the top criterias. The respondents in the study also aware of the low starting salary upon graduation. However, the respondents feel that it is acceptable since in the long run, being an accountant promises high reward. Interestingly, the findings by Law (2010) do not support the importance of salary as a motivational factor in determining whether or not an accounting student in Hong Kong chooses to become a CPA. In contrast, a study by Mustapha et al (2012) found that salary is an important variable. The findings are also supported in a recent study by Jaffar et al. (2015) that expected income or salary is the only environmental factor which is important in motivating accounting undergraduate students to become a CA.

Prior studies in accounting education also examined the importance of status or prestige of being a professional accountant with accounting student’s career choice. In Malaysia, Ghani et al. (2008) and Ghani and Said (2009) found that Malaysian accounting undergraduates perceive status and
prestige as important motivations in choosing accountant as a career path. Similar findings are also recorded by Law (2010) in Hong Kong which indicates that prestige is an important factor in motivating students to become a CPA. In a series of interviews with accounting students in universities in Malaysia, Mustapha et al. (2012) found that students are motivated to pursue their career as professional accountants because the professional accountants are highly valued by the society. Similarly, a study in Indonesia also found that better social status could motivate students to choose career as public accountant (Harnovinsah, 2017).

An aspect which is important in choosing a career is the opportunities for career advancement which can be offered by the profession. Prior studies in accounting education such as Felton et al. (1995) indicate that long term earnings and career advancement are important factors to motivate students in becoming a professionally qualified accountant. This could be because, respondents who chose to pursue professional accounting qualifications are in the opinion that obtaining professional qualifications leads to higher salary, competency and prestige (Ghani et al., 2008). In a study by Ghani and Said (2009) the respondents agreed that accountants have a good career prospect and qualities of being an accountant are gathered through experience and education. A recent study by Yusoff et al. (2011) among accounting students in a public university in Malaysia indicates that career advancement is an important factor in motivating students to become a CPA and taking professional qualifications will increase their marketability. A study by Mustapha et al. (2012) suggest that career advancement, job security and students’ perceptions are three significant factors which motivate accounting students to pursue professional accounting qualifications. The findings are also supported by Subramaniam and Ramachandran (2012) that accounting profession promises good career advancement. In a more recent study in Indonesia, Harnovinsah (2017) found that better job opportunities is the most significant factor which motivate students to become professional accountant.

METHODOLOGY
In this study, third year accounting students from a public university in Malaysia were asked in a preliminary survey of a larger study on factors which influence undergraduate accounting students to pursue professional accounting qualifications later in career. The preliminary survey was used to discover general understanding on factors that could motivate undergraduate accounting students in obtaining professional accounting qualifications. During the survey, the students were asked to state three important factors which could motivate them in pursuing professional accounting qualifications with factor 1 as the most important, followed by factor 2 and factor 3 respectively. Data from the preliminary survey were then coded and analysed using SPSS.

The total number of third year accounting undergraduates in the institution chosen as sample in this study is 136. However, seven students were absent and did not participate in the preliminary survey which resulted in 129 respondents (94.85 percent) for the study. From these 129 respondents, 39 are male students and the remaining 90 are female students. Third year accounting undergraduates were chosen for the preliminary survey since basically they have completed around 60 percent of the total syllabus of accounting bachelor degree program.
EMPIRICAL RESULTS
The findings from the preliminary survey indicate that there are eleven factors which could motivate students to pursue professional accounting qualifications which are interest in accounting field, career development, expecting higher salary, influence from family, better social status, intention, benefits to the nation or ummah, influence of friends and lecturers, cost for obtaining the qualifications, possibilities of passing the professional examination and time spend to complete the process. Table 1.0 below presents the factors that emerged during the preliminary survey irrespective of the rank of importance as well as the respective percentages.

Table 1.0 Motivations to Pursue Professional Accounting Qualifications

<table>
<thead>
<tr>
<th>Factors</th>
<th>Frequency of Responses</th>
<th>Percentage of Responses (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest in accounting</td>
<td>69</td>
<td>53.49</td>
</tr>
<tr>
<td>Career development</td>
<td>67</td>
<td>51.94</td>
</tr>
<tr>
<td>Expecting higher salary</td>
<td>65</td>
<td>50.39</td>
</tr>
<tr>
<td>Family influence</td>
<td>60</td>
<td>46.51</td>
</tr>
<tr>
<td>Better social status</td>
<td>44</td>
<td>34.11</td>
</tr>
<tr>
<td>Intention</td>
<td>28</td>
<td>21.71</td>
</tr>
<tr>
<td>Nation/Ummah</td>
<td>24</td>
<td>18.60</td>
</tr>
<tr>
<td>Friends and lecturers</td>
<td>14</td>
<td>10.85</td>
</tr>
<tr>
<td>Cost</td>
<td>3</td>
<td>2.33</td>
</tr>
<tr>
<td>Passing rate</td>
<td>3</td>
<td>2.33</td>
</tr>
<tr>
<td>Time spend</td>
<td>1</td>
<td>0.78</td>
</tr>
</tbody>
</table>

When analyzed further, based on overall responses, the first three factors which are regarded as most important are career development, interest in accounting and expecting higher salary. In this study, 32 respondents (24.81%) stated career development as the most important factor which could motivate them to pursue professional accounting qualifications. The findings also indicate that 26 respondents or 20.15 percent stated interest in accounting as most important. Higher expected salary is another factor which is stated as most important factor by 20 respondents or 15.50 percent. Table 2.0 below presents the findings based on the frequency of responses stating that a factor is the most important.

Table 2.0 Most Important Factors (Factor no. 1) Based on Frequency of Responses

<table>
<thead>
<tr>
<th>Factors</th>
<th>Frequency of Responses</th>
<th>Percentage of Responses (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career development</td>
<td>32</td>
<td>24.81</td>
</tr>
<tr>
<td>Interest in accounting</td>
<td>26</td>
<td>20.15</td>
</tr>
<tr>
<td>Expecting higher salary</td>
<td>20</td>
<td>15.50</td>
</tr>
<tr>
<td>Family influence</td>
<td>16</td>
<td>12.40</td>
</tr>
<tr>
<td>Better social status</td>
<td>11</td>
<td>8.53</td>
</tr>
</tbody>
</table>
However, when analyzed according to gender, the sequence is slightly different for male respondents. Similar with the female respondents, nine male respondents in this study perceived career development as the most important factor. However, unlike female respondents, expecting higher salary was stated by eight male respondents as the most important and as a result this factor has the second highest responses from male respondents. The third highest responses from male respondents as the most important factor in pursuing professional accounting qualifications is interest in accounting with five responses. Table 3.0 presents the most important factors according to gender and compared the percentage with number of female and male respondents in the study.

Table 3.0 Most Important Factors According to Gender

<table>
<thead>
<tr>
<th>Factors</th>
<th>Female</th>
<th>Percentage of Responses (%)</th>
<th>Male</th>
<th>Percentage of Responses (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Career development</td>
<td>23</td>
<td>25.50</td>
<td>9</td>
<td>23.08</td>
</tr>
<tr>
<td>Interest in accounting</td>
<td>21</td>
<td>23.30</td>
<td>8</td>
<td>20.51</td>
</tr>
<tr>
<td>Expecting higher salary</td>
<td>12</td>
<td>13.33</td>
<td>5</td>
<td>12.82</td>
</tr>
</tbody>
</table>

CONCLUSION
This study discovers some factors which could motivate accounting undergraduates to pursue their professional accounting qualifications and thus improve our understanding on the issue. The findings which came from preliminary survey of a larger study generally support previous studies in the same field discussed in the literature review section.

The findings indicate that similar with previous studies in motivations to become professional accountants, factors such as career development, interest in accounting, higher salary, influence of family, friends and lecturers, better social status, intention, cost and time spent could motivate accounting undergraduates to become accountants with professional qualifications. Interestingly, some respondents also highlighted contribution to nation or ummah as motivation to pursue professional accounting qualifications which may not have been recorded in other previous studies. One possible reason is because the respondents in this study are all Bumiputera students and the issue of lack Bumiputera accountants with professional qualifications has been extensively highlighted by the media reports and this has helped to create awareness among the students.
Three factors which are career development, interest in accounting and expecting higher salary are stated by respondents as the most important factors which motivate them to become accountant with professional qualifications. When analysed according to gender, the sequence of importance is slightly different possibly because culturally males are perceived as the breadwinner and thus gaining higher salary is considered more important by the male respondents.

The findings imply that the career choice of the undergraduate students after completing their bachelor degree to a certain extent is motivated by their expectations and opportunities that the career could offer to them. There are several implications which need to be considered from findings of this study. First, universities should expose students with more knowledge on career as professionally qualified accountant to provide students with better understanding on the job scope, responsibilities and career path. Secondly, interest in accounting should always be instilled among the students which could encourage them to pursue professional accounting qualifications. This perhaps can be done through strategic collaborations with professional bodies and relevant government agencies such as inviting professional accountants to share their experience in applying accounting concepts in the learning process and industrial talk on accounting as a profession. Apart from that, relevant government agencies and professional bodies should be more active in introducing accounting as a profession at schools to create awareness and develop the interests of potential students as well as communities since family influence is also considered as among the most important factors in motivating students to pursue professional accounting qualifications.

It is also recommended that the students be exposed with the professional accounting qualifications measurement methods from the early years of their studies at the universities to familiarize them with the way performance measurement is assessed in obtaining professional qualifications. This could be done throughout the tutorial classes or lectures when similar questions with professional accounting examinations could be used as exercises. This is to reduce the scepticism that professional accounting examinations are challenging and hard to pass. In addition to that, it is also hoped by implementing this method in learning it could instil students’ interest in accounting.

While generalization from the findings in this study needs to be addressed with caution since the samples were obtained from only a public university in Malaysia which cater only Bumiputera students, the findings of this study are beneficial to the universities, Ministry of Higher Education, relevant government authorities and professional accounting bodies to plan appropriate and efficient strategies in increasing the number of accountants with professional accounting qualifications particularly among the Bumiputera. Findings from this study could also be used to develop a more comprehensive model in understanding factors that could influence accounting undergraduates to pursue professional accounting qualifications. Future studies perhaps should also involve other public and private universities in Malaysia to gather larger samples and better understanding on the motivations to pursue professional accounting qualifications among accounting undergraduates in Malaysia.

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**Acknowledgement**
The author would like to thank Universiti Sains Islam Malaysia or funding this research.

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