

Factors Influencing the Choice of Accounting as a Major in Ghanaian Universities

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Abstract

Investigating the selection of an academic major has produced a stream of research. This paper focused on the factors influencing the choice of accounting as a major and the impact on academic performance. Respondents were sample drawn from University of Education Winneba-Kumasi (UEW-K) and Kwame Nkrumah University of Science and Technology (KNUST). Questionnaire was used as a data collection tool and analyses was done by using statistical tools such as frequencies and charts. The results of the study revealed that factors such as long-term earnings, good initial salary, and availability of employment are some of the factors which influence students' choice of Accounting as a major. Again the study found out that choosing Accounting as a major did not have any negative impact on their academic performance.

Keywords: Influence, Accounting Major, Choice of Accounting

1. Introduction

Accounting now appears to be a top choice of majors by university business students, primarily due to high demand for accountants because of the 2002 Sarbanes-Oxley Act requirements and recent national corporate accounting fraud scandals. According to the American Institute of Certified Public Accountants (AICPA), (2000), the number of accounting graduates surged 11 percent over 2002 levels to 49,665 accounting degrees. Accounting also appears to be on the rise for graduate students as well. University of Michigan reported a 76 percent increase in accounting masters students over the past three years (Gullapalli, 2004). Statistics available at the University of Education Wenneba-Kumasi campus indicated that out of 527 students, 217 students representing 41% of total graduands for the 2005/2006 academic year were accounting students. Also in 2007/2008, the number was 310 graduands representing 40.6% of total graduands of 764. And in 2009/2010 academic year 381 students representing 47.2% of total students of 808 are graduated from the faculty of Business Education from the University. A number of reasons have been advanced, some based on empirical evidence, some based on first-hand experiences, and others based on theoretical conclusions on the factors which influence the choice of Accounting as a major. This study examines factors which influence the choice of accounting as a major subject in the tertiary institutions and determine the impact of accounting major on students' academic performance in the country.

2. Literature Review

Adeline in her article why Accounting Plays a Vital Role in Every Business said that "the importance of accounting seems to be unapparent in today's business market" (Adeline, 2009). Accounting is essential not only for the business world but also it can be applicable for an individual. The skill of accounting helps a person to make fruitful financial investment decisions. It is quite interesting to note that almost all the tertiary institutions and universities around the world offer business courses. Accounting is one of the most patronised programs in these institutions. For US high school students approximately 40% considered opportunities for career promotion or advancement important, but only 10% valued financial rewards (Hartwell et al., 2005). A study conducted by Doran (1991) also found that the "most important action" that would attract more high-quality students to the accounting profession would be to "pay higher starting salaries." Albrecht and Sach (2000) suggest that declining accounting graduate numbers may be related to a wider choice of attractive career options and a higher degree of willingness to choose risky majors. Therefore, intrinsic and extrinsic career related factors might also affect the choice of accounting as a career. Extrinsic factors relates to job market, promotion/advancement opportunities, social status, financial and career considerations, the costs of becoming a chartered accountant (CA). Between 27% and 33% of US high school students rate these factors as important (Hartwell et al., 2005). Nonetheless, there are inconsistencies in the results of tertiary based studies with some students identifying them as important (Allen, 2004; Chen et al, 2005; Sugahara and Boland, 2005) and others not important (Jackling and Calero, 2006).

Other research suggests that at the high school and tertiary level those students who have high level of interest or aptitude/skills in mathematics and/or accounting were also more likely to choose an accounting major or career (Allen, 2004; Bryne and Flood, 2008; Hartwell et al., 2005). In contrast, the New Zealand based study of Tan and Laswad (2006) concluded that skills and a background in mathematics is not a strong indicator of performance in accounting courses. Students' attitudes towards the accounting profession are in part, influenced by their perceptions that Marriot and Marriott (2003) term, 'pre entry attitudes' or expectations based on societal stereotyping, childhood experiences and the imagery portrayed by the profession and their experiences when studying accounting at university. Another factor that potentially influences the choice to major in accounting or to become a CA is human or normative expectations. The research that utilizes the Theory of Planned Behaviour as its theoretical framework have identified that tertiary students make a choice of major, in part, based on what their relevant referents think they should do (Allen 2004). This was also the case in the Tan and Laswad (2006) study, but the earlier Ahmed et al., (1997) study suggests that referents had no influence. Prior literature suggests that introductory accounting subjects play a key role in forming student attitudes toward accounting (Lucas, 2000; 2001). This study demonstrates the importance of designing and delivering introductory accounting subjects in a way that minimises student preconceptions of accounting.

Another issue related to accounting major is how accounting major impact students' performance. In a study by Wooten (1998), student's aptitude and the amount of effort made towards the course were found to affect the overall student performance. In a study by Bartlett et al. (1992, 1993), it was revealed that prior study of accounting has no significant relationship with student academic performance. Ferreira and Santoso (2008) in their study highlighted the importance of student perceptions on student academic performance. The study also shows that positive perceptions of accounting at the end of the semester translate into better performance. Sosa et al., (2010) noted that the low academic performance of students is related to economic insolvency that prevents them from concentrating on their studies, as well as in the tasks or jobs that are assigned in class. Clearly none of the above studies looked at the impact of the accounting major on the students' academic performance.

3. Methodology

The population of the study consists of levels 300 and 400 Bachelor of Education and Bachelor of Science students majoring in Accounting at University of Education Winneba, Kumasi compus (UEW-K) and Kwame Nkrumah University of Science and Technology (KNUST). Levels 100 and 200 students on the same program were excluded because students branch into the major area of concentration at Level 300. The total number of Levels 300 and 400 students majoring in accounting from the selected universities are shown in Table 1 below. A total sample of 338 students was randomly selected to complete questionnaire during a financial accounting lectures as shown in table 1 below. The data for the study was basically obtained through open and close ended questionnaires administered. The questions focused on the factors influencing the choice of accounting as a major subject and the impact of their choice on their academic performance. A total of 308 responses were received of which 300 were usable. The data was analysed based on meaning expressed through word and by classifying the data into meaningful categories. The data obtained from the questionnaire were presented by charts and percentages.

Discussion of Results

The gender of the respondents indicated that, 210 out of 300 respondents were male while the rest of the respondents were females, given percentages of 70 and 30 respectively. This result is not surprising as it depicts the national population trend of more males than females and also explains the male dominance in the accounting profession. Again 63% and 37% of respondents were full time and part time students respectively.

From figure 1 below, the study revealed that out of eleven factors deem to influence the choice of accounting as a major subject long term earning potential and good initial salary was found to influence students most in choosing accounting as a major subject with 39% response rate. The rating of 39% of the earning potentials shows that future economic emancipation is taken into account in making current decision on subject major. This was followed by availability of jobs (13%). This means that, majority of business students in various academic institutions major in accounting because it has a variety of job opportunities. These two factors are therefore consistent with the findings of many other studies such as Tan and Laswad (2006). Influence of referent (11%) was the third major factor. This may be due to the fact that, most parents and guardians do impose on their wards which area of academic pursuit they should undertake. This finding is contrary to Ahmed et al., (1997) study which suggests that referents had no influence. Also senior high school accounting was another factor enumerated in the research with preference rate of 8%. This low response may be due to the fact that career guidance at the senior high level is not adequate for them to make a firm decision.

Other factors found in the research study were appreciation of number/working with numbers and interest in the field. This was rated 4%.Senior high school and tertiary level students who have a high level of interest in mathematics and accounting were more likely to choose accounting as a major subject in their further studies.

Self employment opportunities and social status attainment were also enumerated with a low preference rate of 5%. The reason for the low rating may be that most students at this stage in life lack the source of fund or initial capital to start their own businesses. Interest in the field (4%) was not a major factor based on the ratings by respondents because long term earning potential and availability of employment strongly influenced their decision. Years of Education rated 3%. This means that the length of years spent in school is not important factor which influences students to choose accounting as their major subject at higher levels in education. Previous work experience and structured career path were both given a rating of 2% each. The 2% rating means that choosing accounting as a major subject in higher levels in education does not depend much on one's previous work experience and the structure of career path. This may be further explained by the fact that most respondents have not tasted work experience before and it is a true reflection of the demographic characteristics with 63% in the full time study mode and 71% in the age bracket of 21-25.

Respondents were asked about their next line of study after graduation. According to the survey data 13% of the students prefer furthering their accounting studies through a graduate study course, and 26% prefer doing professional courses such as ACCA and ICA. However, majority (61%) of the students opted for both professional and graduate study courses. This is because most students in Ghana enroll in graduate study course as part-time due to their busy working schedules while they register for the accounting professional courses along side in order to stand tall against their competitors. Those who opted for both Graduate and professional courses in accounting believed that it will enhance their chance of being employed after school.

Furthermore the impact accounting major has on respondents' academic performances was examined. 55% of respondents agreed to the statement "*I am doing excellently well academically because I choose accounting as a major*". 21% of respondents stated that "*they are doing fairly well academically because they choose accounting as a major*". However, 24% of respondents disagreed with both statements and stated that "*they are not doing well academically but that has nothing to do with accounting being chosen as major*". These responses give indication that, accounting as a major has impacted positively on most respondents. This may be the result of efforts made towards the subject and its links with other subjects as shown in the following responses. A question was posed to the respondents to know whether they study accounting for long hours. 72% of the respondents stated *yes* and the remaining 28% said *no*. This attest to the fact those, majority of the students normally study for long hours in order to get the concepts very well, since it is loaded with both reading and calculations. Based on this the students were then probed again through the questionnaire to know whether accounting links well with other subjects. Based on the survey, 291 respondents representing 97% said *yes* whilst 3% said *no*. This may be as a result of the calculations and reading nature of accounting which links well with subjects like economics, management, mathematics etc. In relation to this, respondents "understanding of other subjects" was also analysed to find out whether respondents understand other subjects as they do in the study of accounting. With this, 79% opted for *yes* as their response and 21% opted for *no* as their response. This results obtained explains the fact that, majority of respondents understand other subjects very well as they do in accounting course.

Other impacts of the choice of accounting as a major subject on respondents' academic performance were also analysed. 138 respondents had their grade point average (GPA) or cumulative weighted average (CWA) increased representing 71% with 11% having their GPA/CWA decreased, while 18% had no significant change in their GPA/CWA. This therefore attests to the fact that, most students see accounting to be very interesting and somehow not difficult.

In summary the study of accounting improves respondents' performance in other subjects and helps them to obtain good score as well. In relation to that, majority of them normally have their GPA/CWA being increased.

5. Conclusion

It is clear from the study that, earning potentials is a very key factor that affects the choice of accounting as a major by most tertiary students in Ghana. Hence one wonders what the outcome may be if earning in the career area should fall. Again, most students have the intention of furthering their accounting studies which is a good development, since it will give them the opportunity to increase the depth of their knowledge in the field of accounting. Majority of respondents do well when they choose accounting as their major; this is because most respondents normally obtain good score in other subjects and also increase their GPA/CWA. It is therefore clear that the choice of accounting by most respondents in most Ghanaian tertiary institutions is not influenced by sheer interest in the subject, but purely economic situations.

In the light of the findings proper teaching methods should be adopted to make accounting interesting such as peer teaching in the sense that some students tend to understand topics treated when their other colleagues help them. Also professional career councilors should visit second cycle school to provide early career guidance. Students with weak mathematical foundation should be given adequate attention and try to adopt different

strategies in order for them to develop interest in mathematics. This is because mathematics is the basis for the study of accounting and will aid their appreciation of numbers since accounting deals with figures.

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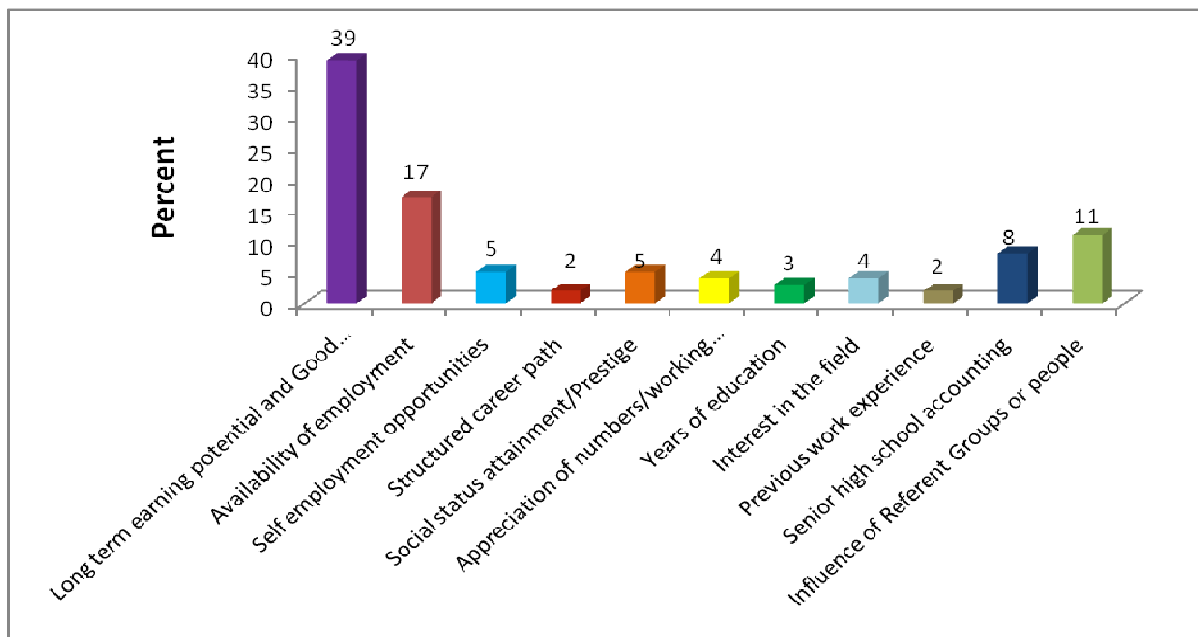
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Table 1: Population and Sample Size

INSTITUTION	PROGRAMME	LEVEL	POPULATION	SAMPLE
UEW-K	B.Ed	300	191	76
UEW-K	B.Sc.	300	103	41
UEW-K	B.Ed	400	175	70
UEW-K	B.Sc.	400	112	44
KNUST	B.Sc.	300	118	47
KNUST	B.Sc.	400	151	60
<i>TOTAL</i>			845	338

Source: Sample data from the Universities, 2010

Figure 1: Factors Influence the Choice of Accounting



Source: Field data, 2010