

A Diagnostic Study On The Perception Of Indian Students And Nepalese Students Towards Accountancy Skills

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Abstract

There are few studies concerned with the effectiveness of accounting curriculum taught at colleges that groom the students for professional accountancy career. The objective of this study is to evaluate the perception of graduates towards accountancy skills. For the study, 100 students from Bangalore, Chennai and Salem have been chosen and 40 are Nepalese and 60 are Indians. Data collected through structured questionnaire and for analysis, factor analysis, ANOVA, Inter correlation matrix have been applied and findings are drawn. This is a preliminary study and the author intends to extend the study to other states and abroad. The most highly perceived factors identified are Management Accounting skills, the second highly perceived factor is taxation skills, the third factor is professional ethics and communication skills and fourth factor is leadership development skills and the last one is organizational skills. There is significant difference found between degree of the students and perception factor Management Accounting skills using ANOVA at 5% level of significance. Significant differences between age, degree and Nationality of the students and Perception factor Taxation skills were identified as the p value is less than .05. Significant differences between sex and Nationality of the students and Professional ethics and communication skills using ANOVA at 5% level of significance. Significant differences between sex and degree of the students and leadership development skills using ANOVA at 5% level of significance. Significant differences between sex and degree of the students and organizational skills using ANOVA at 5% level of significance. This is a preliminary study and the author intends to extend the study to other states and abroad

Keywords: Accounting education; Accountancy skills; Technical and functional skills; Interpersonal and communication skills; Organisational and business management skills

1. Introduction

Accounting educators around the entire globe realize the expectations of the Corporates and the professions to generate graduates with accountancy skills that cater for their changing needs. There are research studies that evaluate the effectiveness of accounting education (e.g. Bedford, Committee, 1986; Siegel & Sorenson, 1994; Albrecht & Sack, 2000; Mara Ridhuan, et al 2007; Bui & Porter 2010). The study investigates using a survey method on technical and functional skills, interpersonal and communication skills, and organisational and business management skills..

2. Statement of the problem and Literature review

The need for corporate specific accounting education arises due to the fact that accounting educators do not generate accounting graduates with accountancy skills that are needed at workplace (see for example ICAEW, 1996; Albrecht & Sack, 2000; Montano et al., 2001; Lin et al., 2005; de Lange et al., 2006; Clovey & Olajide, 2008). The Bedford Committee (1986) remarked that university accounting programs had neglected the changes happening in the corporate environment. The Bedford Committee felt that accounting education did not meet the needs of the corporates. The Bedford Committee opined that the accounting curriculum should also incorporate the non-technical accounting skills as well as the technical accounting skills. Arthur Andersen & Co. et al. (1989) continued the work of the Bedford Committee (1986) but they stressed on the scope, content and teaching of accounting. Their study focused on the skills needed by accountants in public practice. Arthur Andersen & Co. et al. (1989) observed skills in functional skills, interpersonal and communication skills, and organisational and business management skills.. © Centre for Promoting Ideas, USA www.ijbssnet.com 194

In order to speed up the accounting education reform, the American Accounting Association (AAA, 1986) set up the Accounting Education Change Commission (AECC) in 1989. The AECC had conducted two studies by Francis et al. (1995) and AAA – AECC (1996). In 1994, the Institute of Management Accountants (IMA) and Financial Executives Institute (FEI) undertook a study by Gary Siegel Organisation. The research was on the perceptions of American employers on the educational requirements of entry-level management accountants. The American employers perceived that universities were not preparing students adequately for entry-level accounting work (Siegel & Sorenson, 1994). Siegel & Sorenson (1999) listed communication, accounting, interpersonal skills, business analysis, and business operation knowledge as the most desirable skills for entry-level accountants. In the UK, Chartered Institute of Management Accountants found that non-technical

accounting skills were of higher priority in a membership and employer survey (CIMA, 1998). Montano et al. (2001) found that oral and written communication skills, pressure management skills, and the ability to integrate in work teams were the most valued skills and attributes in a survey of CIMA employers in the UK. A CPA Australia survey on CFOs in 2000 found that communication, general management, people management and knowledge management were the most valued skills by the CFOs (Nash, 2000). Rahman et al. (2007) studied on competencies required at the workplace and its emphasis at university. In this study, using Deppe et al. (1991)'s competency skills profile, the respondents were asked on communication skills, decision-making skills, leadership development, continuous improvement skills, professionalism, information development and distribution skills, management accounting and financial accounting and their applications, auditing, and taxation. They found that there were large gaps between its importance at workplace and its emphasis at the university. Bui & Porter (2010) examined on the competency gap between the employers' expectation and the competency skills that the accounting graduates had. Bui & Porter (2010) found that the accounting graduates were lacking in writing skills, in applying knowledge to practical situations, and in understanding the requirements of working as a member of a team in the accounting profession.

3. Skills requirements for accountants

Skills are capabilities which encompasses knowledge, professional ethics and attitudes to perform accounting and other tasks required from accountants. These skills are obtained from the total effect of the accounting program, specific courses, practical experience and continuing professional education. IAESB (2010) listed skills required by professional accountants under five groupings, namely i) intellectual skills, ii) technical and functional skills, iii) personal skills, iv) interpersonal and communication skills, and v) organisational and business management skills. The Higher Education Academy (1998) defined intellectual skills as the ability to analyse, think critically, evaluate and synthesise information. Accountants need intellectual skills to make decisions, exercise good judgments and solve problems. These skills are derived from a combination of knowledge. Technical and functional skills are skills specific to accountancy as well as general skills. These skills include skills in numeracy, decision and risk analysis, measurement, reporting and knowledge in legislation and regulatory requirements. Personal skills are skills relate to ability, attitude, capability that an individual accountant has. These skills can be developed to improve personality and individual learning. Interpersonal skills are skills that enable an accountant to work with others for the benefit of the organisation. With these skills, an accountant can influence, motivate, resolve conflict and delegate tasks to his/her team members to achieve the goals of the organisation. In order to achieve that, the accountant must have good communication skills. Communication skills are skills that enable an accountant to convey, discuss, listen and defend his/her view, orally and in writing and in either formal or informal settings. Organisational and business management skills are important in managing a business organisation in which an accountant is a key member of the management team. It is important for the accountant to understand all aspects of organisation including its behaviour. The organizational and business management skills include long-term planning, project management, management of people and resources, decision making, leadership and professional judgement.

4 Research gap

There are few research studies that have focused on the perception of the students towards accounting skills. There are no studies in India that have focused on accountancy skills of Indian and Nepalese students and both undergraduates and post graduates. Hence this study..

5 Objectives of the study

1. To identify the factors that influences the perception of the students towards accounting skills.
2. To analyze the difference between perception factors and demographic profile of the students.
3. To analyze the correlation among the factors identified.

6. Research methodology

i).Sampling design: Purposive sampling design has been adopted.

ii).Sample size: 25 students in Chennai,25 students in Bangalore and 50 from Salem selected at random.50 students are Indians and 50 are foreign students. The foreign students are from Nepal, Kenya and Bhutan.

iii)Sources of Data: Primary data has been used for the study and data collected through structured questionnaire. The skill profile used in the survey was developed by Deppe et al. (1991) and Palmer et al. (2004). To determine the internal consistency, data reliability test was conducted on all the variables.

iv).Tools used for analysis: Factor analysis, ANOVA, inter correlation and Independent sample t test have been used.

7. Research Design: Analytical in nature

8. Area of the study: Students from premier engineering institution (MBA) and Arts and Science colleges at Chennai, Salem and Bangalore have been selected for the study.

9. Results of Analysis

Details of Demographic profile

50% of the students are males. 50% are females

40 % of the students are Nepalese and 60% are Indians.

40% of the students are commerce graduates and 60 % of the students are MBA with Finance as their specialization.

.Factor analysis results

Table 1-KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.712
Bartlett's Test of Sphericity	Approx. Chi-Square
	df
	Sig.
	4058.770
	666
	.000

Since KMO sampling adequacy is .712 the researcher proceeded with the application of factor analysis

Table 2--Results of Factor analysis The perception factors of the students towards accounting skills

Component	Initial Eigen values Total	% of variance	% of cumulative variance
Management Accounting skills	2.990	16.613	16.613
taxation skills	2.080	11.554	28.166
professional ethics and communication skills	1.412	7.843	36.009
leadership development skills	1.381	7.675	43.684
organizational skills.	1.263	7.015	50.699

The most highly perceived factors identified are Management Accounting skills, the second highly perceived factor is taxation skills, the third factor is professional ethics and communication skills and fourth factor is leadership development skills and the last one is organizational skills.

Table 3-ANOVA results for perception factor 1 and demographic variables

		Sum of Squares	df	Mean Square	F	Sig.
sex	Between Groups	2.273	15	.152	.797	.677
	Within Groups	15.967	84	.190		
	Total	18.240	99			
degree	Between Groups	29.951	15	1.997	4.433	.000
	Within Groups	37.839	84	.450		
	Total	67.790	99			
nationality	Between Groups	.950	15	.063	1.400	.166
	Within Groups	3.800	84	.045		
	Total	4.750	99			

There is significant difference found between degree of the students and perception factor Management Accounting skills using ANOVA at 5% level of significance.

Table 3-ANOVA results for perception factor 2 and demographic variables

		Sum of Squares	df	Mean Square	F	Sig.
sex	Between Groups	3.836	12	.320	1.931	.041
	Within Groups	14.404	87	.166		
	Total	18.240	99			
degree	Between Groups	24.756	12	2.063	4.171	.000
	Within Groups	43.034	87	.495		
	Total	67.790	99			
nationality	Between Groups	1.266	12	.105	2.634	.005
	Within Groups	3.484	87	.040		
	Total	4.750	99			

Significant differences between age ,degree and Nationality of the students and Perception factor Taxation skills were identified as the p value is less than .05.

Table 4-ANOVA results for perception factor 3 and demographic variables

		Sum of Squares	df	Mean Square	F	Sig.
sex	Between Groups	4.427	12	.369	2.324	.013
	Within Groups	13.813	87	.159		
	Total	18.240	99			
degree	Between Groups	10.876	12	.906	1.385	.188
	Within Groups	56.914	87	.654		
	Total	67.790	99			
nationality	Between Groups	1.117	12	.093	2.228	.017
	Within Groups	3.633	87	.042		
	Total	4.750	99			

Significant differences between sex and Nationality of the students and Professional ethics and communication skills using ANOVA at 5% level of significance

Table 5-ANOVA results for perception factor 4 and demographic variables

		Sum of Squares	df	Mean Square	F	Sig.
sex	Between Groups	4.023	8	.503	3.219	.003
	Within Groups	14.217	91	.156		
	Total	18.240	99			
degree	Between Groups	12.477	8	1.560	2.566	.014
	Within Groups	55.313	91	.608		
	Total	67.790	99			
nationality	Between Groups	.312	8	.039	.801	.603
	Within Groups	4.437	91	.049		
	Total	4.750	99			

Significant differences between sex and degree of the students and leadership development skills using ANOVA at 5% level of significance

Table 6-ANOVA results for perception factor 5 and demographic variables

		Sum of Squares	df	Mean Square	F	Sig.
sex	Between Groups	3.114	9	.346	2.058	.042
	Within Groups	15.126	90	.168		
	Total	18.240	99			
degree	Between Groups	11.824	9	1.314	2.113	.036
	Within Groups	55.966	90	.622		
	Total	67.790	99			
nationality	Between Groups	.227	9	.025	.501	.870
	Within Groups	4.523	90	.050		
	Total	4.750	99			

Significant differences between sex and degree of the students and **organizational skills**, using ANOVA at 5% level of significance

Table 7-Correlation results for perception factors

		x1	x2	x3	x4	x5
x1	Pearson Correlation	1	.760**	.741**	.703**	.647**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	100	100	100	100	100
x2	Pearson Correlation	.760**	1	.638**	.756**	.522**
	Sig. (2-tailed)	.000		.000	.000	.000
	N	100	100	100	100	100
x3	Pearson Correlation	.741**	.638**	1	.754**	.680**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	100	100	100	100	100
x4	Pearson Correlation	.703**	.756**	.754**	1	.599**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	100	100	100	100	100
x5	Pearson Correlation	.647**	.522**	.680**	.599**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	100	100	100	100	100

** . Correlation is significant at the 0.01 level (2-tailed).

The inter correlation matrix of motivation factors show how the factors are inter correlated with each other.

10. Scope for future research

Similar studies between countries can be undertaken. Expectation and perception gap research can be attempted. An opinion survey can be conducted among the Accounting professionals in India can be explored. Intention, Attitude, Motivation and behavioural variables can be researched

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