

Factors Influencing Accounting Students' Career Choice in Malaysia

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Abstract

Purpose: To investigate factors influencing career choice of accounting undergraduates in Malaysia.

Design/methodology/approach: Purposive sampling method was used to determine sample respondents and questionnaire survey method was used to gather data from accounting undergraduates. 390 usable responses were collected and analysed via descriptive statistics, correlation analysis and test of significant difference.

Findings: Results show that perceived benefits and other influences have statistically significant relationship with accounting undergraduates' choice in an accounting career. Further, we discovered that students who choose an accounting career has higher perception on its benefits. Other influences was found to have an impact on students' choice to embark on an accounting career.

Research limitations/implications: The response is limited to Malaysian accounting students in their third and fourth year of study. Thus, the results are representative of a Malaysian context and shall not be generalised to all accounting students out there.

Practical implications: There is a shortage of accounting professionals in Malaysia. Findings from this study may help related parties have devise specific schemes to stimulate accounting students' interest to choose accounting as a career instead of venturing into non-accounting profession.

Originality/value: The findings provide new empirical evidence on factors influencing accounting students' career choice.

Paper type: Research paper

Keywords: Perceived benefits, Working environment, Other influences, Accounting, Career

Introduction

It is common for students to decide on a career after graduating. More often than not, students will proceed to embark on a career based on their field of study. Nonetheless, we witness students diverting from their original field of study for various reasons. Accounting students face similar issues when some of them decide not to join the accounting profession. Therefore, it is useful to discover factors influencing accounting students' career choice.

Research that focuses on factors influencing accounting students' career choice in Malaysia is scarce. Some of these researches were by Jaffar et al. (2015) and Omar et al (2015). The research discovered that salary was a major factor that influences student's accounting career choice. This factor was also a variable revealed in a New Zealand research by Ahmed et al. (1997). They discovered that financial and market-related factors relating to employment such as job prospects and security are some of the considerations.

Working environment was another variable that was researched on. It include considerations such as job demands, resources and benefits bestowed to employees that creates loyal employees (Carr et al., 2016). This indicate that working environment affects accounting students' career choice (Omar et al., 2015). Further, flexibility of career options was found to be the most important factor considered by accounting students in Hong Kong (Law, 2010). In summary, accounting students choose a career in an accounting for its working environment and standard of living, befitting a professional.

Literature Review

Career Choice

Career choice is typically based on one's skills, competencies, desire and ambition. In fact, deciding on a career requires a person to invest his time and effort to achieve the goal he sets out to achieve. This claim is supported by Germeijs and Verschueren (2006). They iterated that once a person divert from his goals, he would ultimately discontinue his studies. This research in particular, looks at an accounting students' career choice of either embarking on an accounting profession or diverting to a non-accounting profession.

In this study, career choice refers to pursuing either an accounting career path or a non-accounting career path after graduation. An accounting career include jobs in the accounting, auditing, taxation or education fields; and a non-accounting career comprises of management, and other fields.

One theory that covers career choice extensively is the Parson's theory. The theory explains that a person considers personal expertise and capabilities when deciding on a career. Knowledge about the job scope, its market and compensation such as salary and incentives are also important (Bandura, 1986). Nonetheless, there are other factors to be considered before one decides on a career. The mixture of various factors influences a person's career decision.

Perceived Benefits

Perceived benefits crucial in accounting students' career choice are rewards, job availability, security, satisfaction, prestige and social status, promotion (Myburgh, 2005; Tan & Laswad 2009). Further, prospective compensation is also considered important (Nelson et al., 2002). Other than that, career flexibility is another factor affecting career choice. However, Paolillo

and Estes (1982) discovered that job satisfaction was not an important factor for an accounting career choice as compared to other professional groups. Nonetheless, Jackling and Calero (2006) found that high remuneration was not a driving force for a student to start an accounting career in Australia, but the driving force will be more apparent as the student climb up the employment ladder. In Malaysia, a fresh graduate would be grossing a very competitive remuneration package as compared to other business graduates.

Two of the most prominent factors influencing students' career choice are prestige and social status (Malgwi, Howe & Burnaby, 2005). They discovered that career advancement, job security, competitive remuneration package, prestige and varied career options were the main attractions of an accounting career. Hence, the research hypothesise that:

H₁: There is significant relationship between perceived benefits and accounting student's career choice.

Working Environment

Moy and Lee (2002) define working environment as a safe and comfortable place where an employee works. Singh et al. (2011) revealed that people are concerned about working experiences, workplace than earning a living. They claim that satisfaction of working environment is associated with job fulfilment. Moy and Lee (2002) concluded that work environment a vital factor that affects an undergraduate's career.

Additionally, decision to resign and organisational commitment are found to be influenced by working environment (Carlopio, 1996). Tan and Laswad (2009) established that challenging and dynamic environment at the workplace influences accounting students' career choice. However, Wells and Fieger (2005) uncovered that a challenging environment negatively influence career choice. Nonetheless, Boone, Olfen and Roijackers (2004) discovered that high-performing students prefer working in a challenging and uncertain environment. On the other hand, Chan and Ho (2000) suggest that only weak students were concerned about their working environment. Thus, the hypothesis generated is:

H₂: There is significant relationship between working environment and accounting student's career choice.

Other Influences

Reference group influence on a fresh graduate career choice is important. It was discovered that close relatives and their occupation, educators, counsellor and peers may influence a student's career choice (Pimpa, 2004; Byrne, Willis & Burke, 2012; Mauldin, Crain & Mounce, 2000). Mauldin et al. (2000) pointed out that parents have a strong influence on students' career choice. A parent who is a high-income earner working for a reputable company would expect their children to be like them or be better than them. For instance, Jackling et al. (2012) assert that parents influence their child's career choice, through by their parent's life, educational background and other factors. Nevertheless, Oyebode (1980) believes that career choice is not influenced by parental guidance but is based on individualism.

Additionally, Talton & Simpson (1987) inform that peers affects career choice, while Pereira and Garcia (2007) argue that friends provides emotional support in the process of career choice, whilst family pose as an important support. Therefore, the hypothesis generated is:

H₃: There is significant relationship between the other influences and accounting student's career choice.

The above association between perceived benefits, working environment and other influences with career choice is depicted in Figure 1.

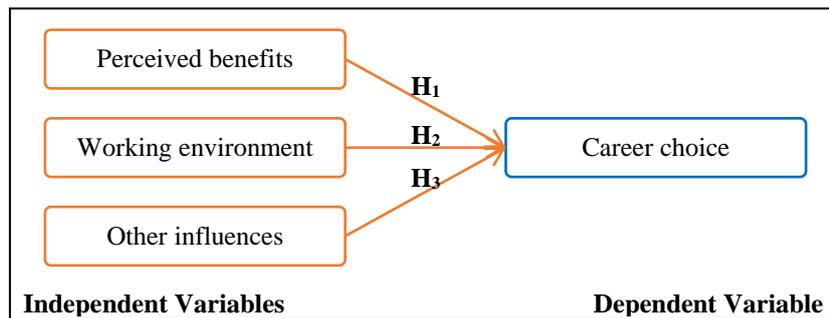


Figure 1: Schematic Diagram

Methods

Population and Sampling

The targeted population for the research were third and final year accounting undergraduates. These students would have completed over half of their accounting course, have knowledge of an accountant's job and be able to decide on their career path.

Data Collection Procedures

Purposive sampling method was for data collection. The sample is restricted to people who can give the desired information, because either they fit in with some criteria set by the researcher, or they are the only ones who have it (Sekaran & Bougie, 2013).

The questionnaire survey was adapted from Myburgh (2005). It consists of two sections. Section 1 covers demographics of the respondents consisting of gender, age, university, cumulative grade point average (CGPA), year of study and career choice. Section 2 covers questions adapted from Myburgh (2005), analysing factors influencing accounting students' career choice.

The questionnaire was tested for consistency prior to distribution to the respondents. Alpha score of perceived benefit, working experience and other influences were .84, .876 and .890 respectively, indicating high reliability (Field, 2009).

We distributed hardcopies to respondents from UNITEN and disseminated Google Form link to respondents of other universities via snowball technique. 390 completed and usable samples were successfully collected. This amount is an acceptable number of samples to be analysed (Morgan & Krejcie, 1970; Sekaran & Bougie, 2013).

Variables Measurement

The two measurement scales used were nominal for career choice (dependent variable) and Likert scale for all independent variables. We used nominal scale of 1 for Accounting students and 2 for Non-Accounting career choices. A 5-point Likert scale of 1- not at all important to 5- extremely important were used for both perceived benefits and working environment variables, while other influences variable uses 5-point Likert scale of 1-no influence at all and 5-strong influence.

Findings

Demographic Analysis

Table 1 depicts the demographics of the respondents based on gender, age range, CGPA, year of study and career choice.

Table 1: Demographic Analysis (n=390)

		Freq.	%			Freq.	%
Gender	Male	95	24.0	Age	21-23 years old	351	90
	Female	295	76.0		24 years old & above	39	10
Cumulative Grade Point Average (CGPA):				Year of Study:			
	Below Average (0-2.00)	1	0.3		3 rd Year	168	43
	Average (2.01-3.00)	90	23.0		4 th Year	222	57
	Good (3.01-4.00)	299	76.7				
Career Choice	Accounting	351	77.0				
	Non-accounting	39	23.0				

Table 1 depict that majority of the respondents (76%) are female, while 24% of the respondents are male. The respondents came from eight public and private universities: UNITEN, UiTM, MMU, UPM, IIUM, UUM, UKM and USIM. 168 respondents (43%) were in their 3rd year of study and the rest were from the fourth year (57%). Further, 90% of the respondents were within the 20-23 age range, while the other 10% were 24 years and older. 76% of the students were above average (CGPA of 3.00 and above). Further, it was found that 77% of the respondents chose an accounting profession and the other 23% decided on a non-accounting profession.

Normality Test

The Kolmogorov-Smirnov test shows that perceived benefits, working environment, other influences and career choice were not normally distributed ($p < 0.05$).

Correlation Analysis

We ran Spearman's rho to test the association between career choice with perceived benefits, working environment and other influences. The results indicate that there is statistically significant relationship between career choice with perceived benefits ($p < 0.05$) and other influences ($p < 0.01$), while no significant association was found between career choice and working environment (refer Table 2).

Table 2: Correlation Coefficient

		Career Choice
Spearman's rho (n=390)	Perceived benefits	.113*
	Working environment	.073
	Other influences	.142**

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

Correlation is significant at the 0.05 level (2-tailed).*

Result on perceived benefits is consistent with Ahmad et al. (2014), Gunawan et al. (2021), Hutaibat (2012) and Raharja and Liany (2020). The result indicate that perceived benefits influence students' choice to embark on an accounting profession ($M=4.19$). However, this finding is not consistent with Byrne et al. (2012) who revealed that accounting graduates see work-life balance, good citizenship and self-fulfilment to be more important. Additionally, our results was also inconsistent with Hsiao and Nova (2016) and Pratama (2017) who emphasised that power and prestige of the accounting profession did not influence accounting graduates' decision to pursue an accounting career.

In terms of the working environment variable, our finding is consistent with previous literature of Ng et al. (2013). According to them, accounting students with no practical experience may not be able to visualise an accounting profession’s working environment. Our findings is also consistent with Wells and Fieger (2005) who established from their research that working environment has no significant effect to students’ career choice due to the perspective that the society hold to the need of a challenging environment.

The results on significant association between other influences and career choice is supported by Srirejeki et al. (2019) who found that other influence (peers) does affect a students’ intention to pursue an accounting profession. Our result is also consistent with Much et al. (2014). They deduce that students depend on others to solve their problems. Further, a study by Pereira and Garcia (2007) pointed out that family plays an instrumental role in a student’s career choice process, in line with our result that indicate other influences impact students’ career choice. Social support such as family members, close friends, people that the students admire and respect; play an important part in the student’s career decision (Wasif & Nawab, 2020). However, Gunawan et al. (2021) and Oyebode (1980) discovered contrasting results. For instance, Oyebode (1980) claims that parents have no effect on students’ career choices.

Test of Significant Difference

Test of significant difference (Mann-Whitney U test) was administered to investigate whether there is statistically significant difference of perceived potential benefits, working environment and other influences based on career choice. The reason why this test was performed was to provide comparisons of perceived benefits, working environment and other influences of students who choose accounting and non-accounting career. Only perceived potential benefits (PBen) and other influences (OtherInf) show statistically significant different results based on students’ career choice. For example, the median perceived potential benefits is higher for students who chose an accounting career ($U=8331.5, p=0.026$). Mann-Whitney U test provided further evidence that those students who chose an accounting career recorded higher perceived benefits. Besides that, median other influences was also higher for students who choose an accounting career ($U=8780.0, p=0.005$).

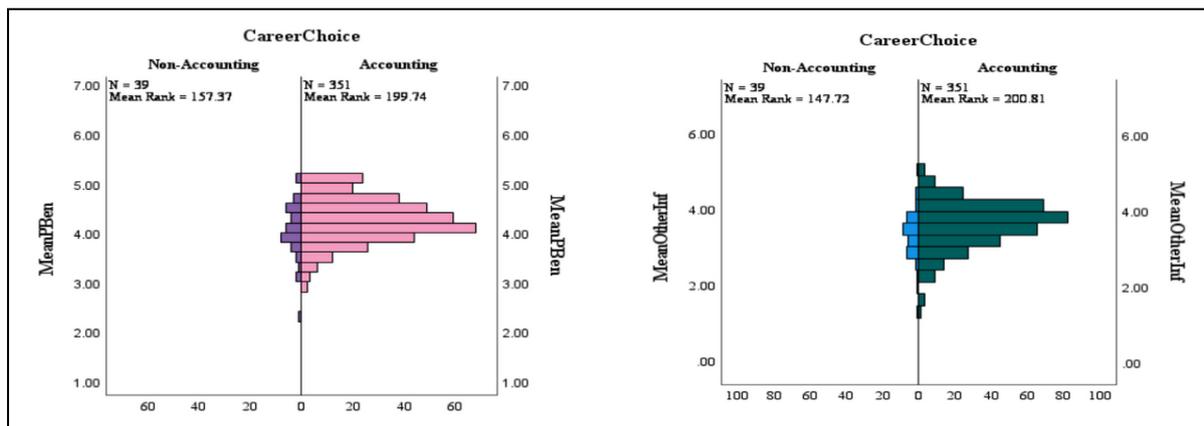


Figure 2: Mann-Whitney U Test

Discussion and Conclusion

The correlation test and test of significant difference provide interesting findings. For example, result indicate that perceived benefits influence students’ choice to embark on an accounting profession ($M=4.19$). Mann-Whitney U test provided further evidence that those students who chose an accounting career recorded higher perceived benefits. This denotes that accounting

students consider the accounting profession as one that provides benefits to them such as prestige, lifestyle and social status, future high earnings potential, possibility of career growth and promotion. However, our finding is not consistent with findings from Byrne et al (2012) who discovered that accounting graduates finds work-life balance, good citizenship and self-fulfillment to be more important. Additionally, our results was not consistent with Hsiao and Nova (2016) and Pratama (2017) who emphasised that power and prestige of the accounting profession did not influence accounting graduates' decision to pursue an accounting career. We then can conclude that majority of the accounting students' career choice is driven by extrinsic benefits than intrinsic benefits.

Further, we found that working environment does not influence career choice. A student with no working experience in an accounting field will not be able to visualise the working environment of a person in the accounting field, as mentioned by Ng et al. (2013). These students will not be able to imagine the actual working conditions and do not understand a company's corporate culture.

Finally, we conclude from our result that other influences may affect a student's career choice, which is in contrast to findings from Gunawan et al. (2021) and Oyeboode (1980). For instance, Oyeboode (1980) claims that parents have no effect on students' career choices. Nevertheless, our result is consistent with Much et al. (2014). They claim that students depend on others to solve their problems. A study by Pereira and Garcia (2007) pointed out that family plays an instrumental role in a student's career choice process, in line with our result that indicate other influences impact students' career choice. Social support such as family members, close friends, people that the students admire and respect; play an important part in the student's career decision (Wasif & Nawab, 2020). Therefore, we conclude that other influences does affect students' career choice, which may be associated with their Gen Y attribute. Elayan and Shamout (2020) reveal that Gen Y thrives from having close relationship with others.

Theoretical Implications

This study is relevant in enriching the current literature, particularly in a Malaysia setting which looks into accounting students' career choice. Our findings provided mixed results as compared to prior research for various reasons such as current perceptions of students, the student's nationality and background and so forth. Further, although there are scores of literature that looks into determinants of student's career choice, they are predominantly of non-Malaysia context thus results may not reflect accounting students in a Malaysia's perspective.

Practical and Social Implications

Academic advisors appointed to accounting students and universities should inculcate awareness, provide exposure to the students via engagement with accounting firms. There should also be events held regularly with the accounting professional bodies such as MIA, CIMA and ACCA to enhance students' awareness and provide an up-to-date information of the accounting profession.

Universities should also proactively collaborate with professional bodies and large organisations by setting up mentoring system, for instance. Adler and Stringer (2018) reported that mentoring system has been successful in an Australian university, where it help undergraduate students have better understanding of the accounting profession; their responsibilities and it actually helped the university integrate their academic curricula according to profession needs.

Limitations and recommendation for future research

The first limitation of this research is the disparity in responses, where respondents were majority female (over 70%). The respondents' answers may be biased based on female perception, as evidenced by Lobato et al. (2014). They claim that female respondents' decision are more influenced by friends and family than their male counterparts when faced with important decision-making situations are. Thus, future research that consist of a balance between male and female respondents may reduce the possibility of biasness.

Next, is the sample size. While the sample size collected was above the minimum threshold to represent the population, more responses would offer enhanced assessment of accounting students' career choice. Future research may aim to increase the number of responses as representation of accounting students in Malaysia.

Finally, the respondents are accounting students residing in Malaysia. Thus, results are representation in a Malaysian context. However, similar research can be conducted in other countries to elicit responses and comparison of the results can be used to better understand the factors affecting accounting students' career choice.

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