

IEBMC 2019

9th International Economics and Business Management Conference

FACTORS AFFECTING STUDENTS' INTENTION TO BECOME PROFESSIONAL ACCOUNTANT IN SELECTED MALAYSIAN UNIVERSITIES

Fatimah Hanim Abdul Rauf (a)*, Faizah Mohd Khalid (b), Dahlia Darwisya Rastam Tan (b),
Nor Haleda Khalid (b), Nur Sabrina Mohamad (b) and Nur'ain Farhana Mohd Lutfi Radhi (b)

*Corresponding author

(a) Department of Accounting & Finance, Universiti Tenaga Nasional, Muadzam Shah, Pahang, Malaysia,
fatimahhanim@uniten.edu.my

(b) Department of Accounting & Finance, Universiti Tenaga Nasional, Muadzam Shah, Pahang, Malaysia

Abstract

Professional bodies are targeting to double the number of professional accountants by year 2020 in order to provide confidence and strong assurance for a mature and strong capital market. However, most Malaysian graduates from accounting program does not have the intention to pursue their career as a professional accountant. Thus, this study is conducted to investigate the factors affecting accounting students' intention to become professional accountant in selected Malaysian universities. This study also examines the significant difference in the students' intention between the private and public university. Questionnaire survey was distributed to 200 respondents of the third and fourth year undergraduate accounting students of the universities. The results show that accounting students' intention to become professional accountant is influenced by their intrinsic motivation and extrinsic motivation. Students' subjective norms and self-efficacy do not affect their intention. Further analysis observed no significant difference in the intention to pursue a career in accounting between the private and public university students in Malaysia. However, additional findings evidenced a significant difference in the students' subjective norms between the private and public university students.

2357-1330 © 2020 Published by European Publisher.

Keywords: Students' intention, professional accountant, intrinsic motivation, extrinsic motivation, subjective norms, self-efficacy.



1. Introduction

University graduates have a tendency to pursue their future career that is different from the course taken in their previous university years. This is due to the students' perception, which is based on their beliefs that may influence their career options (Ferreira & Santoso, 2008). Hence, it contributes to a decrease in the number of professional accountants in various countries including Malaysia and it seems like this matter has been a challenge for the current government (Abdullah, 2001). The accounting profession development in Malaysia has changed because of the competitive and technological environment which shows that more professional accountants are needed (Hashim et al., 2003). Hence, the demand for professional accountant in Malaysia is increasing every year as ACCA is targeting to double the number of the profession to 60,000 by 2020 (Bernama, 2015). This shows that ACCA needs a huge effort since not all their trainees will end up being a professional accountant (ACCA, 2018).

In response to this call, this study attempts to investigate the factors affecting undergraduate accounting students' intention to become a professional accountant. This study also examines whether students' intention differ between the private and public university students.

2. Problem Statement

It is important for a country to produce more quality and skilful professional accountants to manage resources and provide financial leadership. The former President of Malaysian Institute of Accountants (MIA) in The Star stated that a country needs more professional accountants in order to provide confidence and strong assurance for a mature and strong capital market (Idris, 2013).

In 2015, the South East ASEAN Federation of Accountants (AFA) has reported Malaysia as the second highest in the average number of accountants at 32,511 behind Thailand with 68,777 accountants (Arnita, 2016). Even though Malaysia is ranked as the second highest, the difference as compared to Thailand is considered large.

The number of accounting undergraduates is increasing but the number of professional accountants still does not meet the expectation since some of them tend to choose other career after they graduated such as an employee in a company, an entrepreneur, and other careers rather than professional accountancy (Arnita, 2016). This is in line with Said et al. (2004) and Ghani et al. (2008) who argued that the most desired professions by university students is accounting. Despite their interest in the profession, only a few, particularly the Bumiputera graduates pursue professional courses.

Students' career path generally comes from their intention and their actions must show that they are committed enough to achieve their career goals. However, most of the accounting undergraduates does not have the intention probably due to lack of exposure towards accounting profession. Previous studies shows that intrinsic motivation, extrinsic motivation, subjective norms and self-efficacy may affects the students' intention to become professional accountants (Ahmad et al., 2015; Arnita, 2016).

3. Research Questions

The research questions address in the study are:

1. Is there any significant relationship between intrinsic motivation, extrinsic motivations, subjective norms and self-efficacy towards accounting students' intention to become professional accountants?
2. Is there any significant difference in accounting students' intention to become professional accountants between the private and public university students?

4. Purpose of the Study

This study investigates factors affecting (intrinsic motivation, extrinsic motivations, subjective norms and self-efficacy) the students' intention to become professional accountants. This study also examines whether a significant difference exists in the accounting students' intention between the private and public university in Malaysia. The findings of the study may enhance the existing researches, particularly in accounting education, besides may provide some insights to the regulatory bodies, professional bodies and educational institutions to spur the students' interests in accounting profession.

4.1. Literature review and Hypotheses development

Career intention or career path is concluded as a life journey of a person that must be planned at their early stage of their career (Yusoff et al., 2011). Being dedicated to a cause or goal is called commitment meanwhile an intention is a thing intended with aim and plan (Singh & Gupta, 2015). Therefore, students' commitment intention is important to determine how committed the students are with their intention to become a professional accountant and what factors that might influenced them.

Intrinsic creates enjoyment in the task performed which come from their internal perspectives and this factor has been a significant predictor in terms of career choices (Jackling & Calero, 2006; Sugahara & Boland, 2009). Intrinsic motivation includes self-satisfaction, creativity, autonomy and dynamic environment (Hasio & Nova, 2016). Intrinsic creates pleasure and enjoyment in the task performed and exists internally within individual (Ahmad et al., 2015). Thing and Jalaludin (2018) found an association between intrinsic motivation and career. Most of the accounting undergraduates intentionally choose their career path in accounting field because they found that accounting is interesting, dynamic and challenging apart from their own belief that they capabilities in this field such as doing calculation.

H1a: Intrinsic motivation is significantly related to accounting students' intention to become a professional accountant in selected Malaysian universities.

Extrinsic motivation is related to the monetary rewards, job opportunities, high salary and recognition. According to Hutaibat (2012), undergraduate accounting students choose a career in accountancy are possibly because of the job opportunities and the higher income rate. Additionally, extrinsic motivation is a kind of reward-driven behaviour such as greater job demand expectation and the prestige feeling of being a professional accountant (Fernandez & Matos Pena, 2017). A person accept the task or work due to the external rewards and not because of the self-satisfaction and this is also supported by Bainbridge (2015) who stated that a person may agree to perform a task even though they do not enjoy

when performing the task. He argues that these are the external factors that motivates most of the accounting students to become a professional accountant. Better job opportunities in accounting area also can be the most important factor that could influence students to be a professional accountant as their career (Harnovinsah, 2017). However, Jackling and Calero (2006), Law and Yuen (2012) found an insignificant relationship between extrinsic motivation and the students' intention.

H1b: Extrinsic motivation is significantly related to accounting students' intention to become a professional accountant in selected Malaysian universities.

Subjective norms have been known as personal matters that influence the decision making for a person. These factors are also affecting the student intentions in pursuing their accounting career. Subjective norms are the reasons why a person choose other than accounting careers. Undergraduate students might change their mind throughout the accounting program due to personal suggestions or influences from their friends and family. Suki et al. (2011) state that subjective norms is an opinion of what their close peers believe the individual should do. This indicate that their decision are not generally made by them but also the people around them. Ahmad et al. (2015) evidenced a significant relationship between subjective norms and the students' intention to pursue in accounting career.

H1c: Subjective norms is significantly related to accounting students' intention to become a professional accountant in selected Malaysian universities.

Self-efficacy is the other factor that influence undergraduate students' career intentions which is known as an individual belief in one's ability to succeed in specific situations or accomplish a task and to produce specific performance attainment (Bandura, 1994). Confidence can be developed from self-efficacy which enable the students to solve problems and difficult task. Self-efficacy can be developed by mastering and gaining experience for an appealing idea and practice the skills obtained during internship. With the skills and practice obtained, they can master in performing specific task. James (2008) found that low self-efficacy contributes to shortage number of accountants. Ahmad et al. (2015) and Hayes and Credle (2008), proved students with greater self-efficacy have higher intention in pursuing accounting career.

H1d: Self-efficacy is significantly related to accounting students' intention to become a professional accountant in selected Malaysian universities.

This study employed the Self-Determination Theory as this theory is widely used by previous studies to describe one's behaviour in making decisions as it explain the goal –directed behaviour of an individual (Deci & Ryan, 2000). As shown in Figure 1, since the predictors involve both internal and external factors that may affect the students' intention, therefore this theory is appropriate to be used in the current study.

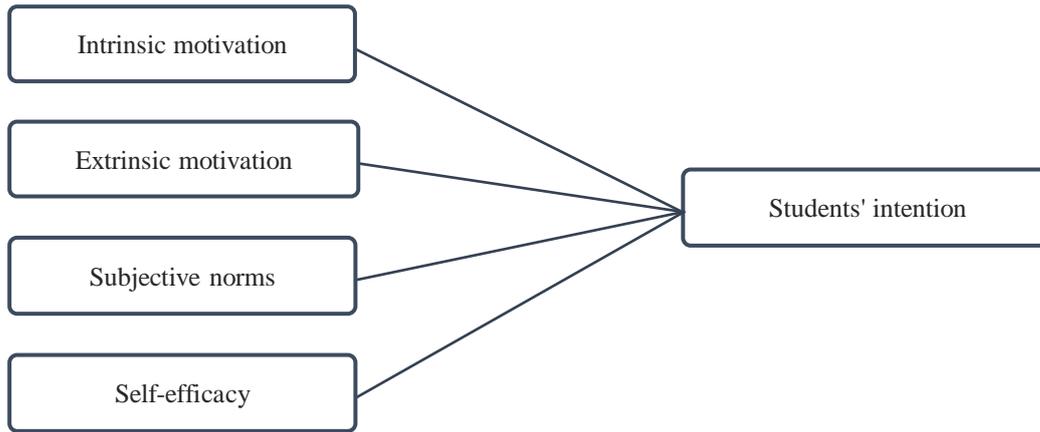


Figure 01. Schematic diagram of factors affecting students' intention to become professional accountant

5. Research Methods

This study use purposive sampling design as the sample covered third and fourth year accounting students in US and UA, which shall remain anonymous. US is a private university while UA is a public university that is ranked as 5-tier and 6-tier, respectively, in the Malaysian Qualification Agency (MQA) Rating System SETARA 17 (Ahmad, 2018).

100 questionnaires were distributed to each university. However, only a total of 183 questionnaires is usable for the data analysis, and this is considered ideal as it is between 30-500 (Sekaran, 2000). Data is collected through questionnaire survey, which consists of two parts – outcome and predictors, and demographic information.

The variables as shown in Table 01 are adopted from past studies and measured using five points Likert scale, ranging from 1 “strongly disagree” and 5 “strongly agree”. The demographics comprise of gender, academic year, CGPA, types of institution and previous study background. The variables measurement are as follows:

Table 01. Variables measurement

Variables	Measurement
Students' intention	Adopted from Ahmad, Ismail and Anantharaman (2015) and consists of fifteen items
Intrinsic motivation	Adopted from Odia and Ogiedu (2013), and consists of five items
Extrinsic motivation	Adopted from Odia and Ogiedu (2013), and consists of five items
Subjective norms	Adopted from Hutaibat (2012), and consists of five items
Self-efficacy	Adopted from Schwarzer and Jerusalem (1995), and consists of ten items

6. Findings

6.1. Reliability analysis

Reliability test was performed to measure reliability of the questions. Cronbach’s Alpha for all the variables ranging from 0.842 to 0.917, which indicate that the items have good internal consistency and stability as the values of Cronbach’s Alpha are between 0.65 to 0.95 (Chua, 2009).

6.2. Descriptive statistic

Table 02 presents the descriptive statistics of the respondents' demographic profile. Majority of the respondents are female and Year 3. Most of them have a CGPA of 3.00 above and have accounting background. More than 50% of the respondents are from private university.

Table 02. Demographic profile

Item		Frequency	Percentage
Gender:	Male	55	30.1
	Female	128	69.9
Academic year:	Year 3	117	63.9
	Year 4	66	36.1
CGPA:	4.00-3.50	79	43.2
	3.49-3.00	74	40.4
	2.99-2.50	22	12.0
	2.49-2.00	8	4.4
Institution type:	Private	100	54.6
	Public	83	45.4
Previous study background	Major accounting	142	77.6
	Science stream	36	19.7
	Arts	4	2.2
	Others	1	0.5

After excluding incomplete responses, the final sample is 183. Hence, the study applies the Central Limit Theorem which assume a normal distribution as the sample size is greater than 30. Hence, parametric tests are used to test the hypotheses.

6.3. Correlation analysis

This study also performed multicollinearity test through a correlation analysis. The Pearson's correlation matrix in Table 03 shows that no multicollinearity problems exists as none of the independent variables having coefficients of greater than 0.9 (Chua, 2009), thus, meet another assumption to conduct the regression analysis.

Table 03. Pearson's correlation

	Intrinsic Motivation	Extrinsic Motivation	Subjective Norms	Self Efficacy	Students' Intention
Intrinsic Motivation	1	.631**	.383**	.670**	.688**
Extrinsic Motivation	.631**	1	.401**	.629**	.608**
Subjective Norms	.383**	.401**	1	.470**	.388**
Self-Efficacy	.670**	.629**	.470**	1	.538**
Students' Intention	.688**	.608**	.388**	.538**	1

** Significance at 0.01 level

6.4. Regression analysis

The first objective of the study is to investigate factors affecting the students' intention to become professional accountants. Using multiple regression analysis, the empirical model used to test the hypotheses are as follows:

$$CP_{it} = \beta_0 + \beta_1 CI_{it} + \beta_2 IM_{it} + \beta_3 EM_{it} + \beta_4 SN_{it} + \beta_5 SE_{it} + \varepsilon_{it}$$

Where,

SI_{it}	=	Students' intention
IM_{it}	=	Intrinsic Motivation
EM_{it}	=	Extrinsic Motivation
SN_{it}	=	Subjective Norms
SE_{it}	=	Self-Efficacy
ε_{it}	=	Error term

The result of multiple regression about the effects of intrinsic motivation, extrinsic motivation, subjective norms and self-efficacy on students' intention, is presented in Table 04. The result provide evidences that only intrinsic motivation and extrinsic motivation significantly affect the students' intention to become professional accountants ($p < 0.05$). The two types of motivations accounts 53.1% of the variations in the students' intention ($F = 5.390$), signifying that another 46.9% might be influenced by other factors. The other two predictors, namely; subjective norms and self-efficacy fail to meet the selection criteria ($p > .05$), therefore, H1c and H1d is rejected.

Table 04. Multiple regression

Variable	Coefficients value (<i>b</i>)	t-statistics	Sig.
Constant		5.718	.000
Intrinsic Motivation	.380	6.502	.000
Extrinsic Motivation	.220	3.659	.000
Subjective Norms	.062	1.628	.105
Self-Efficacy	.004	.060	.952

In terms of intrinsic motivation, the b-value in Table 04 indicates that as intrinsic motivation increases by 1 unit, students' intention to become professional accountant increase by 0.380 unit. The result shows that accounting students' internal factors such as their own internal interest in accounting influence their intention to become professional accountant, and it supports Ahmad et al. (2015) and Thing and Jalaludin (2018) who also found a significant positive relationship.

The b-value for extrinsic motivation shows that as extrinsic motivation increases by 1 unit, students' intention to become professional accountant increase by 0.220 unit. Most of the students are expecting such a great job market demand after graduated due to job availability, besides getting more rewards such as higher salary and prestige as a professional accountant. The result supports Harnovinsah (2017), Jaffar et al. (2015), Bainbridge (2015), Ahmad et al. (2015) and Hutaibat (2012), but contradicts from Porter and Woolley (2014), Law and Yuen (2012) and Jackling and Calero (2006).

No such relationships are observed for subjective norms and self-efficacy, reveals that these two variables are not the determinants for students' intention to become professional accountants. The non-significance result for subjective norms is not in line with Ahmad et al. (2015), Suki et al. (2011) and Tan and Laswad (2006). Close individuals like family, friends and educators do not influence the students' intention to become professional accountants. In terms of self-efficacy, the result does not support Ahmad et al. (2015), Djatej et al. (2015) and Hayes and Credle (2008). The insignificant results may suggest that other persons and even their own confidence level does not inspire them to become professional accountant.

6.5. Test of significant difference

The second objective of the study is to examine whether there is a significant difference in students' intention to become professional accountants between the private and public university students. Additional tests are also performed to determine whether there is any significant difference in intrinsic motivation, extrinsic motivation, subjective norms and self-efficacy between the two types of institutions.

Table 05. Independent Sample t-test

Item		Mean	P-value
Student's intention:	Private university	3.8600	.102
	Public university	3.7382	
Intrinsic motivation:	Private university	4.0800	.055
	Public university	3.8988	
Extrinsic motivation:	Private university	4.1140	.035
	Public university	3.9277	
Subjective norms:	Private university	3.2900	.000
	Public university	3.8217	
Self-efficacy:	Private university	3.8860	.993
	Public university	3.8867	

The results in Table 05 shows that there is no significant difference in the students' intention to become professional accountants between the private and public university students ($p > 0.05$), and it is contradicted from Hossain and Siddique (2012). Therefore, H2 is rejected. Perhaps, regardless of the types of institutions with different academic regulations and locations, it does not affect the students' career intention. Further tests are also conducted to determine whether any significant difference exists in intrinsic motivation, extrinsic motivation, subjective norms and self-efficacy between the two types of institutions. The result indicates that only subjective norms is significantly differ between the private and public university students ($p < 0.05$). However, no significant difference is found in intrinsic motivation, extrinsic motivation and self-efficacy between the two types of institutions.

7. Conclusion

This study attempts to investigate whether intrinsic motivation, extrinsic motivation, subjective norms and self-efficacy affect students' intention to become professional accountant. Data were collected through questionnaires from a private and a public university in Malaysia. The results reveal that students

with greater intrinsic motivation and extrinsic motivation have greater intention to become professional accountant. Their intentions are motivated through their own interest in accounting and external factors such as job availability and rewards gained. Nevertheless, the results suggest that students' subjective norms and self-efficacy do not influence the students' intention. Further analysis also found that regardless of the types of institutions, there is no significant difference in the students' intention to become professional accountant and in other predictors, but there is a significant difference in students' subjective norms between the private and public university. Perhaps, the regulatory body, professional bodies and institutions may provide more events or programs that may enhance the students' interest in accounting profession. Future research may extend the sample size to other institutions and include other predictors, so that the results would be more interesting could be generalised to all accounting students in Malaysia.

References

- Abdullah, M. (2001, June 25). Akauntan professional: Pelajar Melayu perlu bertanggung lapuk [Professional accountants: Malay Students need to think old school]. Retrieved on 23 August, 2018, from <http://skypin.tripod.com/pendik/pendidik112.html>
- ACCA. (2018). The drive to double Malaysia's accountancy profession by 2020. <https://www.accaglobal.com/sg/en/member/member/accountingbusiness/2018/03/practice/malaysia-a-2020.html>
- Ahmad, B. (2018). SETARA 17. Retrieved 3 December 2018, from <http://www.mohe.gov.my/en/latest/pengumuman/790-setara-2017>
- Ahmad, Z., Ismail, H., & Anantharaman, R. N. (2015). To be or not to be: An investigation of accounting students' career intentions. *Education + Training*, 57(3), 360-376.
- Arnita, V. (2016). Factors influencing accounting undergraduate students to be professional accountants in Indonesia. Universiti Sains Malaysia.
- ASEAN Federation of Accountant. (2015). Ranking on Malaysia accounting profession amongst South East Asian. http://www.aseanaccountants.org/list_member.html
- Bainbridge, C. (2015). What is extrinsic motivation? AboutParenting. Retrieved on 30 August, 2018, from <http://giftedkids.about.com/od/gloss>
- Bandura, A. (1994). Self-Efficacy. *Encyclopedia of human behavior*, 4, 71-81.
- Bernama. (2015, May 25). Malaysia needs 60,000 accountants by 2020. Retrieved 22 December, 2018, from <http://www.nst.com.my/news/2015/09/malaysia-needs-60000-accountants-2020>
- Chua, Y. P. (2009). *Statistik penyelidikan lanjutan: Ujian regresi, analisis faktor dan analisis SEM* [Advanced further statistics: regression testing, factor analysis and SEM analysis] (II. Buku 5). McGraw-Hill.
- Deci, E. L., & Ryan, R. M. (2000). The "What" and "Why" of goal pursuit: Human needs and self-determination of behavior. *Psychological Inquiry*, 11(4), 227-268.
- Djatej, A., Chen, Y., & Eriksen, S. (2015). Understanding students' major choice in accounting: An application. *Global Perspectives on Accounting Education*, 12, 53-72.
- Fernandez, L. V., & Matos Pena, K. (2017). Systems of Professional Competencies of the Degree in Accounting and Finance. *Opuntia Brava*, 9, 1252.
- Ferreira, A., & Santoso, A. (2008). Do students' perceptions matter? A study of the effect of students' perceptions on academic performance. *Accounting & Finance*, 48(2), 209-231.
- Ghani, E., Said, J., Mohd Nasir, N., & Jusoff, K. (2008). The 21st century accounting career from the perspective of the Malaysian university students. *Asian Social Science*, 4(8), 73-83.
- Harnovinsah, H. (2017). Career decision of accounting students and its influencing factors: A study of university accounting students in DKI Jakarta, Indonesia. *International Journal of Finance and Accounting*, 6(2), 59-65.

- Hashim, A., Ghani, E. K., Said, J., & Nasir, N. M. (2003). Gap in students' perception in accounting career: UiTM vs affiliated colleges. Institute of Research, Development and Commercialization, Universiti Teknologi Mara.
- Hasio, J., & Nova, S. P. C. C. (2016). Generational approach to factors influencing career choice in accounting. *Revista Contabilidade & Finance - USP*, 27(72), 393-407.
- Hayes, Z., & Credle, S. (2008). An application of social cognitive career theory: Exploring factors. *International Journal of Business Research*, 8(5), 53-63.
- Hossain, M. E., & Siddique, T. (2012). Career preference of business graduate in Bangladesh: A case study of some selected private universities. *Asian Business Review*, 1(1), 106-113.
- Hutaibat, K. A. (2012). Interest in the management accounting profession: accounting students' perceptions in Jordanian universities. *Asian Social Science*, 8(3), 303-316.
- Idris, J. (2013). More accountants needed, says MIA chief. *The Star*. Retrieved on August, 2018 from <https://www.thestar.com.my/business/businessnews/2013/09/17more-accountants-needed-says-mia-chief/>
- Jackling, B., & Calero, C. (2006). Influences on undergraduates students' intention to become qualified accountants: Evidence from Australia. *Accounting Education: An International Journal*, 15(4), 419-438.
- Jaffar, N., Ismail, N., & Zahid, S. M. (2015). Determinants of the accounting students' preference to practice as chartered accountant in Malaysia. *Accountancy Business and the Public Interest*, 43-59.
- James, K. L. (2008). Barriers to Accounting as a Career Choice for African-American Students. *Research in Higher Education Journal*, 58-67.
- Law, P., & Yuen, D. (2012). A multilevel study of students' motivations of studying accounting: Implication for employers. *Education + Training*, 54(1), 50-64.
- Odia, J. O., & Ogiedu, K. O. (2013). Factors affecting the study of accounting in Nigerian Universities. *Journal of Educational and Social Research*, 3(3), 89-89.
- Porter, J., & Woolley, D. (2014). An examination of the factors affecting students' decision to major in accounting. *International Journal of Accounting and Taxation*, 2(4), 1-22.
- Said, J., Ghani, E. K., Hashim, A., & Mohd Nasir, N. (2004). Perceptions towards accounting career among Malaysian undergraduates. *Journal of Financial Reporting and Accounting*, 2(1), 17-30.
- Sekaran, U. (2000). *Research Methods for Business A Skill Business Approach*. John Wiley & Sons.
- Singh, A., & Gupta, B. (2015). Job involvement, organizational commitment, professional commitment, and team commitment: a study of generational diversity. *Benchmarking: An International Journal*, 22(6), 1192-1211.
- Sugahara, S., & Boland, G. (2009). The accounting profession as a career choice for tertiary business students in Japan-A factor analysis. *Accounting Education: an international journal*, 18(3), 255-272.
- Suki, M. N., Ramayah, T., & Suki, M. N. (2011). Understanding consumer intention with respect to purchase and use of pirated software. *Information Management & Computer Security*, 196-210.
- Schwarzer, R., & Jerusalem, M. (1995). Optimistic self-beliefs as a resource factor in coping with stress. *In Extreme stress and communities: Impact and intervention* (pp. 159-177). Springer.
- Tan, L. M., & Laswad, F. (2006). Students' beliefs, attitudes and intentions to major in accounting. *Accounting Education: an international journal*, 15(2), 167-187.
- Thing, O. G., & Jalaludin, D. (2018). Career path in Accounting: What are the drivers? *International Academic Journal of Accounting and Financial Management*, 5, 66-82.
- Yusoff, Y., Omar, Z. A., Awang, Y., Yusoff, R., & Jusoff, K. (2011). Does knowledge on professional accounting influence career choice? *Sciences Journal*, 12, 57-60.