SHORTAGE OF ACCOUNTANTS: DOES MENTORING HELPS TO INCREASE THE NUMBER?

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ABSTRACT

This article is in response to the fact that as at 2012, Malaysia had 28,000 registered accountants whereas 80,000 accountants are needed by year 2020. In the effort of raising the number of accountants in the country, practical experience requirement is embedded with the role of mentoring which targeting on quantity and quality of accountants. Prior to practical experience, the future accountants are required to acquire professional accounting education in line with the requirement in Part 1 and Part 2 of the First Schedule of the Accountants Act 1967 and International Education Standards (IES). Through professional accounting education, these future accountants are getting the exposures on career as accountants. Hence, the interest in becoming professional accountants needs to be nurtured and fostered during their study, particularly in the university through active role of academic advisor in executing the mentoring mechanism. Therefore, this study is proposing a conceptual framework of shortage of accountants in relation to the roles of academic advisor, career preferences and formal mentoring in the university.

Keywords: accountants; academic advisor, career preferences, formal mentoring, accounting education

1. Introduction

Accounting education has been undergoing several reforms in creating human capital for the accounting profession (Accountants Today, 2008; Albercht & Sacks, 2000; Hala tuju 2, 2006). This is to ensure that the supply of accountants is able to accommodate the development of the country (Nasir, Ghani & Said, 2009). However, in Malaysia, the fact shows that as at 2012 there were 28,000 registered accountants in the accounting profession which is far behind the target of 80,000 accountants by year 2020 (Bernama, 2012; The Star, 2012). In becoming a high income nation, more accountants are needed so that professional services can be rendered by the professionally competent accountants in line with the objective of Economic Transformation Programme (ETP) in Malaysia. Several efforts are currently
exercised by the statutory body in increasing the number of accountants in Malaysia. For instance, Malaysian Institute of Accountants (MIA) as the monitoring body for the accounting profession is currently visiting various organizations to attract more application for chartered accountant. In addition, the MIA Qualifying Exam (MIA QE) has also been introduced to facilitate the career path of future accountant. In fact, mentoring and assessment mechanism namely Chartered Accountant Relevant Experience (CARE) Programme has also been introduced by MIA for the accounting graduates who are gaining the practical experience prior to the application as the chartered accountant (Bernama, 2012; The Star, 2012). The three initiatives are initially executed upon the accounting graduates in Malaysia. In respect of mentoring during the practical experience, the accounting profession is supporting it as it could encourage more accounting graduates to become chartered accountants (IFAC, 1998; IFAC, 2003; The Star, 2012). Practical experience is a stage in which the future accountants work in the accounting-related fields and the need for close mentoring have been clearly deliberated by International Federation of Accountants (IFAC) through International Education Standard (IES5). Furthermore, global acceptance of formal mentoring has been seen through the revision of policies in the professional bodies in which the formal mentoring is made compulsory upon future accountants (CPA, 2010; FEE, 2008).

In Malaysia, the accounting profession is governed by the Accountants Act 1967. Under the Accountants Act 1967, a person is called chartered accountants when he is a member of the Malaysian Institute of Accountants. Prior to the application of membership the future accountants must either have a recognized professional accounting qualification or has an accounting degree from local universities and have work experience of not less than three years in a public accounting firm or other accounting-related areas. First Schedule, Part 1, of the Act lists down the local universities whose accounting degrees are recognized and Part 2, of the Act lists down the recognized professional accounting bodies. In this regards, future accountants should obtain the professional accounting education as part of the pre-qualification of chartered accountants.

As a feeder for the accountants in the country, the university plays an important role in promoting the career of accountants so that it could attract more accounting graduates into the accounting profession. In increasing the number of accountants, the interest in becoming chartered accountant could be cultivated in the university level through the accounting programmes, career guidance and the effective role of academic advisor (Ghani, Nasir & Jusoff, 2008; Young, 2008). Nasir et al. (2009) discovered that lack of ambition to become accountant was one of the reasons of why accounting graduates do not want to become chartered accountant. In this regards, academic advisor role could be extended from merely on academic planning to formally mentor the accounting students towards becoming accountants. Interestingly, study by Lai, Siok, Yusof and Kok (2011) found that students perceived the role of academic advisor as the most insignificant. Mentoring practices in the university are informal and unstructured due to burden of workloads among the academic advisors in teaching, research and administrative works (AATF, 2001). Further study is needed to explore the dilemma. Therefore this study proposes a conceptual framework of shortage of accountants in relation to the role of academic advisor, career preference and formal mentoring the in the university.
2. Literature review

2.1 Academic advisor in the university

In the university or higher education, academic advising has been seen indirectly as part of the undergraduate program. AATF (2001) defined academic advising as the delivery of advice and assistance to students concerning the academic and personal development by advisors who have the authority to sign off on their academic degree program. It is not part of the content of the degree program; however, it has been agreed as an important part of the undergraduate experience at the university. This valuable experience for both the advisor and the advisee are seen important in ensuring the advisees journey in completing their studies successfully. The advisor refers to the lecturer, and the advisee refers to the students.

Most of the universities assigned the role of academic advising to be held by the lecturers or academic members of the faculty. Hence, besides teaching, research, consultancy and publication, lecturers are expected to devote their time for the students under their advising list. The general roles played by academic advisors are as follows: (1) to teach students about various courses of study, (2) to advice students in developing strategies for selecting an appropriate major, course selection, requirements, educational plans and goals, up to graduation requirements, (3) to introduce students to services at their institution designed to help them be successful and (4) as a referral agent (Young, 2008). Based on these lists, if the roles are played effectively, it can smooth out the students journey in passing the program successfully.

The importance and significant roles of academic advising has been surveyed previously, by some studies. Schreiner (2009) has shown that advising improves student retention rates through the establishment of relationships with faculty or staff members who help students to clarify their academic and career goals. Pargett (2011) study showed a relationship between academic advising and student development. Students who have created a relationship with their advisor reported having more satisfaction with their college experience and positively develop as a student. These students were found to have more satisfaction towards their study when they discussed personal and university related issues, career options, college policies, academic deadlines, study skills and tips regularly with their advisors.

However, a survey done by Lai et al. (2011) shown the role of academic advising as the lowest in the ranking. It was seen the least importance to the students compare to other academic factors. Hence, we suggest a further research to investigate for the result of this study. As evidenced by previous literature, academic advising if operated efficiently will contribute significantly to the positive studying and development experience of students’ university journey. As a result, this paper investigates the possible explanation for such findings, why academic advising are not seen as important as it should be, based on the previous literature. Academic advising requires close collaboration among units of the institution, knowledgeable academic advisors, and students. Hence, the disappointment of the academic advising might come from these three players of the system.

The academic advisors are held mostly by lecturers, who main responsibilities are giving lectures, tutorials, evaluating student’s academic performance through assignment and examination, doing
research as well as the administration posts assigned to them from time to time. In other words, the academic advisors themselves are overwhelmed by their main scope of works, not to mention the large number of students for whom they are responsible. As mention in the Preliminary Report of Academic Advising Task Force (AATF) 2001, Arizona University, more than half of all undergraduate students at the university are served by academic advisor and the processes that are overloaded. Due to these matters, students feel that they cannot obtain timely access. A suggestion to remedy this problem is by reducing the teaching workload, or by offering an option to lecturer who hold the advisor responsibilities such as reduction in research, publication and consultancy works.

Failures of academic advising system might also be contributed by the evaluation, recognition and rewards for advisors. This is important in sending the message that their work is valuable and valued. Hence, there is a need for the university to design a meaningful and equitable reward system which is recognized by the university. Before that, the advisors need to be provided with clear expectations on the level of performance and feedback about the efficacy of their work. A guideline on their scope of task as academic advisor needs to be detailed out. Training on academic advising might also be appropriate to train the lecturers, as well as other staffs who are assumed to be involved in the academic advising responsibilities.

Besides that, the failures might also be contributed by the accuracy of information provided by the advisors. Finding from previous study has shown that both students and advisors say they do not have place to turn when they have questions that they do not know how to answer (AATF, 2001). Hence, students find the help they receive from advisors to be highly inconsistent. In this issue, the advisors may need to get supports from other units such as advising unit, enrolment and academic unit. Hence, the cooperation from other units is very important in ensuring the success of the academic advising program.

In an accounting degree program, the academic advising system can be seen to be important in shaping out the career, hence increasing the number of accountants in the country. Hence, we suggest the role of academic advisor to be extended to the career wise as well. They can influence the students to embark on the career through the regular meeting with students, as well as the advising system. Hence, this paper further discusses the career preferences of accounting degree students and the possibilities of formal mentoring in academic advising system, which can further heightened the roles of academic advisor in shaping the future accountants of the country.

2.2 Career preferences of accounting students

The literature reviewed provides a broader understanding on students’ perceptions of accounting career. There are also a volume of studies available which investigated the key factors that influence the students’ career preference particularly accounting students. The understanding of the scenario is vital to ensure that the role of mentoring become significant in educating and reconcile students on career outlooks during their study in universities. Proper advices by academic advisor during mentoring process may help the students to assess the employment opportunities well and do the necessary preparation to hunt for their desired career.
A study carried out by Byrne, Willis and Burke (2012) addressed on how students believed that their career guidance teachers in universities have no influence in their career decision. Meanwhile, other finding has been noted that the student obtained the career exposures mostly from the professional accounting bodies compared to their lecturers (Ghani et al., 2008). This scenario demonstrated that there are insignificant role of academic advisors and lecturers in guiding their students on career matters. The situation might also be caused by the lack of adequate knowledge and understanding on the determinants which significantly rated as important by students in choosing their future career.

Much has been written in the literature about the determinants which associated with career preference among students. Two studies have shown that career advancement as the most important criteria in choosing job (Bundy & Norris, 1992; Demagalhaes, Wilde & Fitzgerald, 2011). Besides, several studies agreed that salary was one of the most important criteria in choosing job (Byrne, Willis & Burke, 2012; Ghani et al., 2008) although other study (Demagalhaes, Wilde & Fitzgerald, 2011) reported on the inverse outcome. Demagalhaes et al. (2011) also discovered the following criteria which considered important to students; job experience, the CPA exam preparation assistance, training, professional development, support for graduate study and job security as the important factors. Byrne et al. (2012) pointed out that job satisfaction as the most important criteria in choosing their career. The other factors are good working conditions and career aptitude. Interestingly, Bundy and Norris (1992) claimed that the students have considered the job security as the most important factor in their selection of their first job followed by challenging and interesting work, advancement potential, employer-paid health insurance and personalities of supervisors and co-workers.

Other than the determinants which considered important in selecting job, the students also showed various preferences towards job position and work of place. A study in Malaysia found that students from public universities prefer to work as a public accountant compared to holding the management position or work as auditor (Ghani et al, 2008). Other study also showed almost the same outcome where the students chose to work with public accounting as their first choice of career. Despite they seem to choose to work in private industry for long-term career (Warrick, Daniels & Scott, 2010). These mixed results drive the motivation to explore more on the influence of career preference in relation to the shortage of accountants in Malaysia.

2.3 Mentoring in the accounting education

Byrne, Dik and Chiaburu (2008) explained that mentoring refers to the collaboration between two individuals namely the mentor and mentee which has a positive effect on the career enhancement. It is in line with the definition provided by Ensher and Murphy (2005) in which mentoring is defined as a network of helping relationship that gives emotional and career support and the mentor become a role model. The importance of mentoring has been widely discussed by IFAC Education Committee since 1990’s in authenticating the competency of the professional accountants in the country prior to the acceptance for membership (IFAC, 1998; IFAC, 2003). In fact, the International Education Standards (IES) have been produced by IFAC to act as a framework to the member bodies to formulate an effective accounting programme as well as mentoring and assessing the competency of accountants. However, in respect of mentoring, great emphasis has been seen in the stage of working experience instead of
during professional accounting education particularly upon accounting students. Hence, there is a need to explore the extent of mentoring during the professional accounting education.

Mentoring in the accounting profession evolved over the years and had changed from informal and unstructured to formal and structured in which the researchers discovered the positive results of formal mentoring in respect of career advancement as accountants (Barker, Monks & Barkley, 1999; Weinberg & Lankau, 2011). In Malaysia, since the enforcement of CARE Programme in year 2009, only 865 participants were successfully accepted as chartered accountants (Bernama, 2012). This could not fill up the big difference between current number of chartered accountants and the targeted number of accountants by year 2020. Hence, extra effort need to be done to increase the number of accountants in Malaysia in which career exposure as accountants and coaching should be actively executed in the university through formal mentoring. It could also resolve the problem of low interest in becoming chartered accountants due to lack of ambition identified by Nasir et al. (2008). However, the formal mentoring approach has been a dilemma in the university when the lecturers act as a mentor to the accounting students. This is due to the fact that the lecturers were assigned with the teaching workloads, research and the administration posts from time to time which lead to inconsistencies in the mentoring flow (AATF, 2001). Furthermore, students perceived the role of academic advisor in the university as not important (Lai et. al., 2011). Therefore, the execution of formal mentoring mechanism in the university should be further investigated.

3. Conceptual framework

Review on literatures on the role of academic advisor, career preference of accounting students and formal mentoring in accounting education has resulted on the need to further explore the relationship with the shortage of accountants in Malaysia. The formal mentoring programme enforced during practical experience could be an exemplary mechanism to the university in cultivating students’ interest in becoming chartered accountants (Barker et al., 1999; Weinberg & Lankau, 2011). In executing formal mentoring in the university, the role of advisor could be further extended under the arm of consultation which will lead to the betterment in delivering accounting programme. However, consideration and support should be given by the university to the academic advisors who participate as a mentor in the formal mentoring programme as it need continuous commitment throughout the students’ period of study. Therefore this study is proposing the conceptual framework as stated in Figure 1.

Figure 1: The relationship between shortages of accountants with the role of academic advisor, career preferences and formal mentoring
Three main propositions can be constructed based on the three variables. Based on the conceptual framework, the propositions are:

**Proposition 1:** There is a significant relationship between roles of academic advisor with shortage of accountants.

**Proposition 2:** There is a significant relationship between career preferences with shortage of accountants.

**Proposition 3:** There is a significant relationship between formal mentoring with shortage of accountants.

4. Limitations

This study is only proposing the conceptual framework. The significant relationship of all variables in the framework can be explored further through detail empirical investigation. Research design could provide a framework for data collection and data analysis. It is expected that this conceptual framework will provide a basic input for the empirical discovery.

5. Conclusions

Shortage of accountants is in need of attention from various stakeholders in the accounting education. Formal mentoring is proven to have positive impact in the accounting profession and the mechanism could be extended to the university. Collaboration between university and MIA in streamlining the formal mentoring mechanism could facilitate the effort to increase the number of accountants in Malaysia. Further study is needed to find out the missing links between the efforts of all stakeholders in respect of attracting more accounting students to become chartered accountants.

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