The Perception Gap in Vocational Skills of Management Accountants between Students and Employers: A Case Study at University of Economics, the University of Da Nang

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Abstract

This study explores the perception gap between students in University of Economics, the University of Da Nang and its employers in vocational skills of management accountants. The results of the study show that, despite an agreement between students and employers in vocational skills needed for management accountants, there is a gap when the perception in vocational skills of students does not meet the requirement of employers. Besides, there are the differences in the specific priority of the skills. The study's findings can be used as a reference for the content improvement of management accounting courses to satisfy more employers.

Keywords: Accounting Education, Management accounting, Vocational skills.

Introduction

The accountability of education and training in society is known for the "money-oriented" and the continuing assurance of quality. Going with the purpose that graduates can make money themselves and contribute to the development of society, education and training should maintain the quality of the process. It should be ensured that the education service quality should be maintained during the increase in "value for money" in education. To some extent, to which product or service the customers' expectation should be used to measure the quality of the product or service. The quality of the education and training process is not an exception when the customer's satisfaction could assess it. So, who are the customers of the education and training process?

Firstly, the customer of the process is students. The student has the right to choose the education institution for their study with the expectation of the better future. They wish to improve their living standards, have a better income, *etc*., during their study at the institutions they choose. And if the university/institution cannot satisfy them, they will leave it. Secondly, society is also known as the customers of the education and training process when they use the "products" of education process. Graduates join the labor market as the products of universities/institutions. And the quality of products can directly affect the satisfaction of this second type of customer. Finding the right customers, filling out the gap between which skills customers' need and what skills the graduates have can improve the satisfaction of customers and quality of service, which institutions/universities supply. In the developing countries, the role of management accounting in corporate governance is getting more important. The accountability of management accountants is recorded going with the role of management accounting. This helps institutions and universities build suitable content training programs with society's needs.

This paper develops a case study that tests the process of management accountants' training at University of Economics, the University of Da Nang (UEUD). The students, who are studying at UEUD, after graduation, will be the accountants in companies/organizations in general and management accountants in particular.

The employers who are using the management accountants who graduate from UEUD will have their opinions about the "product" of UEUD training process. The students would be the good products when their skills can fill up all the requirements of employers.

This study tries to figure out the gap in perception about vocational skills of management accountants between students and employers. The results of this study could be used in the improvements of training process at UEUD and also help to increase the satisfaction of employers.

This paper is organized as follows. Section 1 provides the literature reviews. Section 2 describes research methodology. Section 3 discusses the empirical results. Last section summarizes the research findings.

1. Literature review

This part presents the literature review about management accounting education and the vocational skills for management accountants. In this part, the gaps in vocational skills are also showed as resulted from the changes in technology and a global environment.

1.1 Management accounting education

The contribution to management accounting education and understanding has been impressive; some contradictions still remain. The main contradiction found so far is that from time to time the academic development of theories does not adequately respond to the demands of practice (Nelson Maina Waweru, 1990). Trevor Hassall and John Joyce (2003) pointed out that the focus of accounting education and training has been the subject of many debates. Even professional associations and employers have raised their concerns. Accounting education incurred rapid changes during the 1990s and institutions of higher education constantly adapted their course materials to suit the work force and external environment in which one lives (Sampsell, 1997). A study conducted by the American Accounting Association (AAA), in the early 1980s expressed concerns that the accounting curriculum was not keeping up with the dynamic changes of the accounting profession.

Steve Albrecht and Robert Sack's (2000) research has emphasized a large number of problems of accounting education perceived, including:

a) Course content and curriculum:

- The curricula were too narrow and often outdated or irrelevant. They were driven by faculty's interests and not by market demands.

- They were not exposing students in the right ways to highly relevant concepts such as globalization, technology, and ethics.

b) Pedagogy:

- Their rule-based, memorization, test-for-content, and prepare-for- certifying-exam educational model was inefficient. Still, more importantly, it did not prepare students for the ambiguous business world they would encounter upon graduation.

- Their pedagogy often lacked creativity, involved too much lecture and depended on textbooks, and did not develop the students' ability-to-learn skills. Students were too bound by their class time and did not require enough student contact with business.

c) Skill development:

- Their educational models focused too much on content at the expense of skill development-skills the students need to be successful professionals.

d) Technology:

- They taught accounting as if the information were still costly. Information was now inexpensive and the part of their curriculum that was devoted to information gathering and recording was a waste of time. Information processing, which had been an important part of their educational model, could be managed quickly by anyone using the right software.

- Their students were not exposed enough to the impact of technology on business and how technology could be leveraged to make business decisions.

e) Faculty development and reward systems:

- Accounting faculties were often isolated from business-school peers and from business professionals. As a result, they were becoming increasingly out of touch with market and competitive expectations.

f) Strategic direction

- While a few schools have made good progress in the past few years, changes had not been substantive or pervasive enough and some of the changes that had been made were in the wrong direction. As a result, differences in quality between schools were increasing.

- Because of accounting education's lacked of leadership and direction, competition in education has increased, resulting in fewer resources for accounting programs.

In the late 1990s, intending to aid educators to develop a broad-based curriculum, the American Institute of Certified Public Accountants (AICPA) released its own "Core Competency Framework for Entry into the Accounting Profession". It stressed the importance of not just technical knowledge such as entering in the books of accounts, calculating profits and so on, but also "broader based skills and competencies". The term "broad-based skills" here includes critical thinking, communication, teamwork, ethical awareness, technological competence, and independent learning.

Consequently, the main objective of teaching accounting is not only to develop students' intellectual skills but also to provide them with opportunities to work individually, in pairs, small and large groups. The students in addition to intellectual skills also need to equip themselves with professional skills like writing, speaking out, presenting, computer and information literacy, decision-making and teamwork. In order to achieve this, new concepts, strategies and methodologies have to be introduced in the teaching of accounting.

1.2 The vocational skills gap for management accountants

Competitive pressures, technology and a global environment have led to changed expectations in terms of the skills, attributes and competencies (in addition to the technical skills) that new accounting graduates demonstrate from the outset. Different stakeholders have different expectations.

Several studies have been undertaken across industries that reflect employers' views. Lloyd (2008) suggested that in the UK current skills policy is centered on the need to drive up qualification obtainment and make the system more employer-led. This study also found that social skills are generally found to be of vital important and are often claimed to be lacking in the labor market. Demands from employers that new recruits should be "job ready" are common. However, these skills are very difficult to meet by universities graduates. Ahadiat (2002) investigated the knowledge, skills and personal attributes (KSAs) health care organizations require when employing accounting graduates. He found that the top ten most important KSAs have nothing to do with the candidate's technical accounting education. Rather they are attributes related to character and personal demeanour including trustworthiness, dependability and sense of responsibility. The study also argued that aesthetic judgments about appearance and personality attributes seem to precede employee performance.

The call for accounting graduates to be equipped with a broader range of non- technical skills in addition to the necessary technical skills is not recent. A survey of employers' expectations of accounting graduates derived from classified job advertisements in the USA in 1993 (Johnson and Johnson, 1995) identified that after professional accounting qualifications (57%), accounting positions called for communication skills (15%), organization skills (7%) and interpersonal skills (5%). However, despite this Howieson (2003) argued that practitioners/employers have traditionally encouraged an entrenched technical approach, which provides them with graduates who can instantly be turned to profitable activities. Moreover, he

further suggested that both universities and practitioners must change their perspective away from the short-term and technical, towards the long-term and personal skills such as adaptability.

As Gati (1998) suggested, if employers prioritize skills that are not developed in most accounting undergraduate programs, the gap between entry level graduates and the requirements of organizational environments is likely to see opportunities for new graduates become increasingly limited, despite the fact that the shortage of accountants in countries worldwide continues to become more critical.

2. Research methodology

This research methodology is based on the survey with the respondents who are management accounting students and employers. They are asked to fill up the questionnaire containing two parts. The first part of the questionnaire is about their demographic; and the second part asks their opinions about some vocational skills, which they have to answer on a seven-point scale. The vocational skills used in this study are based on the study of Trevor and *et al.* (2003). This part consists of 22 skills, which are classified into 6 groups, namely: Communication Skills (5 skills), Team-working Skills (3 skills), Problem-solving Skills (4 skills), Time-management Skills (3 skills), Information Technology Skills (2 skills) and Other Skills (5 skills). Based on the responses of students and employers, each skill will be calculated as the mean value. With the mean value, all skills would be ranked into two groups: students and employers. The study tries to compare between the results of two groups to find out the gap in the perception about vocational skills of management accountants between students and employers. The following table shows clearly about the skills used in the study.

Table 1: Vocational skills

No	Vocational skills
C	***Communication skills***
C1	Present and defend points of view and outcomes of their work, in writing, to colleagues, clients, and superiors
C2	Present and defend points of view and outcomes of their work, verbally, to colleagues, clients, and superiors
C3	Use of visual aids in presentations
C4	Listen effectively to gain information and to understand opposing points of view
C5	Critically read written works, making judgements in their relevance and value
G	***Group working skills***
G1	Work with others in teams
G2	Organize and delegate tasks
G3	Assume leadership positions when necessary
P	***Problem solving skills***
P1	Identify and solve unstructured problems

P2	Find creative solutions
P3	Integrate multidisciplinary knowledge to solve problems
P4	Perform critical analysis
T	***Time management***
T1	Organize the workloads to meet conflicting demands and unexpected requirements
T2	Organize the workloads to recognize and meet tight, strict, and coinciding deadlines
T3	Select and assign priorities within coincident workloads
I	***Information technology***
I1	Use relevant software
I2	Knowledge of information sources
O	***Other skills, value and knowledge***
O1	Have a commitment to life-long learning
O2	Ability to develop methods of effective learning
O3	Awareness of social and ethical responsibilities
O4	Have knowledge of the accounting profession
O5	Have a comprehensive and global vision of the organization

3. Results

The number of valid responses from employers was 326. Within this sample, the gender balance was 162 men and 164 women. While all the employers were from 18 to 30 years old, the average experience is 11 years. The number of responses from students was 253. The gender balance was male 15.7% and female 84.3%.

The mean scores reported by the employers and students for the importance of each of the listed skills for a qualified management accountant are shown in the above table. The score indicates that both groups considered each of the specified vocational skills important for the successful discharge of duties by a management accountant. The mean of the scores reported by the employ ranges from 4.81 to 5.65 and have an overall mean of 5.31. Meanwhile, students' responses range from 4.24 to 5.66 with an overall mean of 4.65. It shows that employers place a slightly more emphasis on vocational skills than the students.

From the responses of employers, the three skills: (1) Integrating multidisciplinary knowledge to solve problems; (2) Working with others in team; (3) Having knowledge of the accounting profession are the most importance skills. The employers highly value other skills, values and knowledge (three of five skills in this group are from the top ten highest ranking skills). Team-working skills are also important to the employers. In contrast, communication skills and problem-solving skills are the lowest ranking group (two skills from each group are in five lowest ranking skills). With the students' responses, it can be seen that the students placed an emphasis

on group working skills: working with others in teams is the highest-ranking skill and all the skills are above the overall mean score.

Table 2: Mean scores for the importance of specific vocational skills for qualified management accountants by employers and students

No	Vocational skills	Employers		Students	
		Mean	Rank	Mean	Rank
	Communication skill				
C1	Present and defend points of view and outcomes of their work, in writing, to colleagues, clients and superiors	5.02	20	4.64	21
C2	Present and defend points of view and outcomes of their work in verbally, to colleagues, clients and superiors	5.42	8	5.41	8
C3	Use of visual aids in presentations	5.05	19	4.94	18
C4	Listen effectively to gain information and to understand opposing points of view	5.48	5	5.59	4
C5	Critically read written works, making judgement in their relevance and value	5.18	17	5.17	15
	Problem solving skill				
P1	Identify and solve unstructured problems	5.40	10	5.20	12
P2	Find creative solutions	5.17	18	5.18	13
P3	Integrate multidisciplinary knowledge to solve problems	5.65	1	5.66	1
P4	Perform critical analysis	4.81	22	4.24	22
	Time management				
T1	Organize the workloads to meet conflicting demands and unexpected requirements	5.35	11	5.16	16
T2	Organize the workloads to recognize and meet tight, strict and coinciding deadlines	5.45	7	5.56	5
T3	Select and assign priorities within coincident workloads	5.01	21	4.96	17
	Information technology				
I1	Use relevant software	5.28	13	5.35	9
I2	Knowledge of information sources	5.40	9	5.33	11
	Other skills, value and knowledge				
O1	Have a commitment to life-long learning	5.49	4	5.43	7
O2	Ability to develop methods of effective learning	5.26	14	4.87	19
O3	Awareness of social and ethical responsibilities	5.49	6	5.50	6
O4	Have knowledge of the accounting profession	5.62	2	5.62	3
O5	Have a comprehensive and global vision of the	5.19	16	4.79	20

	organization				
	Mean	**5.31**		**4.65**	

The students indicated that problem-solving skills are also highly important for adequate performance of duties by a management accountant. Consistent with the employers' views, the three skills: Integrating multidisciplinary knowledge to solve problems; Working with others in team; Having knowledge of the accounting profession are also the most importance skills. The two skills, namely integrating multidisciplinary knowledge to solve problems, and working with others in teams got the same highest ranking.

The means and the ranges for employers are similar to those reported by the students. The similarity also extends to the scoring of the specific vocational skills. It is shown through the eight skills from the top of rankings produced by the employers and students are the same. These are shown in Table 3.

Table 3: Comparison of rankings of importance scores by employers and students

		Employers	**Students**
P3	Integrate multidisciplinary knowledge to solve problems	1	1
O4	Have knowledge of the accounting profession	2	3
G1	Work with others in teams	3	2
O1	Have a commitment to life-long learning	4	7
C4	Listen effectively to gain information and to understand opposing points of view.	5	4
O3	Awareness of social and ethical responsibilities	6	6
T2	Organize the workloads to recognize and meet tight, strict and coinciding deadlines	7	5
C2	Present and defend points of view and outcomes of their work in verbally, to colleagues, clients and superiors	8	8

Comparing to the employers, the responses from students placed a slightly more emphasis on skills work with others in teams and organize the workloads to recognize and meet tight, strict and coinciding deadlines than have knowledge of the accounting profession and having a commitment to life-long learning skills. This is a surprise given that skills such as lifelong learning and knowledge of accounting are less important in the students' views.

From the survey's result, both employers and students seem to have the same view of how important of some specific skills for a fully qualified management accountant. However, it is essential to recognize that there is a difference in emphasis between the two groups in terms of the ultimate ranking of the importance of specific vocational skills. The individual vocational skills that predominate in the opinion of the students are group-working skills; however, the employers make an emphasis on other skills, values and knowledge. The other skills groups recognized as

important by employers and students are problem solving, communication, and information technology.

4. Conclusions

From the analysis result, the level of perception of employers is higher than students in the vocational skills of management accountants. It maybe the best significant finding of the study when this helps UEUD in the improvement of the content of management accounting courses. When the mean of all skills in employers' perception is higher than students', it means that the perception of students about management accounting vocational skills does not meet the employers' requirement. It could be the big gap in training process, which should be improved to satisfy the employers.

Both students and employers agree on the top eight most important skills with a slightly different level. They all agree that Integration of multidisciplinary knowledge to solve problems is the most important skill of management accountants. Students in UEUD think that knowing the accounting profession is the second important skills after Integration of multidisciplinary knowledge to solve problems and then working with others in teams. With a little difference, employers think that team working with others ranks second and third place because of knowledge of the accounting profession. With this result, it is noteworthy that students and employers have the same thinking about the important skills for management accountants bet at different levels. And with all the results, UEUD can review the content of management accounting courses to build a stronger curriculum to enhance the quality of students and satisfy the employers.

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Article history

Received on 22 October 2022.

Revised on 2 November 2022.

Accepted on 25 November 2022.