

A PERCEPTION OF THE ROLE OF A FUTURE ACCOUNTANT

Abstract

The purpose of this study is to analyze the perceptions of a future accountant's role in business and to understand how education and the professional practice of accounting should change accordingly. This study comprised two hundred undergraduates from four different universities in Sri Lanka. The areas of the study were leadership, ethics and professionalism. Exploratory and factor analysis were used to analyze the collected data. The findings of the study indicated that undergraduates perceive that accountants should have an above

was done in an environment where the accounting curriculum has substantially changed within the last two decades. The perception of accountants was however positive due to the promotional campaigns launched by professional accounting firms. A study conducted by Jackling et al. revealed that ethical issues were likely to occur in accounting practices, which perceptions have been confirmed in current studies on the perception of accounting..

Dr. A. H. N. Kariyawasam
Senior Lecturer, Department of
Accounting, Faculty of Management
Studies and Commerce, University of
Sri Jayewardenepura

It is important to study the perceptions of accounting in Sri Lanka in order, to understand how well the professional bodies could educate future accountants in keeping with what future managers want them to be. This will enable both professional and academic bodies to fashion [the ate their students better?] and to develop the accounting practice further. Accountants themselves will be able to understand where their profession stands and what is expected of them from society. It is up to future accountants to shape their role in society and to change or develop the perceptions for the better.

A dynamic business environment requires accountants to change their mind set.

The research question of this study is “What is the current perception of the leadership qualities, ethical values and professionalism of future accountants?” This study explains what is expected of accountants in the future. It is also expected that through the findings of this study professional bodies will be able to change their curriculum accordingly so as to educate accountants to fit the needs of future businesses and to understand their future role. Professional and academic bodies will have to introduce extra-curricular activities designed for their personality and leadership development. This research will also help to compare the roles of Sri Lankan accountants and those of other countries and how Sri Lankan accountants can fill the gap if they want to seek employment in other countries.

This paper consists of six sections. In the introduction the background and the aim of the study are explained. The available literature is discussed in the literature review. The methodology section explains the research approach, the sample, hypotheses, and variables. The data analysis section deals with the data analysis method and the results section with the findings of the present study. The discussion section compares and contrasts the findings of the study with the available literature and the conclusion summarizes the findings and states the concluding remarks.

Literature Review

Perception of accountants According Joyce and Mun (2013), perceptions are intuitive first impressions, attributions and understandings relating to individuals and/or groups. This study focuses on the perceptions in respect of three aspects of a professional accountant in Sri Lanka, namely, leadership, ethical values and professionalism.

Leadership

Rehman and Naveed (2019) stated that leadership is the ability to motivate, influence and help others to contribute to a common goal. Leadership styles range from autocratic, participative, and laissez faire, according to Joyce and Mun, 2013, who explain leadership styles. Autocratic leaders focus on control and management command. Financial controllers are traditionally expected to be highly rule-based, adopting an autocratic leadership style. Participative leadership is based on team work and mutual exchange of ideas. Laissez faire leadership is a highly delegated approach that depends on the trust the leader places in his subordinates and with less interference.

In Joyce and Mun's study, they state that, since management accountants are not bound by international financial reporting standards as much as financial accountants, their role will extend to planning, control and decision making functions, which require a certain amount of leadership. Further, management accountants have a duty to drive the organization through risk mitigation and strategic planning, which involve risk analysis, risk management, internal control and maintenance. Therefore, accountants should possess leadership qualities that enable them to lead organizations.

According to Deloo et al., 2011, the classic separation of “scorekeepers and business advisors” is slowly diminishing. Only business-oriented management accountants will be required in the future. They have also stated that even though scorekeeping activities are still a prominent part of a management accountant's day-to-day work, internal analysis and risk management also have become important in a management accountants' work. Therefore, future

accountants are expected to contribute more through leadership than being a mere scorekeeper. Management accountants will also witness a process of hybridization, where the accounting profession will be combined with another profession.

According to Craig and James (1993), International Financial Reporting Standards (IFRS) are modified to incorporate the dynamic information needs of organizations, industries and the public. Therefore, accountants in the profession should be able to embrace the change and be leaders of change to safeguard stakeholder interests. They should be transformational leaders in the organization to better cater to the information requirements of stakeholders.

The accountant of the future is therefore required to have the above average leadership skills.

Ethics

As stated in Joyce and Mun's study in 2013, Milton Friedman has stated that ethics maximizes the wealth of shareholders. Therefore, an accountant's ethical duty will be limited to adherence of regulations and providing information to enable shareholders to maximize their financial wealth. By adhering to these theories, an accountant will be only expected to monitor and control the efficiency of performance. However, this classical theory has been often critiqued for its exclusive focus on shareholders.

According to Pruzan (1998), accountants face ethical dilemmas just as any other professional. Ethical behavior cannot be achieved purely through sound audit trails or recognized standards. There is an increasing need for ethical accounting and reporting to provide information to external stakeholders and to protect corporate reputation. Value-based management will create productive organizational structures, systems of communication and measurements-evaluation reward systems, which can attract, hold and develop, intelligent, responsible, creative, independent and loyal employees. Therefore, accountants will be needed to adhere to value-based management so that ethical values will be expected from them.

Kranacher (2009) has stated that in order to create high quality reports, it is important that accountants hold values such as independence, accountability, integrity, and reliability. Being a profession, accounting requires its professionals to be ethical and maintain credibility through self-regulation. This will ensure the exclusivity of the profession and social standards. A rule-based system can be reactive to the environment, and will not be able to address all ethical issues fully. Therefore the accounting profession should be a moral community that is continuously engaged in ethical practices and makes its members understand the value of engaging in ethical practices.

Joyce and Mun in 2013 have found in their study that ethical values were negatively related to the role of accountants as leaders of change. Students in Malaysia have perceived that engaging in ethical activities will be a hindrance to change. Love for money among accounting students was significantly related to unethical behaviour. The above research shows that ethical values should be instilled at an early age as it takes time to develop. The negative perception on ethics contradicts the findings of other studies mentioned previously.

Professionalism

A distinguished body that possesses a specific knowledge base and has the requisite expertise to further nurture the development of the necessary skills [for the public?] will be recognized as a profession (Joyce and Mun, 2013). Professions are also known for their integrity which is often a voluntary commitment through self-regulation.

Karanacher, 2009, has discussed whether accounting should be categorized as an industry or as a profession. Since accountants are committed to holding specialized knowledge through extensive academic training and voluntarily involving increasing public interest, accounting can be categorized as a profession.

Traditionally accounting was perceived

as being limited to book keeping and primarily assumed administrative “bean counter” roles. According to Bloom and Myring, 2008, accountants are often depicted as negative and stereotypical. They also found that accountants should be more sensitive to culture and differences in behaviour and attitudes. The researchers found that there was a shortage of qualified accountants due to the negative perception of the profession. According to Joyce and Mun, 2013, the scandals of Enron and Worldcom in the USA and of Satyam in India have tarnished the credibility of the profession. To rebuild the reputation, accounting standards are moving from a rules-based approach to a principles-based platform. The findings suggested that the sample selected for the study believed that accountants should demonstrate an above average level of professionalism. However, the accounting profession has been stereotyped as boring and dull. To avoid this negative perception, Joyce and Mun have suggested that accountants should keep abreast of business developments and engage in meaningful CSR.

Methodology

Research approach

A quantitative study was carried out to seek the perceptions of future accountants, a deductive approach for this research and a survey method to gather data from the sample with a self-administered questionnaire. A similar method was adopted by Joyce and Mun, 2013 to analyze the perception of future accountants of Malaysian undergraduates. The questionnaire was in English to eliminate language barriers. The perceptions of future accountants were assumed to be measured by measuring their leadership, ethics and professionalism as mentioned above.

Variables

Joyce and Mun, 2013 chose leadership, ethics, and professionalism as variables to be measured so as to derive the perception of the role of a future accountant. Therefore, these variables were used in the Sri Lankan context as well. Indicators adopted for the above variables were as follows:

Variable	Indicator
Leadership	Gives personal attention Appreciates efforts of others Communicates well Empowers others Enthusiastic Charismatic Listener Influential Role model
Ethics	Honest Trustworthy Truthful Fair Ethical Has integrity
Professionalism	Intelligent Knowledgeable Qualified for the job Wise Skilful Adheres to professional standards

The reliability of the factors was tested using SPSS and Cronbach's alpha resulting in 0.76 which is above the reliability threshold level of 0.7. These variables were used to discover the perceptions of a future accountant's role through a five-point Likert scale.

Hypotheses

Based on the above variables, the following hypotheses were formulated. They hypotheses were tested through the collected data as the study follows a deductive approach:

H1-Future accountants would be expected to have a higher than average leadership score.

H2-Future accountants would be expected to have a higher than average score on ethical score.

H3-Future accountants would be expected to have a higher than average score on professionalism.

Population and sample

This study focused on seeking the perceptions about accountants of future managers, entrepreneurs and accountants, etc. The population consisted of accounting undergraduates in Sri Lanka studying in local universities while considering the ease of data collection.

Data was collected from 200 accounting undergraduates chosen from, four different local universities based on convenience chosen at random to make sure the study was unbiased. A hardcopy questionnaire was distributed among the students as it was easier to administer and ensured a high response rate. Participation in the study was voluntary and confidentiality was ensured.

Since it was a hardcopy questionnaire and the researcher was personally present at many of the data collection points, it was possible to collect 200 responses.

Data Collection

As mentioned earlier, a self-administered questionnaire was used to collect the data. The perceptions for each variable were collected through a five point Likert scale, 1=strongly disagree and

5= strongly agree. The questions were adapted from the study of Joyce and Mun, 2013.

Apart from the perception, demographic information was also collected from the sample such as age, education level, and gender, etc. The collected data was [cleaned?] and manually entered into SPSS for analysis.

Analytical tools

The collected data was analyzed using SPSS version 25. Mean, median and mode tests were conducted to analyze the sample and its qualities. For analysis, Chronbach's alpha, Bartlett's test of sphericity, Regression, Standard Deviation, and Kaiser-Meyer-Olkin measure of sample adequacy were used. These tests, inspired by the study of Joyce and Mun, 2013, were used to ascertain the generalized perception of future accountants.

Analysis Descriptive statistics

The sample consisted of a majority (around 60%) of female students of the ages of 22-23, most of them following a professional course in accounting as well.

Factor analysis

Ethics, leadership and professionalism scored above 1 in Eigen values and therefore considered as valid factors. The KMO and Bartlett test score was 0.85 indicating suitability for factor analysis. Cronbach's alpha value for the main study was 0.85 indicating a statistically reliable construct.

Professionalism was perceived to be more important for accountants than ethics and leadership as the means for professionalism was higher than that of the items in ethics and leadership.

Ethics had a negative relationship with leadership, as undergraduates who had ranked leadership highly marked low on ethics. However, it is not significant. Leadership and professionalism together have a significant influence on ethics.

Leadership has the highest explanatory power of 0.456 compared to the explanatory power of ethics of 0.078 and 0.231 for ethics.

Among the leadership qualities the highest mean was scored for personal attention. Honesty scored the highest in the ethics questions. Intelligence was deemed the most important quality of professionalism.

Discussion

The findings of this study will be useful to find what the businesses would want from their accountants in the future. The respondents were generation Y, who will be future business leaders. The undergraduate participants in the survey responded that they expect accountants to possess an above average level of leadership, ethics and professionalism. This is an encouraging finding that helps to understand what qualities future accountants should possess.

Personally attending to financial matters is the most expected function of an accountant as leader, followed by recognizing and appreciating the efforts of others. This finding suggests that an accountant should possess a more democratic or participative leadership style rather than an autocratic leadership style. It follows Joyce and Mun's finding in 2013 that accountants' leadership qualities are important. Deloo et. al's in 2011 predicted that accounting will face hybridization and accountants will have to work as business advisors. The findings of this study support the Deloo et. al's finding that being a good communicator and being influential scored third and fourth places. Craig and James noted that accountants should be able to drive organizational change. The change element of this study has only scored a mean of 0.539 and gained 8th place in the ranking. However, the findings overall support the finding in the previous literature that accountants should possess above average leadership qualities. Kranacher (2009) stated that accountants should possess values such as independence, accountability, integrity, and reliability and this study suggests that the highest perceived ethical value of an accountant is honesty followed by trustworthiness. This follows Kranacher's finding though the priority is different. Integrity has scored the lowest rank among the six ethical values. Pruzan (1998) arrived at a similar finding that accountants should show

value-based management and more ethical values. Ethical values have been ranked 5 by the respondents giving it lower priority compared to honesty and trustworthiness. Another interesting finding of this study was a negative relationship between leadership and ethical values, similar finding to Joyce and Mun (2013)'s finding. Students seem to think that ethical values will hinder good leadership qualities suggesting that students perceive ethical values have to be compromised in order to be a good leader who drives the organizational change. The result shows that extrinsic qualities are more valued than intrinsic qualities.

Professionalism is the second most important quality that an accountant should possess in the eyes of the undergraduates who participated in this study. Being intelligent and knowledgeable are the two most important characteristics of an accountant as a professional. Bloom and Myring (2008) has stated that accountants should understand behavioral changes and cultural differences. Wisdom has been ranked below intelligence by Sri Lankan undergraduates. According to Joyce and Mun (2013), the reputation of accountants has declined due to the Enron and Worldcom scandals. Adhering to professional standards has been ranked lowest in this study suggesting that Sri Lankan undergraduates want accountants to use their skill more than blindly obeying the professional standards set by the regulatory bodies. Probably this supports Deloo's findings in 2011 as business oriented management accountants will be wanted by the organizations.

The findings of this study support most of the previous findings in the literature with minor deviations. All three factors -leadership, ethics and professionalism- are important for future accountants. Therefore, all three hypotheses are supported in this study.

Conclusion

According to the study, leadership and professionalism are expected to be instilled in the accountants to drive organizational change. Organizations will need to upgrade their training

programs so as to instill these values in accountants. **Professional accountants will also need to assist their management by playing an instrumental role in risk management and also develop an ethical culture, without being limited to a passive role.**

cover all the loopholes in the accounting profession. Academics can act as mentors for students to sort out their ethical dilemmas.



Accounting and business courses should be changed accordingly. Accounting professional institutes and academic bodies can research together and conduct frequent surveys so that future graduates will be better equipped to face the changes in the environment. To increase professionalism and on-the-job leadership training, academics can be seconded for industrial training programs in banks, public accounting firms, manufacturing firms, etc.

Students should be encouraged to be critical about current issues across different business disciplines such as marketing, operations, etc. Since accounting is multi faceted in nature this will ensure a more holistic approach and eliminate the perception of accountants as being dull and passive. Students can be encouraged to engage in peer discussions and to engage in rigorous research on ethics since it is not possible for rules to

Continuous Professional Development is a way to increase accountants' professionalism. If accountants fail to display professionalism in their duties, it could affect the confidence level of shareholders and potential investors. It is important that accounting practice maintain its ethical integrity and technical expertise as well as

professionalism in the public interest. As a profession is made up of individuals, it is vital that the accounting profession and personal attributes are closely aligned.

Furthermore, business schools need to educate students to appreciate CSR. It needs to be included in the culture of business schools. This would promote greater application of how businesses and accounting disciplines can be combined to make a difference.

This research can be extended to accountants in practice and to different countries or could be done as a comparison between the perception of accountants in practice and undergraduates.



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