

Determinants and Perspectives of an Accounting Career. Empirical Evidence on Students' Perceptions

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Abstract—This study realizes an empirical investigation of main factors to develop an accounting career, stereotypes on accountants and accounting and perceptions on future career path for a sample of master students in accounting. The research provides some insight into what master students consider when choosing their future career paths. The most important two reasons chosen by students were “career opportunities” and “future earnings. They see accounting as structured, governed by conformity, requiring skills in working with numbers, monotonous, accurate, more efficient than effective but also absorbing, interesting and involving a certain degree of novelty. Although these students plan to start their careers in a multinational or accounting/audit firm, most of those plan to leave after five years. It resulted that women value more flexibility and time requiring special attention in retention policies practiced by firms.

Keywords—Accounting career, students' perception, stereotypes.

I. INTRODUCTION

HIRING the right accounting professional is crucial for business and accounting firms. In order to have an effective recruiting strategy and a retention program in place firms must investigate the quality and perceptions of future professionals. If in the case of developed countries more empirical studies were conducted little research was done in the accounting education in the emergent countries [7].

In Romania there are a few studies regarding the competencies of accountants, their role in the society and the skills formed by the academia. Albu *et al.* [2] investigate job offers in order to identify the expectations of the employers and conclude that Romanian accounting positions are in line with evolutions in the international literature. Besides technical competencies in financial accounting, managerial accounting, taxation, auditing, financial analysis, employers expect also competencies in IT, foreign languages, personal competencies and environment-related competencies. Diaconu [5] and Mutiu and Tiron Tudor [22] analyze the accounting curricula of several Romanian universities and show that there is an effort to adapt the curricula to the international benchmarks (as the IFAC standards in

education), but that also there are some deficiencies in areas such as ethics, management accounting and control, corporate governance. This study has two main objectives. The first objective is to provide evidence concerning main determinants to students' decision to develop an accounting career and their perception on accounting and accountants. The second objective is to identify the importance of time and flexibility on short- and long-term career plans these students have. The study aims to provide insights that will assist the accounting profession in Romania in marketing accounting as a career choice and academics to concentrate their educational efforts to create an appropriate perception of the domain and employer firms and to develop retention strategies and to change the perception of potential employees about the long term career opportunities in accounting they offer.

II. LITERATURE REVIEW

Literature reports that intrinsic and extrinsic factors influence a person in the decision making whether to pursue a career in accounting. Hermanson *et al.* [10] found that perceived long-term opportunities, long-term financial rewards, availability of employment, and the nature of the work were the most important factors that led students to major in accounting. Lowe *et al.* [16] provided evidence that all accounting majors (as compared to non accounting majors) are more attracted to the extrinsic rewards of the profession, while intrinsic rewards were more important to female accounting majors (as compared to male accounting majors). Kim *et al.*, [15] conducted a study on business majors identifying that the top five reasons for choosing a major were: interest in a career associated with the major, good job opportunities, “good fit” with respondents' abilities, a desire to run a business some day, and projected earnings in the related career. No study was conducted in Romania on the determinants to choose an accounting career.

The role of the accountant changed over the last decades from a ‘bookkeeper’ and a ‘number cruncher’ into a business analyst, a partner in decision making, a consultant, a ‘knowledge worker’ [8], [12], [19]. In relation to the new role of the accountant, the employers expect graduates to exhibit both technical and personal competencies. Personal attributes such as commitment, self-motivation, team player, innovative problem solving, communication, and time management are more and more required [8], [11], [21]. Although professional

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accounting bodies and professional accounting firms developed activities to change the negative and inaccurate perceptions of accounting and accountants they had a limited success till present [13], [14]. Prior studies revealed that accounting is been viewed by society as boring, tedious and monotonous number crunching [1], that accountants have been referred to as number crunchers, focusing on numerical accuracy, routine recording and calculation methods [23], [1], [4], [9] and considered that these negative perceptions are the result of misinformation about what accounting is and the duties performed by accountants. Research conducted in Australia concluded that Australian university students tend to perceive accounting as primarily numerical, objective and non-controversial, with an affinity towards mathematics and statistics [20] while other studies conducted in the USA, Canada and the UK [3], [6],[17] revealed that many students have the impression that 'accountants are dull, boring number crunchers. Also, according to research conducted in USA and Australia misinformation or the lack of information about what accounting is and the nature of the duties performed by accountants, the increasing number of career alternatives for potential students and their wrong perception on the accounting career are factors that determined the decrease in the number and quality of accounting students [1].

To date, there is no research in Romania on the determinants to develop an accounting career, on future career plans and long term priorities of Romanian students. Employer firms should consider how these career plans may impact the ability to retain their high performing professional employees. Such investigation is relevant as literature in other countries shows that employer firms need to change the perception of the accounting career. In USA, Marxen [18] found that many professionals worked for an accounting firm only to gain experience.

III. RESEARCH METHODOLOGY

This study realizes an empirical investigation of main factors to develop an accounting career, stereotypes on accountants and accounting and perceptions on future career path for a sample of 1st year Master students of the Faculty of Accounting and Management Information Systems from the Academy of Economic Studies from Bucharest. Individual perception data were collected through questionnaires. The completion of the questionnaire was voluntary and anonymous and the students were encouraged to tell their honest opinion. After eliminating incomplete questionnaires we analyzed a sample of 99 questionnaires.

In table I we present the gender of respondents, their contact with accountants and accounting practice.

TABLE I
THE SAMPLE CHARACTERIZATION

Gender	%
Female	81,8
Male	18,2
Contact with accounting practice	%
Students having job in accounting	49,5

Students without a job in accounting	50,5
Contact with accountants	%
Students with family members or friends working in accounting	68,7
Students without family members or friends working in accounting	31,3

This master program is usually followed by the students of the faculty after graduating. The population is dominated by female students (as it is the case lately for the accounting faculty). Contact with accountants could explain the initial decision of respondents to study accounting.

The students were asked to indicate their top three reasons to develop an accounting career by indicating the top reason with a "1," the second most important reason with a "2," and the third most important reason with a "3." As stereotypes form the basis for individuals' career decisions, negative perceptions of accounting and accountants are relevant to be identified and challenged. In order to test students' perception a research instrument developed by Saemann and Crooker [24] was included in the questionnaire. This instrument contains 36 pairs of adjectives representing opposing views of the accounting profession. Students were asked to use a five-point scale located between each pair of adjectives to express the strength of their opinion.

Questions on students' short term and long term career plans and the importance they give to flexibility and time were also included.

We conduct our analysis using descriptive statistics and cluster analysis.

IV. RESULTS ANALYSIS

A question provided fourteen possible reasons why the student may have chosen to develop a career in accounting. The students were asked to indicate their top three reasons by indicating the top reason with a "1," the second most important reason with a "2," and the third most important reason with a "3." Several respondents did not follow the requirement of the question but instead checked off three reasons without indicating their relative importance. Because of inconsistencies in response mode, we decided to count the number of individuals choosing a reason rather than the number of "1"s, "2"s, and "3"s. In table II, we report the results of students' choices of reasons first for the overall sample.

TABLE II
REASONS FOR CHOOSING A CAREER IN ACCOUNTING

Top 5 Reasons for choosing a career in accounting overall sample	%
Career opportunities	65,6
Future earnings	53,5
Opportunity to act as independent professional and open your own business	52,5
Flexibility in career options	24,2
The domain is intellectually challenging	20,2

As one can note from Table II, the most important reasons chosen by most students were "career opportunities" and "future earnings." This is consistent with the results obtained by Hermanson et al. [10]. The opportunity to develop own business (to act as independent professional) was rated as more relevant by male students. Hermanson *et al.* [10] illustrated also that the nature of the work, work environment and the importance of creativity for success were cited by respondents as arguments to avoid a career in accounting. This image of accounting is shared partially by the students from our sample. They see accounting as structured, governed by conformity, requiring skills in working with numbers, monotonous, accurate, more efficient than effective but also absorbing, interesting and involving a certain degree of novelty. The fact that master students see accounting as an interesting domain involving some degree of novelty is a success for the educational process but the other stereotypes require more intense educational efforts to be addressed. It seems also that students associate accounting activity with financial accounting. Labels associated to bookkeeping activity are still present in their minds. Table III below presents attributes agreed by the collectivity of master students.

TABLE III
OPINIONS OF MASTER STUDENTS ON STEREOTYPES OF
ACCOUNTING AND ACCOUNTANTS

	Average	Standard deviation
Boring/ <u>interesting</u>	3.741176	0.953101968
Flexible/ <u>structured</u>	3.341176	0.994663633
<u>Conformity</u> /originality	2.482353	0.995367421
Extrovert/ <u>introverted</u>	3.003529	0.960462074
Ambiguity/ <u>certainty</u>	3.952941	0.815123163
People-oriented/ <u>Number crunching</u>	4.164706	0.961732797
Tedious/ <u>Absorbing</u>	3.282353	0.971152539
Fascinating/ <u>Monotonous</u>	3.011765	0.932152114
Abstract/ <u>Concrete</u>	3.905882	0.881334613
Effectiveness/ <u>Efficiency</u>	3.423529	0.930648399
Unpredictable/ <u>Routine</u>	3.435294	0.905631309
<u>Accurate</u> /Imprecise	1.988235	0.969709304
<u>Methodical</u> / <u>Novelty</u>	3.023529	0.963333382

Table IV reports the students' short and long-term career plans.

We observe that students intend to start their careers in a multinational firm or in a Big Four or other accounting or auditing firm but their long term plans involve the development of their own business. This intention is confirmed by the fact that 89,9% want to be members of a professional body.

We also investigated the importance of flexibility in the next 0 to 5 years and in the next 6 to 10 years. Table V reports the results.

TABLE IV
SHORT- AND LONG-TERM CAREER PLANS

<i>Top 5 Options of Short and Long Term Career Plans</i>	In First Five Years (%)	In Second Five Years (%)
Multinational firm	49,5	25,2
Other accounting or audit firm	23,2	15,2
Big four	21,2	15,2
Own accounting firm	16,2	37,4
Bank	14,1	11,1

TABLE V
IMPORTANCE OF TIME AND/OR FLEXIBILITY

	In First Five Years (%)	In Second Five Years (%)
Very important	55,6	75,8
Somewhat important	34,3	20,2
Not very important	10,1	4
Not important at all	0	0

More female students than male students indicate that time and/or flexibility will be very important in the second five years of their careers (55,6% of female students indicate time and flexibility as very important in the first 5 years, while 77,8% of female students consider that time and flexibility are very important in the next 5 years). In order to test the influence of the importance of time and flexibility for short and long term career plans we present top 5 options for students considering time and flexibility as very important.

TABLE VI
SHORT- AND LONG-TERM CAREER PLANS IN FUNCTION ON THE IMPORTANCE OF FLEXIBILITY

	Time/flexibility very important (%)
<i>Top 5 options of short term career plans</i>	
Multinational firm	53,3
Other accounting or audit firm	21,3
Big four	20
Own accounting firm	18,7
Bank	14
<i>Top 5 options of long term career plans</i>	
Multinational firm	25,3
Other accounting or audit firm	10,6
Big four	17
Own accounting firm	40
Bank	9,3

V. CONCLUSION AND IMPLICATIONS

In this study, we asked a sample of future accounting professionals why they chose to follow a career in accounting.

We determined that career opportunities, future earnings and the opportunity to develop own accounting firms were rated by master students as most important factors when choosing to follow an accounting career. The empirical results suggest that some negative stereotypical labels of the accountant are present in Romania, with students expressing the view that the accountant is introverted and accounting is an activity characterized by routine and certainty. We also asked students about their long-term career plans. Our results reveal that incoming accounting professionals prize the importance of time and flexibility. We concluded that women value more time and flexibility than male students. This research provides some insight into what master students consider when choosing their future career paths. Although these students plan to start their careers in a multinational or accounting/audit firm, most of those plan to leave after five years. The results of this study imply that multinationals and accounting firms should focus their attention on retaining their employees. The results are relevant because they can help these firms to better tailor their recruitment and retention plans to meet the needs of the students that they are trying to attract and to change the perception of potential employees about the long term career opportunities in accounting offered by these firms. One possible path of this research is to interview human resource departments of multinational firms and partners of accounting and auditing firms to determine if these trends were observed in practice if they develop retainment strategies and how efforts are perceived by the professionals to whom they are targeted.

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