

**INTEREST IN THE MANAGEMENT ACCOUNTING
PROFESSION: ACCOUNTING STUDENTS'
PERCEPTIONS IN POLITEKNIK SEBERANG PERAI
(PSP), PULAU PINANG.**

SYAFAWATI ABU BAKAR

UNIVERSITI UTARA MALAYSIA
JUNE 2013

SYAFAWATI ABU BAKAR **INTEREST IN THE MANAGEMENT ACCOUNTING PROFESSION:
ACCOUNTING STUDENTS' PERCEPTIONS IN POLITEKNIK
SEBERANG PERAI (PSP), PULAU PINANG** **MASTER OF SCIENCE
(INTERNATIONAL
ACCOUNTING)**

**INTEREST IN THE MANAGEMENT ACCOUNTING PROFESSION:
ACCOUNTING STUDENTS' PERCEPTIONS IN POLITEKNIK SEBERANG
PERAI (PSP), PULAU PINANG.**

By

SYAFAWATI ABU BAKAR

Project Paper Submitted to
Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Fulfillment of the Requirements for the Degree of Masters of Science
(International Accounting)

PERMISSION TO USE

In presenting this project paper in partial fulfillment of the requirements for a postgraduate degree from Universiti Utara Malaysia, I agree that the University Library make a freely available for inspection. I further agree that permission for copying of this project paper in any manner, in whole or in part, for scholarly purpose may be granted by my supervisor or, in their absence by the Dean of Othman Yeop Abdullah Graduate School of Business. It is understood that any copying or publication or use of this project paper or parts thereof for financial gain shall not be given to me and to Universiti Utara Malaysia for any scholarly use which may be made of any material from my project paper.

Request for permission to copy or make other use of materials in this project paper, in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business

Universiti Utara Malaysia

06010 UUM Sintok

Kedah Darul Aman

ABSTRAK

Tujuan kajian ini adalah untuk menyiasat minat di kalangan pelajar-pelajar perakaunan dalam mengikuti sijil profesional perakaunan pengurusan pada masa hadapan dan faktor-faktor yang mempengaruhi minat di kalangan pelajar perakaunan dalam mengikuti sijil professional perakaunan pengurusan pada masa hadapan. Populasi kajian ini mensasarkan pelajar dari Politeknik Seberang Perai (PSP). Soal selidik digunakan sebagai instrumen utama untuk mengumpul data daripada responden. Kajian ini menunjukkan bahawa faktor-faktor seperti peluang pekerjaan dan pendapatan, keluarga dan rakan-rakan, pengajar, rakan-rakan dan kursus perakaunan pengurusan mempengaruhi minat di kalangan pelajar-pelajar perakaunan dalam mengikuti sijil profesional perakaunan pengurusan pada masa hadapan dengan ketara. Penyelidikan yang diberikan pemahaman yang lebih baik mengenai faktor yang mempengaruhi minat di kalangan pelajar-pelajar perakaunan dalam mengikuti sijil profesional perakaunan pengurusan pada masa hadapan. Hasil kajian menunjukkan bahawa kebanyakan pelajar yang berminat dalam perakaunan kewangan daripada perakaunan pengurusan dan faktor yang paling penting yang mempengaruhi minat mereka secara negatif adalah peluang-peluang pekerjaan dan pendapatan. Walau bagaimanapun, ia menekankan bahawa masih terdapat keperluan untuk menjalankan penyelidikan tambahan untuk mengisi jurang yang belum disentuh dalam kajian semasa. Di akhir bab ini, beberapa cadangan telah disediakan untuk kegunaan masa depan kepada mana-mana penyelidik dalam bidang akademik ini.

Kata Kunci: Perakaunan pengurusan, pelajar, minat, politeknik.

ABSTRACT

The purpose of this study is to investigate the interest among accounting students in pursuing management accounting professional certificates in the future and the factors that influence the interests among accounting students in pursuing management accounting professional certificates in the future. In this study, the targeted population is the accounting students from Politeknik Seberang Perai (PSP). Questionnaire was used as the main instrument for collecting data from the respondents. The study shows that the factors such as job opportunities and income, family and friends, instructors, colleagues and management accounting course (s) significantly influence interests among accounting students in pursuing certificate of professional management accounting in the future. The research provides a better understanding regarding the factors affecting the interests among accounting students in pursuing certificate of professional management accounting in the future. The result shows that students are most interested in financial accounting rather than management accounting and the most important factor that may negatively influence their interest is job opportunities and income. However, it is emphasized that there is still a need to conduct additional research to fill the gaps that have not been covered in the current study. In the final chapter, some recommendations were provided for future use to any researcher in this academic field.

Keywords: Management accounting, student, interest, polytechnic.

ACKNOWLEDGEMENT

First and foremost I thank the Almighty Allah SWT, for His blessings and mercifulness that helped and inspired me to initiate and complete this study.

A special thank you to my supervisor, Dr. Mohd 'Atef bin Md. Yusof, for his guidance, insight and encouragement in the writing and compilation of this study. Your invaluable support and patience throughout this journey has been unreal and is appreciated from the bottom of my heart.

To my classmates and friends, I wish to thank them for supporting this initiative and affording me their time and sharing their experiences.

I am indebted to my family especially my husband and daughter for their encouragement, support and love. They have been an inspiration to me. This appreciation is also extended to my mother for her support and prayer for my success. Without help from all of these people, it would have been difficult to complete the study.

TABLE OF CONTENTS

PERMISSION TO USE	ii
ABSTRAK	iii
ABSTRACT	iv
ACKNOWLEDGEMENT	v
TABLE OF CONTENTS	vi
LIST OF TABLES	ix
CHAPTER ONE: INTRODUCTION	
1.1 Background of the study	1
1.2 Problem Statement	3
1.3 Research Objectives	4
1.4 Research Questions	4
1.5 Significance of Study	5
1.6 Organization of Study	5
1.7 Summary	6
CHAPTER TWO: LITERATURE REVIEW	
2.1 Review of polytechnic syllabus	7
2.2 Review of management accounting	8
2.3 Interest in the management accounting	8
2.4 Factors influencing students' interest in the management accounting profession	10

CHAPTER THREE: METHODOLOGY

3.1 Introduction	13
3.2 Research Design	13
3.3 Population and Samples	14
3.4 Research Instruments	14
3.5 Questionnaire Preparation	15
3.6 Data Analysis Techniques	16
3.6.1 Descriptive Analysis	16
3.7 Summary	16

CHAPTER FOUR: FINDINGS

4.1 Introduction	17
4.2 Survey Respondents	17
4.3 Profile of the Respondents Surveyed	17
4.4 Descriptive Statistics	
4.4.1 Interest in the management accounting profession	19
4.4.2 Factors influencing students' interest in the management accounting profession	20
4.4.3 Suggestions encourage students' interest in the management accounting profession	22
4.5 Summary	24

CHAPTER FIVE: CONCLUSIONS

5.1 Introduction	25
5.2 Conclusions	25
5.3 Limitations of the Study	26
5.4 Recommendations	26

REFERENCES	27
-------------------	-----------

APPENDIX

Appendix 1: Questionnaire

LIST OF TABLES

Table 4.1: General information	18
Table 4.2: Respondents' interest in selected professional accounting qualification	20
Table 4.3: Factors that have decreased accounting students' interests in the management accounting profession	21
Table 4.4: Factors that may increase accounting students' interests in the management accounting profession	23

CHAPTER 1

INTRODUCTION

1.1 Background of the study

The polytechnic is one of the public institutions of higher education under the Ministry of Education (MOE). The aim of Polytechnics is to train future semi-professional workers to meet the requirement of industrial demand majoring in technical, commerce and services. To meet those demands, polytechnic act as a center of learning that offers technical, commerce and services programmes. There are 32 polytechnics in Malaysia and one of them is Politeknik Seberang Perai (PSP) located in Pulau Pinang.

PSP offers full time and part-time programme for Diploma level in the field of Electrical Engineering, Mechanical Engineering, Commerce and Information Technology. There are four departments in PSP, including Electrical Engineering, Mechanical Engineering, Commerce and Information Technology Department. The focus of this study in on Commerce Department. One of the program offers for the Diploma in Accountancy.

The Diploma in Accountancy for polytechnics aims to produce the future graduates with knowledge and skills in areas of financial accounting, auditing, taxation and cost & management accounting as well as management knowledge, information technology, entrepreneurship and interpersonal development. The aim of this programme is to equip the future graduates with accounting and management skills in

The contents of
the thesis is for
internal user
only

REFERENCES

- Abernethy, M. A., & Bouwens, J. (2005). Determinants of accounting innovation implementation. *Abacus*, 41(3), 217-240.
- Ahmed, K., Alam, F.K., and Alam, M. (1997), "An empirical study of factors affecting accounting students' career choice in New Zealand", *Accounting Education: an international journal*, Vol.6 No.4, pp. 325-335.
- Allen, C.L. (2004), "Business students' perception of the image of accounting", *Managerial Auditing Journal*, Vol. 19 No. 2, pp. 235-258.
- Atkinson, A. A. (1987). Choosing a future role for management accounting. *Chartered Management Accounting*, 64 (4), 29-35.
- Bromwich, M. and Bhimani, A. (1989). *Management Accounting: Evolution not Revolution*, London: Chartered Institute of Management Accountants.
- Bromwich, M. (1990) 'The Case for Strategic Management Accounting: The Role of Accounting Information for Strategy in Competing Markets', *Accounting, Organizations and Society*, 15(1-2), pp. 27-46.
- Byrne, M. and Willis, P. (2005), "Irish secondary students' perceptions of the work of an accountant and the accounting profession", *Accounting Education: an International Journal*, Vol. 14 No. 4, pp. 367-81.
- Chenhall, R. H. (2008). Accounting for the horizontal organisation: *A review essay*. *Accounting, Organizations and Society*, 33, 517-550.

Department of Polytechnic Education, Ministry of Higher Education, Department of Commerce, 2011.

<http://www.cidos.edu.my/mod/data/view.php?id=3734&v=3&mod=PA504&cid=1>

Felton, S., Buhr, N., and Northey, M. (1994), "Factors influencing business students' choice of a career in chartered accountancy", *Issues in Accounting Education*, Vol. 9 No.1, pp. 1-19.

Germanou, E., & Hassall, T. (2009). Students' perceptions of accounting profession: work value approach, *Asian Review of Accounting*, 17(2), 136-148.
<http://dx.doi.org/10.1108/13217340910975279>

Ghosh, B. and Chan, Y. (1997) 'Management Accounting in Singapore: Well in Place?' *Managerial Auditing Journal*, Vol. 12, 1, p. 16-18.

Granlund, M. and Lukka, K. (1998a) 'Towards increasing business orientation: Finnish management accountants in a changing cultural context', *Management Accounting Research*, 9(2), pp. 185-211.

Granlund, M. and Lukka, K. (1998b) 'It's a Small World of Management Accounting Practices', *Journal of Management Accounting Research*, 10, pp. 153-179.

Hansen, A., & Mouritsen, J. (2007). Management accounting and changing operations management. In T. Hopper, D. Northcott & R. Scapens (Eds.), *Issues in Management Accounting* (3 ed., pp. 3-25). Harlow, England: Pearson Education Limited.

- Hoffjan, A., Nevries, P. and Stienemann, R. (2009). Comparative Management Accounting – Literature review on similarities and differences between management accounting in Germanic and Anglophone countries', in Berens, W./Hoffjan, A./Burgartz, T. (Hrsg.): *Controlling in einem globalen Markt*, Vol. 37. Edition Controlling und Management, Peter Lang Verlag, pp. 113-146.
- Hutaibat, K. (2005). Management accounting practices in Jordan – a contingency approach. University of Bristol, UK.
- Hutaibat, K. (2011) 'Interest in the Management Accounting Profession: Accounting Students' Perceptions in Jordanian Universities' *Asian Social Science Journal*, Vol. 8, No. 3, pp. 303-316.
- Institute of Management Accountants.(2000), Countingmore,countingless.
www.imanet.org/content/publications_and_research/IMAstudies/moreless.pdf
- Islam, M. and Kantor, J. (2005) 'The Development of Quality Management Accounting in China' *Managerial Auditing Journal*, Vol. 20, No. 7, pp. 707-724.
- Ittner, C., & Larcker, D. (2002). Empirical managerial accounting research: Are we just describing management accounting practice? *European Accounting Review*, 11(4): 787-794.
- Jackling, B. and Calero, C. (2006), "Influences on undergraduate students' intentions to become qualified accountants: Evidence from Australia", *Accounting Education:an international journal*, Vol.15 No.4, pp. 419–438.

- Johnson, H. T., & Kaplan, R. S. (1987). *Relevance Lost: The Rise and Fall of Management Accounting*. Boston; Harvard Business School.
- Johnson, H.T. (1990). 'Performance Measurement for Competitive Excellence', in Kaplan, R.S. (ed.), *Measures for Manufacturing Excellence*, Boston, Mass.: *Harvard Business School Press*.
- Joshi, P. L. (2001). The international diffusion of new management accounting practices: The case of India. *Journal of International Accounting, Auditing and Taxation* 10 (1): 85–109.
- Kaplan, R. S. (1984). The evolution of management accounting. *The Accounting Review*, 59 (3), 390-418.
- Kim, D., Markham, F.S. and Cangelosi, J.D. (2002), "Why students pursue the business degree: A comparison of business majors across universities", *Journal of Education for Business*, 78(1), pp. 28-32.
- Lowe, D., and Simons, K. (1997), "Factors influencing choice of business majors- some additional evidence: a research note", *Accounting Education: an international journal*, Vol.6 No.1, pp. 39-45.
- Malaysian Institute of Accountants. (2013).<http://www.mia.org.my/new/about.asp>
- Marshall, R. (2003), "Calling on tomorrow's professionals", *Chartered Accountants' Journal*, Vol.82 No.1, pp.4-9.

- Mauldin, S., Crain, J.L., and Mounce, P.H. (2000), “The accounting principles instructors’ influence on students’ decision to major in accounting”, *Journal of Education for Business*, Vol.75 No.3, pp.142-148.
- Omar, N. (2009). Factors influencing the diploma in accounting (DIA) students’ decision to pursue professional accounting programmes.
- Otley, D. (2008). Did Kaplan and Johnson get it right? *Accounting, Auditing and Accountability Journal*, 21 (2),229-239.
<http://dx.doi.org/10.1108/09513570810854419>
- Said, J., Ghani, E. K., Hashim, A., & Nasir, N. M. (2004) Perception Towards Accounting Career Among Malaysian Undergraduates. *National Accounting Research Journal*, 2(1), 31-42.
- Strasser, S., Ozgur, C., & Schroeder, D. (2002). Selecting a business college major: an analysis of criteria and choice using the analytical hierarchy process. *Mid-American Journal of Business*, 17(2), 47–56.
- Sugahara, S., & Boland, G. (2006) Perceptions of the certified public accountants by accounting and non-accounting tertiary students in Japan. *Asian Review of Accounting*, 14 (1/2), 149-167. <http://dx.doi.org/10.1108/13217340610729518>
- Tan, L.W. and Laswad, F. (2006), “Students’ beliefs, attitudes and intentions to major in accounting. *Accounting Education: An International Journal*, Vol. 15 No. 2, pp. 167-87.
- Utusan Malaysia. (2008) Chandra Mohan New President CIMA
Malaysia.23/06/2008.

http://www.utusan.com.my/utusan/info.asp?y=2008&dt=0623&pub=Utusan_Malaysia&sec=Ekonomi&pg=ek_04.htm

Wells, P. and Fieger, P. (2005), "Accounting: perceptions of influence high school teachers in the USA and NZ", Research Paper Series, Paper 18-2005, Faculty of Business Auckland University of Technology, Auckland.