The perception of undergraduate students towards accountants and the role of accountants in driving organizational change
A case study of a Malaysian business school
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Abstract
Purpose – This study aims to bridge the research gap on the perception of accountants, intention to pursue an accounting career and the role of accountants in driving organizational change among undergraduates in Malaysia.
Design/methodology/approach – The study sample comprises 279 undergraduate students from a business school in Malaysia. The constructs of the study are leadership, ethical values, professionalism and role of accountants as drivers of change. Exploratory factor analysis and Cronbach’s alpha are used to assess validity and reliability. Descriptive statistics and multiple linear regression are employed for hypotheses testing.
Findings – The study found that students perceive accountants positively in leadership, professionalism and ethical values. However, only leadership and professionalism exert a significant positive influence on the role of the accountant as a driver of change. Ethical values was not only insignificant but had a negative relationship.
Practical implications – The study suggests that there may be avenues for the profession to improve its branding to engage and retain future talent. It is imperative to embed greater emphasis of ethical values, as well as make business education more engaging.
Originality/value – The study explores the perception of the accounting profession among future business leaders in a developing nation. The findings show that students appear to perceive extrinsic characteristics (leadership and professionalism) as more important than intrinsic (ethical values) in driving organizational change.
Keywords Accountants, Perception, Malaysia, Business schools, Undergraduates, Accountancy profession, Generation Y, Business education, Organizational change
Paper type Research paper

Study background
Accountants have frequently been stereotyped as bean counters that produce historical financial reports which have limited relevance for decision making (Warren and Parker, 2009). They are also known for being meticulous. More often than not, they have been described using negative adjectives such as dull, boring, inflexible, “wet blankets,” passive and lacking imagination (Chang et al., 2011; Hammani and Hossain, 2010). Accounting students are found to perceive the accounting discipline as being highly rules based (McDowall and Jackling, 2010). Financial scandals, irregularities and the sub-prime crisis of 2008 may have further marred the perception of the accounting profession (Jackling et al., 2007; Sugahara et al., 2009; Khan, 2010; Laux and Leuz, 2010). Conflict of interest, earnings management and whistleblowing have surfaced as critical challenges for the profession (Jackling et al., 2007). As such, the integrity of the profession has been questioned. Nevertheless, studies among
students and/or professionals outside Malaysia have found that the image of the accounting profession as being somewhat positive (Hammani and Hossain, 2010; Germanou et al., 2009) although not necessarily on par with other professions such as medicine or law (McDowall and Jackling, 2010). The accounting profession also does not command as much media visibility as other professions.

Based on the Malaysian Institute of Accountant’s Annual Report for the year ended 30 June 2011, there were 27,156 registered accountants in Malaysia. Most of the members are aged between 31 and 40 years (46 per cent) and 41 and 50 years (29.1 per cent). However, it has been estimated that Malaysia requires 50,000 certified accountants by 2020 and the current figures are still quite far off (Ghani et al., 2008). The low percentage of members below the age of 30 (7 per cent) in recent years as compared to 13.6 per cent in 2002 may be an indication of the lack of interest of the younger generation in becoming chartered accountants. Table I also indicates that over the years 2002-2011, it is becoming evident that the greying profession phenomenon in the west may be heading to our shores (Randall, 2010).

Generation Y is often described as the cohort born between the start dates of 1977-1982 and end dates 1994-2003 (Shaw and Fairhurst, 2008). They are described as a generation who are technologically savvy, value experiential learning, seek relevance in their careers and have high social consciousness. They have a penchant towards novelty and variety in job expectations combined with the negative media stereotype towards accountants may also not bode well on the consideration of accounting as a career option (Malthus and Fowler, 2009; Bloom and Myring, 2008; Terjesen et al., 2007). High turnover rates in public accounting firms among Generation Y have been a current trend (Randall, 2010; Ghani et al., 2008). Talent recruitment and retention have become critical challenges in dealing with this cohort of employees (Bloom and Myring, 2008). In view of this, the sample of this study has been sourced from undergraduate students pursuing business courses within the ages of 18-23. Their perception of accountants and the role of accountants in driving organizational change are important to provide insight as to what can be done on campus to restore relevance to the image accounting profession through the curriculum.

The dynamic business environment compels accountants to change their mindset to restore their relevance and integrity. In this respect, future accountants have to be prepared to play a more engaging role as leaders and partners of organizational change. Their focus needs to be realigned to helping firms regain societal legitimacy and in sustaining long-term balanced growth (Smith and Raument, 2010).

Although studies on the perception of accountants have been done in other countries such as the USA (Allen, 2004), Qatar (Hammani and Hossain, 2010), Japan

<table>
<thead>
<tr>
<th>Age group</th>
<th>2002</th>
<th>2010</th>
<th>2011</th>
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</thead>
<tbody>
<tr>
<td>Less than 30 years</td>
<td>2,378</td>
<td>1,813</td>
<td>1,953</td>
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<td>31-40 years</td>
<td>8,575</td>
<td>12,688</td>
<td>12,473</td>
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<td>41-50 years</td>
<td>4,726</td>
<td>7,217</td>
<td>7,920</td>
</tr>
<tr>
<td>51-60 years</td>
<td>1,391</td>
<td>3,605</td>
<td>3,758</td>
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<tr>
<td>Above 60 years</td>
<td>409</td>
<td>927</td>
<td>1,052</td>
</tr>
<tr>
<td>Total membership</td>
<td>17,479</td>
<td>26,250</td>
<td>27,156</td>
</tr>
</tbody>
</table>

Source: Malaysian Institute of Accountant (2011)
(Sugahara et al., 2009) and Australia (McDowall and Jackling, 2010), there is lack of comprehensive studies in Malaysia. This study fills the lacuna of literature in Malaysia by investigating the current perceptions of accountants in terms of leadership qualities, ethical values, professionalism and personality traits and the influence of these traits of accountants in driving organizational change. The two research questions (RQ) for this study are as follows:

**RQ1.** What is the current perception of accountants in terms of their leadership qualities, ethical values and professionalism?

**RQ2.** What are the attributes of accountants that are perceived to drive organizational change?

The image of the accounting profession has often been downplayed and scrutinized due to traditional stereotyping and corporate accounting scandals (Allen, 2004; Hammani and Hossain, 2010). This makes it challenging for firms to retain accounting staff especially among individuals who belong to the Generation Y cohort (Chang et al., 2011; Bloom and Myring, 2008). The findings of this study will have implications on the development of more relevant content and improvements in delivery of accounting courses. This study also hopes to provide better insight on how the image of the accountancy profession could be enhanced in order to be able to recruit and retain new talent amongst Generation Y employees.

**Perception of accountants**

Perceptions are intuitive first impressions, attribution and understanding made on individuals and/or groups. Perceptions are often based on stereotypes which are discriminating social prejudices formed on an individual or group (Nielsen and Huse, 2010; Hammani and Hossain, 2010). In an organization, stereotypes can emerge on gender, race, nationality, job role and minority group. Entity theorists opine that stereotypes once formed are fixed while incremental theorists believe that they are amenable to change over time (Levy et al., 1998). However, stereotypes are often enduring, difficult to change and can influence self-identity and self-esteem (Greenwald et al., 2002). As mentioned above, perceptions on accountants outside Malaysia have not always been positive. As such, this study investigates three aspects of the perception of accountants derived from extant literature namely leadership, ethical values and professionalism in Malaysia.

**Leadership**

Accounting ensures availability, management and accountability of funds which is critical to the operations of businesses. The role of accountants needs to transform from that of a traditional bean counter to a controller and moving onward as an enabler and co-creator of organizational value (Denning, 2011). As such, accountants today need to embrace the mindset of leaders rather than merely managers. Examples of Malaysian accountants who have assumed key management positions of public listed companies are Tan Sri Tony Fernandes (CEO – Air Asia Bhd), Dato’ Azman Yahya (Chairman – Bolton Bhd), Dato’ Sri Wahid Omar (President/CEO – Maybank Group) and Tan Sri Azman Hashim (Executive Chairman – Amcorp Group Berhad). As leaders, they drive the vision and mission of the organization.

Leadership styles range from autocratic, participative and laissez faire (Alkahtani et al., 2011). The autocratic style stresses on management command and control.
Traditionally, financial controllers have been viewed as highly rules based in adopting a tight rein over financial affairs of organizations, thereby mimicking an autocratic demeanour. In contrast, the participative style promotes greater democracy and incorporates employees’ views in decision making. The participative leader encourages teamwork and mutual exchange of ideas. On the other hand, the laissez faire leadership style is non-interfering, highly delegated and free reign approach. Laissez faire leadership requires high trust and confidence of the leader on the subordinates.

While financial accountants are bound by international reporting standards, management accountants in particular are not strictly bound by accounting rules. Management accountants are more closely involved in the day-to-day planning, control and decision-making functions in an organization. It is envisaged that their role extends to the provision of leadership, strategic management, operational alignment and the facilitation of a learning organization (Brewer, 2008). Management accountants have a role in driving the organizational mission through assessment of risk, formulating and implementation of strategy, aligning rewards to performance and providing constructive feedback. This includes internal analysis, reporting (internal and external), risk management as well as maintenance of internal control. In this respect, the role of management accountants can still be very much of a gatekeeper and/or scorekeeper (De Loo et al., 2011).

The International Financial Reporting Standards (IFRS) has been argued promote relevance in incorporating changes in the reporting needs of industries, organizations and the public (Craig, 1993). In line with this, accountants need to possess not only the technical skills but must also strive to engage more with relevant stakeholders in reinforcing the trust and integrity required of the profession for public service. Accountants need to embrace global changes and help to foster an organizational culture that is able to better safeguard the interests of its stakeholders. Transformational leadership could be embraced to promote a principled approach towards change and in upholding the integrity of the profession (Sama and Shoaf, 2008).

The heightened global consciousness on social and environmental sustainability has also increased demand for more accountability that extends beyond financial performance. Social pressure for greater corporate social responsibility (CSR) would garner greater involvement of the accounting profession in implementing sustainability reporting for decision making. Sustainability requires a synergy between organizational culture, communications, performance and rewards. Although measurability of societal and environmental performance remains wanting, accountants can take the lead in promoting greater responsibility and accountability in the implementation of more relevant, robust, transparent and meaningful corporate sustainability communications. Leadership and organizational culture were found to be the most essential factors in managing trade-offs middle managers encounter in balancing financial, social and environmental performance (Epstein et al., 2010).

Accountants besides executing a fiduciary role to the shareholders, have also a stewardship role to play to society and the environment. In this respect, their role is closely aligned to the servant leader. Servant leaders are driven by strong vision, ethical values and commitment towards stewardship in service within and beyond the organization (Stone et al., 2004). They have also been perceived to place a high value on empathy, integrity and competence (Washington et al., 2006). Unlike transactional and transformational leaders, servant leaders’ commitment and concern extends beyond the organization and they are often concerned with people over products. In this
study, a high score in the leadership construct would reflect high servant leadership characteristics. As such, \(H1a\) is posited:

\[ H1a. \text{ Accountants would be expected to have a higher than average leadership score.} \]

Agency theory stipulates that accountants via contractual agreements act as managers or agents of the shareholders who are the principal (Jensen and Meckling, 1976, cited in Godfrey et al., 2006). The classical theory advanced by Milton Friedman argued that the main responsibility of the accountant as manager is towards maximizing the financial wealth of the shareholders and the “ethical” duty is limited to adherence to regulations (Gallagher, 2005; McAleer, 2003). Strictly adhering to these theories, the role of financial reporting would be to monitor and control efficiency of performance (Pruzan, 1998). However, agency theory and the classical theory have been critiqued for their exclusive focus on the shareholder. To achieve greater transparency and in alleviating the legitimacy gap that exist between the company and its stakeholders, traditional financial control needs to be supplemented by value-based management (Pruzan, 1998). Value-based management seeks to achieve legitimacy and accountability through corporate social and ethical responsibility for long-term survival. A shift from an agency to a stewardship role of accounting is required to promote accountability. In protecting public interest, ethical values and integrity are paramount to the accountancy profession (Sama and Shoaf, 2008).

Corporate governance regulations such as the Sarbanes Oxley Act, The Cadbury Report and The Malaysian Code of Corporate Governance are highly explicit and rules based. The term corporate governance traditionally connotes how a firm is directed and controlled. However, a rules-based system is often reactive to the issues in the environment and cannot fully incorporate all ethical situations. This often leads to organizations skirting blame by adhering to the letter rather than the spirit of the law. Ahmad and Salleh (2008) suggest that a more effective and enduring way of implementing governance and stewardship is what they term human governance. In their view, ethical values need to be inculcated as a way of life much akin a spiritual discipline within an organizational culture.

In moving to a principle-based approach in determining the substance of transactions, the use of judgement becomes imminent. In order to produce high-quality reports, it is important for professional accountants to uphold core values of integrity, reliability, independence and accountability (Kranacher, 2009a). The accounting profession needs to be a moral community that continuously strives to make ethics as part of the culture that undermines the conduct of its members (Cowton, 2009). The culture of this moral community is to maintain credibility in self-regulation. The accounting profession needs to be seen more than just being a qualification body or viewing members merely as customers. Ethical values such as honesty, integrity, duty of care to others and fairness are also becoming increasingly important in exercising stewardship as accountants engage in CSR and sustainability issues (Russell and Stone, 2002; Russell, 2001).

In the short term, the exercise of principles can be vague and subjective. Upholding ethical values may also come at a cost. Whistleblowers may face retaliation or not be taken seriously for the exercise of their moral convictions (Hunt, 2010; Elias, 2008). Subjectivity in judgement may rationalize earnings management practices that challenge the accounting profession (Jackling et al., 2007). Individual attitudes of public
accountants have been found to moderate the relationship between their subjective norms (beliefs) and ethical decision-making intentions (Buchan, 2005). The absence of moral leadership by accounting professionals may also have contributed to the complacency in internal control and lack of corporate governance observed in high-profile financial scandals (Ferrell and Ferrell, 2011). High scores in ethical values in this study would indicate a preference towards values such as honesty, integrity, fairness and trust. In line with this, $H_{1b}$ is posited:

$H_{1b}$. Accountants would be expected to have a higher than average score on ethical values.

A profession is distinguished as a body that possesses a specific knowledge base and has the requisite expertise to further nurture the development of the necessary skills for public service (Stuebs and Wilkinson, 2009; Cowton, 2009; Sama and Shoaf, 2008). It would not be possible for an individual accountant to command trust without the requisite technical as well as leadership competence (Washington et al., 2006). Acquisition of technical knowledge would require a substantial period of training for certification/qualification (Cowton, 2009). As such, accounting professionals often command high level of financial remuneration and to a certain extent personal reputation. In line with this, $H_{1c}$ is posited:

$H_{1c}$. Accountants would be expected to have a higher than average score on professionalism.

**Perception of the accountancy profession**

While the attributes of accountants discusses specific characteristics of individual accountants, the perception of the accountancy profession deals with the characteristics of the accountants, the perception of accountancy profession deals with the characteristics of the accounts as a group or body of certified individuals. Professions are governed by a code of ethics and accountability to an institution of peers (Raar, 2006). Professions are trusted for their integrity and often exist through their voluntary commitment towards self-regulation. Self-regulation of a professional accountant requires cognitive abilities as well as self-awareness to continually adapt to changes in the organization as well as the business environment (Taylor-Bianco and Schermerhorn, 2006).

It has been questioned whether the accounting practice should be treated as a profession or industry (Kranacher, 2009b). As a profession, accountants are committed to a calling in upholding specialized knowledge through extensive academic training and examinations as well as voluntary subscribing to a duty towards promoting public interest. On the other hand as an industry, accountants are viewed as part of the labour force which is geared towards seeking efficiencies in profit making enterprises. The pertinent issue is whether the image of the profession are hampered by the quality of services extended by a large proportion of non-certified individuals that make up the industry. The question also remains whether professional accountants can uphold their high standards whilst coexisting with a host of non-certified counterparts.

The identity of the accounting profession is a culmination of individual values, self-image and individualism within organizations and public expectations (Richardson and Jones, 2007). In order to achieve legitimacy of the profession, there needs to be congruence between the values of individuals, organizations and the
profession. In light of the financial scandals of the last decade, the issue is whether the profession is doing enough in ensuring that the values they profess are actually conveyed by individuals within their organizational and community settings (Raar, 2006).

As discussed previously, traditionally the accountancy fraternity are perceived as bookkeepers and primarily assume administrative “bean counter” roles. This perception has been exacerbated by negative and incomplete media portrayals of what professionals actually do (Bloom and Myring, 2008). The financial scandals in the last decade such as Enron and Worldcom in the USA, Satyam in India and Transmile Air in Malaysia may have also tarnished the credibility of the profession to an extent. Time will tell whether this will ever be fully restored.

Accounting standards are gradually moving from a rule based to a more principle-based platform. Efforts to promote more relevant financial standards have prompted the increasing use of fair values in the IFRS in place of historical cost. This development requires the accounting profession to rise up to the challenge in keeping abreast with valuation methods and market conditions whilst discharging good governance. Professional accountants are involved in providing critical advice in both conformance and performance dimensions of corporate governance. Conformance services range from assurance, accountability and risk management whilst performance advice includes strategy formulation and corporate communications. An appreciation of these roles is critical in upholding legitimacy, engaging responsible stewardship and in enhancing value creation to the shareholders and society.

The convergence agenda of the IFRSs by the International Accounting Standards Board (IASB) may promote greater mobility of accountants in terms of job prospects and transferability of skills globally. Greater job opportunities in the accountancy field have been found to be the main reason students from non-accounting majors would perceive the profession well (Allen, 2004). What is evident is that the accounting profession needs to play a more encompassing role in providing technical support, encouraging adoption and feedback of the IFRSs among its members. Besides updating their members, the accounting profession could act as a forum of best practices among peers that could enhance the quality of services provided to clients and society at large.

Drivers of organizational change
It is commonly accepted that change in the business environment is inevitable. The pace of change in the business environment has been accentuated due to rapid technological advance and changes in expectations and demands of stakeholders. Accounting plays a supporting role within organizations which involves interacting with all operating departments/divisions in matters ranging from financial reporting and management, budgeting, planning and control. Traditionally, the accounting function was limited to recording and accountability of transactions after the fact. These roles relegate accounting as a pure cost centre which was not seen to be value adding (Sharma and Jones, 2010). In addition, the accounting function is perceived to operate in a more regulated functional area and thus less amenable to creativity. However, it has been found that accountants can operate in an adaptive manner within regulated tasks as well as innovatively in contributing new ideas around the task they perform (Al-Beraidi and Rickards, 2006). As such, management accountants for instance can support the process of change by identifying critical business areas for improvement and developing more relevant performance
measurement systems and processes. These efforts are important in promoting greater transparency and commitment towards change at all levels in the organization (Joseph, 2006).

Organizational change can be efficiency or capability related (Venkataraman, 1994, cited in Joseph, 2006). Efficiency-related changes are localized involving incremental integration. On the other hand, capacity-related changes are radical involving structural changes which attract greater user resistance. Radical change also requires an underlying cultural redefinition. As such, organizational change requires a vision, mission, an enabling and empowered team as well as a sense of urgency (Kotter, 1995). Leadership is an essential driver of organizational change. Leaders embrace change by imparting a sense of purpose, identity and personal mastery as well as a sense of urgency (Kennedy, 2008; Moran and Brightman, 2001). Accountants need to be able to communicate financial performance and expectations in a manner that promotes accountability and commitment towards future improvement. In this respect, accountants can also play a greater facilitating role in encouraging dialogue between management and employees especially in setting financial benchmarks and in promoting a learning culture (Frances, 1995). A learning environment requires the ability of accountants to secure the trust needed to design better alignment of activities performed and performance, improve the control and problem solving both within and across departments. Trust saves time, facilitates adaptation and can improve efficiency (especially in allocation of information) in the organization. Management accounting is about promoting desired behaviour in people and accountants as leaders of change can use it in building up the critical competencies within their organizations (Shiller, 2010). The accounting professionals' analytical skills also come in handy in conceptualizing problems and potential solutions in decision making. As far as we know there is no study investigating the perceived attributes of accountants as drivers of organizational change amongst potential accountants. As such, the following hypotheses are posited in response to RQ2 above:

\[ H2a. \] Leadership qualities influence the perception of accountants as drivers of change.

\[ H2b. \] Ethical values influence the perception of accountants as drivers of change.

\[ H2c. \] Professionalism influence the perception of accountants as drivers of change.

**Research design and methods**

**Sampling design**

This study employs a sample comprising undergraduate students from a business school located in Klang Valley, Malaysia. The business majors pursued by the students include accounting, finance, human resources, marketing, management and general business. A purposive sampling method was adopted for this study as the objective of this study is to verify conceptual rather than population or predictive generalizability of the hypotheses.

**Data collection method**

Data collection was conducted based on responses to a survey questionnaire. The intercept method was used. Assurances of anonymity were given prior to participation and respondents were also informed that participation in the survey was voluntary.
The Likert Scale with intervals ranging from 1 = strongly disagree to 5 = strongly agree was employed.

**Instrument design and measurement assessment**

The variables of this study are summarized in Table II. Data for the study are analysed using SPSS PASW Version 18. The reliability of the constructs is validated using a threshold Cronbach’s $\alpha$ of 0.7 (Nunnally, 1967, cited in Peterson, 1994; Hair et al., 2010).

The validity of constructs of this study is determined via exploratory factor analysis. The extraction method used is the principal component method whereas the

<table>
<thead>
<tr>
<th>Attributes of accountants</th>
<th>Ethical values</th>
<th>Leadership</th>
<th>Professionalism</th>
<th>Item</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethic27 – honest</td>
<td>0.913</td>
<td></td>
<td></td>
<td></td>
<td>3.84</td>
<td>1.081</td>
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<tr>
<td>Ethic26 – trustworthy</td>
<td>0.866</td>
<td></td>
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<td>3.97</td>
<td>0.998</td>
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<td>Ethic25 – truthful</td>
<td>0.802</td>
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<td></td>
<td></td>
<td>3.86</td>
<td>1.089</td>
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<tr>
<td>Ethic28 – fair</td>
<td>0.779</td>
<td></td>
<td></td>
<td></td>
<td>3.87</td>
<td>1.047</td>
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<td>Ethic29 – ethical</td>
<td>0.745</td>
<td></td>
<td></td>
<td></td>
<td>3.86</td>
<td>1.047</td>
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<tr>
<td>Ethic30 – integrity</td>
<td>0.567</td>
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<td></td>
<td></td>
<td>3.92</td>
<td>0.906</td>
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<tr>
<td>Leader10 – gives personal attention</td>
<td>0.754</td>
<td></td>
<td></td>
<td></td>
<td>3.15</td>
<td>1.146</td>
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<tr>
<td>Leader14 – appreciates efforts of others</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3.32</td>
<td>1.141</td>
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<tr>
<td>Leader07 – good communicator</td>
<td>0.687</td>
<td></td>
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<td></td>
<td>3.26</td>
<td>1.150</td>
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<tr>
<td>Leader13 – empowers others</td>
<td>0.673</td>
<td></td>
<td></td>
<td></td>
<td>3.29</td>
<td>1.154</td>
</tr>
<tr>
<td>Leader08 – enthusiastic</td>
<td>0.667</td>
<td></td>
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<td></td>
<td>3.33</td>
<td>1.117</td>
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<td>Leader02 – charismatic</td>
<td>0.590</td>
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<td></td>
<td>3.24</td>
<td>1.075</td>
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<td>Leader12 – listener</td>
<td>0.566</td>
<td></td>
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<td></td>
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<td>1.143</td>
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<td>Leader15 – influential</td>
<td>0.539</td>
<td></td>
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<td>1.113</td>
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<td>Leader05 – role model</td>
<td>0.514</td>
<td></td>
<td></td>
<td></td>
<td>3.46</td>
<td>1.036</td>
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<td>Prof19 – intelligent</td>
<td>0.822</td>
<td>4.12</td>
<td>0.931</td>
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<td>Prof18 – knowledgable</td>
<td>0.804</td>
<td>4.99</td>
<td>0.934</td>
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<td>Prof21 – qualified for the job</td>
<td>0.720</td>
<td>4.25</td>
<td>0.754</td>
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<td>Prof20 – wise</td>
<td>0.693</td>
<td>3.96</td>
<td>0.941</td>
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<tr>
<td>Prof23 – skillful</td>
<td>0.606</td>
<td>4.08</td>
<td>0.858</td>
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<td>Prof22 – adheres to professional standards</td>
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<td></td>
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<td>4.17</td>
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<td>Cronbach’s $\alpha$</td>
<td>0.884</td>
<td>0.818</td>
<td>0.839</td>
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<tr>
<td>Scale mean</td>
<td>19.55</td>
<td>29.84</td>
<td>24.72</td>
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<tr>
<td>Scale standard deviation</td>
<td>4.187</td>
<td>6.441</td>
<td>3.897</td>
<td></td>
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<tr>
<td>Item mean</td>
<td>3.91</td>
<td>3.315</td>
<td>4.121</td>
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<tr>
<td>Eigenvalue</td>
<td>7.02</td>
<td>2.73</td>
<td>1.72</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Percentage of variance explained</td>
<td>33.44</td>
<td>13.02</td>
<td>8.76</td>
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<td></td>
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<tr>
<td>Cumulative percentage of variance explained</td>
<td>33.44</td>
<td>46.46</td>
<td>54.62</td>
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<tr>
<td>Kaiser-Meyer-Olkin measure of sample adequacy</td>
<td>0.88</td>
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<td>Bartlett’s test of sphericity</td>
<td>$\chi^2$</td>
<td>2,442.82</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Degrees of freedom</td>
<td>210.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>$p$-value</td>
<td>0.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Table II.**

Pattern matrix for attributes of accountants and scale descriptive statistics
rotation method used was the Direct Oblimin method as some of the items within
the construct are expected to be related to each other. The pattern matrix is
used to identify valid items within the constructs. Only items with factor loadings
above the threshold of 0.50 are extracted. Valid constructs would have an Eigenvalue
of at least 1. Valid items for attribute dimensions (leadership, professionalism
and ethical values), perception of the accounting profession, perception of
accountants as drivers of change and intention to be an accountant are summed
for hypotheses testing.

Hypotheses testing
Hypotheses H1a-H1c are validated if the scale mean is greater than the product of
the number of valid items times three (midpoint of the Likert scale) and/or where
the individual valid item within the construct has a value above 3. On the other hand,
H2a-H2c are verified using multiple linear regression.

Findings of the study
Descriptive statistics
The sample of this study comprised 279 undergraduate students from a Malaysian
Business School. The majority of the respondents were female (58.8 per cent), in the
second year of the undergraduate degree (51.6 per cent), pursuing an accounting major
(28.8 per cent) and of Chinese descent (72.4 per cent).

Results of measurement assessment and hypotheses testing
Attributes of accountants. The pattern matrix for attributes of accountants in
Table II indicates that ethical values (ETHIC), leadership (LEADER) and
professionalism (PROFESS) have Eigen values of above 1 and are valid factors.
The cumulative variance explained is 54.62 per cent. The Kaiser-Meyer-Olkin
measure of sampling adequacy is 0.88 and the Bartlett’s test of sphericity has
a $\chi^2$ of 2,442.82 (df = 210) with a $p$-value of <0.05. This indicates that the data
are suitable for the performance of factor analysis. The Cronbach’s $\alpha$ for ETHIC,
LEADER and PROFESS are all above 0.70 indicating that they are also statistically
reliable constructs.

Table II also indicates all the respective scale items also have a mean of above 3. As
such, H1a-H1c are supported. Individual scale items for PROFESS have higher means
than ETHIC and LEADER. This seems to suggest that respondents perceive the
professionalism attribute to be generally stronger and/or of more importance than
ethical values and leadership among accountants.

Attributes of accountants that drive organizational change. The results of the
exploratory factor analysis in Table III indicates that the perception of accountants as
drivers of organization change (CHANGE) is a valid construct as it has an eigenvalue
of 2.109. The Cronbach’s $\alpha$ is 0.83 making it a reliable construct (Nunnally, 1967, cited
in Peterson, 1994).

Based on Table III, the $F$-statistic is 37.703 and is significant at the critical value of
0.05. The table of coefficients below also indicates that LEADER and PROFESS has a
significant influence on INTENT. As such, H2a and H2c are supported. However,
the $t$-statistic for ETHICS has a $p$-value which is >0.05 and hence, H4b not supported.
Although not significant, it is interesting to note that ETHICS has a negative
relationship with CHANGE.
The relationship between the independent and dependent variables are as follows:

\[
\text{CHANGE} = 6.367 + 0.367 \text{LEADER} - 0.089 \text{ETHICS} + 0.251 \text{PROFESS}
\]

Based on the \( \beta \) values, LEADER has the highest explanatory power followed by PROFESS. The adjusted \( R^2 \) of 0.298 indicates that the effect size is large (Cohen, 1992).

### Discussion of findings

Business students today will form the organizational leaders of tomorrow. Therefore, the views of potential Generation Y accountants are important in shaping a more relevant and robust profession that is able to better embrace responsible stewardship towards stakeholders. Generally, the Generation Y cohorts of students surveyed perceive that accountants possess above average levels of leadership, ethical values and professionalism. This is an encouraging finding. However, this finding is stymied by the finding that only leadership and professionalism seem to influence the perception that accountants are drivers in an organization. Even though ethical values were found to be not significant, it is interesting to note that it had a negative relationship. This seems to suggest that students perceived outward extrinsic qualities as more important than intrinsic values. Besides this, students seem to perceive that ethical values need to be compromised to drive organizational change.

One possible reason for this is the consistent tussle between rules and principle-based accounting application in practice. While accountants and auditors in particular have the responsibility to protect the interest of minority shareholders and the investing public, they have been found to circumvent rules through amoral interpretation in recent financial scandals (Satava et al., 2006). The amoral stand on rules suggests that different rules would apply to private life and business. As such, the profit motivation and competitiveness to retain and satisfy clients may lead well-meaning accountants to compromise their ethical stance. On the other hand, principle-based accounting, relies on both a balance of both the “letter and spirit of the law.” It assumes the existence of universal ethical rules. In practice, this balance may be inadvertently tilted towards self-interest, organizational norms and shrouded in subjectivity in habitual mental models that are adopted in the guise of promulgating principles. As such, this study may lend credence to previous research of Cole and Schroeder (2001) that found that accountants tend to exhibit Type A behaviour that emphasizes achievement and efficiency. Individuals with Type A behaviour are generally described as being determined, competitive, irritable, aggressive and...
antagonistic (Bruck and Allen, 2003). They also have a strong sense of urgency which is required in meeting tight deadlines and possess a high fear of failure. Type A behaviour has also been linked to greater work-family conflict, stress and also a higher risk for coronary atherosclerosis (Burke and Deszca, 1982; Bruck and Allen, 2003).

Study implications

Engaging and retaining accounting talent

The prevailing negative stereotype of accountants poses a challenge in the recruitment and retaining talent among Generation Y in the USA (Chang et al., 2011; Bloom and Myring, 2008). This study indicated that certain of these stereotypes are beginning to change. Nonetheless, the accounting profession can still do more to dissipate negative perceptions and encourage interest in the accounting career pathway. This can be promoted via greater supervised internship opportunities for undergraduates. Internship programmes in public accounting firms should not just be an opportunity to fill peak period labour needs but an opportunity to equip, train and build up hard and soft skills in a meaningful way to enhance the relevance of accounting mindset in students. Besides this, post-internship mentoring programmes could be implemented. The expertise and career experience of mentors from industry would be an invaluable resource to aspiring students. Industry mentors could be consulted on technical issues as well as play an advisory role in moulding interest and skills in accounting. Besides engaging in social responsibility, perhaps these types of mentoring programmes can be attributed continuing professional development credits.

Public accounting firms and accounting bodies could also engage more closely with accounting societies and clubs in schools and institutes of higher learning in promoting greater awareness about the training programmes, opportunities available, skills and relevant examinations and the importance in becoming a qualified accountant. They can conduct series of lectures and/or forums on relevant current issues in areas such as taxation, auditing and new financial reporting standards to create interest as well as relevance to accounting material learnt. Joint activities could also be organized to foster greater understanding and collaboration between existing and future accountants. Opportunities should be given to students to engage in dialogue and assimilate into professional practice at an earlier age to appreciate the dynamic changes and importance of the role played by accountants. Investment of time in addition to public relations may be more meaningful in engaging and in attracting young talent.

Improving the image of the accounting profession

Accountants have a fiduciary duty towards shareholders and accountants also support businesses in discharging their corporate governance. If accountants are perceived to be incompetent in providing organizational leadership, promoting ethical values and professionalism, this will affect the confidence level of shareholders and potential investors. If this is perceived to be lacking, the image of the profession could be marred and this could also deter students from choosing accounting as a career. It is critical that the accounting profession maintain its ethical integrity and technical expertise as well as professionalism in upholding public interest. The profit seeking motive should not engulf the standards of professional practice and societal accountability. In this aspect, there is a need to monitor that the members are committed and adhere to the substance of the accounting profession’s professed and espoused values (Raar, 2006). As professions are made up of individuals, there needs to be a close alignment
between the accounting professions and an individual’s personal branding attributes (Vitberg, 2010; Bliss and Wildrick, 2005). Accountants have more often been stereotyped negatively as boring, dull, oppressive, unscrupulous taxmen and as facilitators of corporate scandals (Smith and Jacobs, 2011). In the effort to alter negative stereotypes more needs to be done to command personal brand equity and trust. In this respect, accountants need to continuously exercise self-reflection and uphold universal ethical principles. They also need to leverage their knowledge and skills in exhibiting high thought and ethical courage in leadership to bridge the legitimacy gap in society’s expectation towards the profession. Accountants should keep abreast with developments in the business environment to provide relevant value added services for their clients as well as engage in meaningful CSR. Consistency in values and actions are paramount in establishing reputable branding of the profession (Bliss and Wildrick, 2005).

**Instilling ethical values**

Business schools in the USA have often been critiqued for not fully equipping students with practical ethical decision skills which has aggravated the ethical decline in the corporate world (Joseph et al., 2010). Although insignificant, the findings show that ethical values are negatively related to the role of accountants as drivers of change. This may also indicate that students in Malaysia also perceive that ethical values may be a hindrance to change. One of the results of this is that Malaysia remained at 56th position on the Corruption Perception Index 2010 among 180 countries and 11th position among Asia Pacific countries (Transparency International, 2011). The score of 4.4 out of 10 also indicates that Malaysia is perceived to be bordering on the more corrupt nations. This decline in perception among future generation accountants needs to be arrested to preserve the integrity and trust in the accountancy profession which has a critical role to play in making Malaysia a high-income nation by 2020.

Previous research in the USA has also found that the love for money among accounting students is significantly related to perception of unethical behaviour (Elias and Fang, 2010). In Malaysia, previous research has found that the Chinese business culture dominates and has gradually been adapted by the Malays and Indians (Abdul Rashid and Ho, 2003). The Chinese business culture is one that emphasizes financial rewards, hard work, wealth and prosperity. Ethical values take time to develop and should be instilled at an early age. Accounting courses need to incorporate the importance of ethical values in business. To reinforce the importance of ethics, ethical case studies and critical analysis need to be embedded into discussions in all business and management course topics and not just treat ethics as a stand-alone module. With greater business ethical issues encountered in practice, professional Certified Practising Accountant exams should not overemphasize technical issues but also assess the capability of candidates to exercise ethical discernment (Jackling et al., 2007).

**Equipping students for change**

This study suggests that leadership and professionalism are important drivers of organizational change. As such, organizations need to perhaps have proper training and mentoring for Generation Y employees to retain and nurture them. Professional accountants in organizations need to also play an instrumental part in assisting top management in implementing proper risk management and develop a conducive ethical culture that promotes long-term sustainability.
Increasingly, leadership is being assessed by the character, competence, commitment towards excellence and pursuit of truth (Caldwell et al., 2011). Collins and Hansen (2011) also found that in these uncertain and chaotic times, change in great companies is often led by leaders that have tenacious discipline, have a committed ethical stance. Organization change efforts are often thwarted by human agency conflicts that create a gulf between the economic and ethical conduct. This was evident in financial scandals such as Enron and the financial crisis of 2008 where the zeal to exploit market efficiencies overshadowed moral accountability (Dillard et al., 2011).

Whilst corporate governance legislation may provide structure and guidance for best practices, it is evident that it is still a long way from replacing human moral governance that forms the essence of an individual's stewardship and the spirit of the accountancy profession. For example, whistleblowers protection is often lacking. Trust and integrity forms the foundation of a reputable accounting profession, accounting bodies should not be complacent and perhaps conduct more stringent and regular audits in high-risk industries.

Creating more relevant accounting and business education

Accounting and business courses need to be geared for change. In order to impart relevant business knowledge, the faculty of business schools need to have requisite teaching experience as well as be both technically qualified, updated and professionally engaged (Marshall et al., 2010; Doost, 1999). Accounting professional bodies can work together with academic institutions to conduct regular surveys to investigate the divergent needs and introduce content that would better equip future graduates in coping with the imminent changes in the environment.

Malaysian business schools may also benefit from greater consultation with CPA bodies as well as the commercial sector in developing new courses as well as making the curriculum more industry relevant. In this respect, there may be avenues for business schools and the private sector to collaborate in terms of training and consultancy programmes. Academics could be sent for short secondment industrial training programmes in banks, public accounting firms, manufacturing firms and/or even non-profit organizations. Besides updating latent skills and acquiring tacit knowledge, greater knowledge sharing would occur and this could lead to greater relevance in teaching and learning, research as well as consultancy.

As the accounting profession is multifaceted in nature, there needs to be a more holistic approach to accounting practice that promotes active and cooperative learning. Students need to be encouraged to be curious as well as critical about current issues across different business disciplines such as management, operations, marketing, human resources and economics. They need to be given an opportunity to engage in discussion and tasks that develops the use of rigorous research, creative problem solving techniques within a good understanding of ethics. It would be highly unlikely for the accounting profession to establish rules to address every loophole in the accounting practice or curb meticulous parties from working around these rules. As such, it may be more important to equip students with an inquisitive and open mind to critique business practices with a resolve to engage in continuous improvements. Students should also be encouraged to engage in peer discussions as well as self-reflect on potential consequences of their decisions. Academics should act as facilitators and mentors in this active, problem-based learning process. Students need to appreciate that they are both partners and pilgrims in the life-long learning process.
While the pursuit of economic profit dominates business disciplines, business schools need to nurture a healthy appreciation of CSR amongst Generation Y. CSR should not be rhetoric or confined to the last paragraph of every topic. It needs to be embedded into the professed and active culture of the business school. As CSR involves engagement with different stakeholders, perhaps business schools could also expose students to an appreciation of other social sciences by having joint activities with other schools such as creative arts, hotel and tourism, psychology and with other non-governmental organizations. This would promote greater appreciation of how business and accounting disciplines can collaborate in making a difference.

Further research areas
The sample of this study was limited to undergraduates at a private higher learning institution in Klang Valley, Malaysia. Further studies could incorporate a comparison between samples of working adults and/or public universities. Other demographic comparisons between ethnicities, age groups, business/non-business majors and state of location could also be conducted.

Conclusion
This study investigated the lacuna of research on the perception of undergraduates in Malaysia on the attributes, personality traits, intention to pursue an accounting career as well as the future role of accountants in driving organizational change. The study found that Malaysian business students generally perceive accountants as possessing above average leadership, ethical values and professionalism attributes. Leadership and professionalism exert a significant influence on the perception of the accountant as a driver of organizational change. Even though ethical values are not significant, it is negatively correlated with the perception of accountants as drivers of organizational change.

The findings of this study have implications on retention of talent in accounting and perception management through branding of the accounting profession as well as creating a relevant and ethical business education environment. These implications need to be addressed as accountants should play a critical role in ensuring accountability and governance of private and public expectations. Future accountants need to be more relevant to be able to promote greater transparency and stewardship which is needed to engage in sustainable business practices. Sustainability and responsibility in accounting practices among future accountants would also augur well in promoting Malaysia’s vision to be a respected, developed nation by 2020.

References


Further reading


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**Perception of accountants**

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