

Accounting Certifications:

Are students aware?

Kiky Srirejeki, Agus Faturahman, Saras Supeno

Department of Accounting
Universitas Jenderal Soedirman
Purwokerto, Indonesia
kikysrirejeki@gmail.com

Abstract—Compared to other ASEAN countries, Indonesia has the most significant number of accounting students and accounting graduates. However, this number is not in line with the number of professional accountants. Indonesia is in number five below Thailand, Malaysia, Singapore and Philippines. The purpose of this study is to investigate the awareness of accounting students about the various professional accountant certification. Through our survey, we find that Certified Public Accountant (CPA) is the most popular certification among others. The finding of this study gives valuable information for the university as well as professional organizations to formulate strategies to attract future’s professional accountant.

Keywords—professional accountant; accounting certification; accounting students; z generation; Indonesia

I. INTRODUCTION

Indonesia, compared to other ASEAN countries has the most significant number of accounting students and graduates. We contributed 45 per cent on average annually of 77,300 accounting graduates. Meaning that 35 thousand accounting graduates available each year in Indonesia [1]. However, if we compare this number to the availability of a professional accountant, the story is different. A professional accountant is an accountant who holds professional accountant certification and therefore gets official professionalism recognition.

Data from the Institute of Chartered Accountant (*Ikatan Akuntan Indonesia/IAI*) shows that the number of professional accountant in Indonesia is far behind the Singapore, Malaysia and Thailand. Based on the data of Asean Federation of Accountants (AFA) Annual Report 2017, Thailand is in number one when it comes to the number of professional accountants with 77, 505 members. While number two is Malaysia with 34,549 and then Singapore with 32,054. Indonesia is number five with 29,982 declines from its previous position in number four in the year 2016.

The deflation position of Indonesia is due to the massive performance of the Philippines. In 2016, Philippines was in number five with 10,528 professional accountants, but in 2017 they drastically elevate their members with 31,495. While Indonesia is only able to add around a thousand member from 28,110 to 29,982 professional accountant [2]. The data shows an interesting phenomenon, the significant amount of accounting graduates in Indonesia, at around 35 thousand each

year, does not guarantee the vast number of professional accountants.

TABLE I. NUMBER OF ACCOUNTANTS IN ASEAN COUNTRIES

No	Country	2017	2016	Increase
1.	Thailand	77,505	71,128	8,965%
2.	Malaysia	34,549	33,398	3,446%
3.	Singapore	32,054	32,153	-0,307%
4.	Philippines	31,495	10,528	199,1%
5.	Indonesia	29,982	28,110	6,659%
6.	Vietnam	8,000	10,000	-20,00%
7.	Myanmar	1,157	998	15,93%
8.	Cambodia	246	274	-10,21%
9.	Brunei Darussalam	233	122	90,98%
10.	Lao PDR	186	107	73,83%

Source: Asean Federation of Accountant Annual Report (2017)

Indonesia as a growing economy also shows the needs of professional accountant blatantly. The 2016 economic census from Statistic Central Agency shows that we have approximately 26,7 million companies ranging from small companies to large companies [3]. There are also many potential public companies registered in Indonesia Stock Exchange. Of September 2018, there were 600 listed companies. This data shows the opportunity to a professional accountant.

When we try to connect these facts of the availability of accounting graduates and the needs of the professional accountant, something is missing. Where are the accounting graduates going? Do they know their opportunity to become a professional accountant? Or do they simply aware about the accounting certifications? This phenomenon gap leads us to investigate the awareness of accounting students about the accounting certifications.

Currently, there are more than fifteen accounting certifications. IAI, Indonesia Institute of Certified Public Accountants (*Institut Akuntan Publik Indonesia/IAPI*), and the Indonesia Institute of Management Accountant (*Institut Akuntan Manajemen Indonesia/IAMI*) are the most popular three accounting professional organization in Indonesia. They provide certification for CA, CPA, Certified Management Accountant (CMA). Other organizations are The Institute of Internal Auditors Indonesia (IIA) and Association of Certified Fraud Examiners (ACFE) – Indonesia Chapter that provides

certifications for Certified Internal Auditor (CIA), Certified Information System Auditor (CISA) and Certified Fraud Examiner (CFE).

TABLE II. ACCOUNTING CERTIFICATIONS AND ITS ISSUER

No	Accounting Certifications	Professional Organizations / Issuers
1.	CA	IAI
2.	CPA	IAPI
3.	CMA	ICMA UK/CIMA Australia
4.	CIA	IIA
5.	CPMA	IAMI
6.	CISA	IIA
7.	CFA	CFA Institute
8.	CFP	FPSB
9.	CFE	ACFE
10.	SAS	IAI
11.	AAP	IAI
12.	CPSAK	IAI
13.	SKP	IKPI
14.	DipIFR	ACCA
15.	CWM	CWMA
16.	FRM	GARP

Each of those professional organizations has a license to issue specific accounting certification. They also provide continuing professional development training as one of the requirements for a professional accountant to keep their certification.

In Indonesia, the number of professional organizations serving the accounting certifications has grown over the years. Boyle, Lawrence and Mahoney stated that today the demand for specialised knowledge are getting bigger [4]. More professional organizations also focus their effort to market the benefit of specific certifications. Some of the accounting certifications and its issuers are shown in table 2.

Boyle, Lawrence and Mahoney stated that even though professional organizations try to market the benefit of accounting certifications, but the empirical research on this topic has found mixed results [4]. Jackling and Calero were one of the first studies examining the accounting students intention to become professional accountants [5]. Their study reports that the role of accounting lecturers was dominant to influence student’s intention. They believe that the class provides a medium for lecturers to share their opinion and mindset to students on how the benefits of becoming a professional accountant.

A study conducted by Jaffar, Ismail and Zahid report that in Malaysia, accounting students were influenced by both internal and external factors when they decide to pursue professional accounting certifications [6]. The findings of their study suggest that the amount of salary, the influence of family members, social status recognition and career development are the factors that could motivate students to pursue professional accounting qualifications.

Another study by Wen, Hao and Bu also confirm that the combination of internal and external factors influences the accounting students in China to pursue a career as a Certified Public Accountant (CPA) [7]. The study reports that perceived

independence and difficulties, as well as genuine interest and better market opportunities, affect students intending to pursue CPA.

There is only limited study concerning the awareness of accounting students to accounting certifications, especially in Indonesia. This study will provide benefits to the universities and professional organizations to get understanding about the current state of student awareness and therefore formulate strategies to attract future’s professional accountants.

II. METHOD

This study uses a survey method to collect the data. Accounting students both from private and state universities across Indonesia were the sample. We collected 439 questionnaires within one week.

The questions were adopted from research conducted by Brody, Li and Zhou with reasonable adjustment. The original questionnaire was in English since our sample is Indonesian, so we adjusted the language and presented it in Bahasa Indonesia [8]. We also add some of the local accounting certifications that only applied in Indonesia, such as SKP (*Sertifikasi Konsultan Pajak/Tax Consultant Certification*), SAS (*Sertifikasi Akuntansi Syariah/ Sharia Accounting Certification*) and AAP (*Ahli Akuntan Pemerintahan/ Government Accounting Expert*).

We add the question about the student’s intention to become a professional accountant. We did that on the assumption that if students intentionally want to become a professional accountant, they might be more aware of the accounting certification. We also measure the perceived benefit and advantages of accounting certifications using a seven-point Likert scale. Ranging from one to seven, indicating disagreement to an agreement.

III. RESULTS

A. Descriptive Statistics

Our survey revealed that 343 (78,1 per cent) of the respondents are female students indicating that females are more likely to take accounting classes than male. Further 65,1 per cent of students also stated that they have an intention to become a professional accountant (table 3).

TABLE III. DEMOGRAPHIC INFORMATION

Gender	Female	Male	Total
<i>Number</i>	343	96	439
<i>Percentage (%)</i>	78.1	21.9	100
Intention to Pursue Professional Accountant	Yes	No	
<i>Number</i>	286	153	439
<i>Percentage (%)</i>	65.1	34.9	100

Table 4 indicates that 89,52 per cent of our respondents familiar with the accounting certifications that we mentioned in the questionnaires. Surprisingly, there is 10,48 per cent of our respondents never heard of any accounting certifications. Our

results also suggest that CPA is the most popular accounting with 76,08 per cent students aware and know about it.

TABLE IV. RESPONDENTS' AWARENESS OF ACCOUNTING CERTIFICATIONS

Certifications	Number	%	Ranking
CPA	334	76,08	1
CIA	250	56,95	2
CA	242	55,13	3
CMA	87	19,82	4
CFE	54	12,30	5
SAS	5	1,14	6
AAP	2	0,46	7
SKP	0	0	8
None	46	10,48	

TABLE V. PERCEIVED USEFULNESS OF ACCOUNTING CERTIFICATIONS

	Mean
<i>CPA is very important in public accounting</i>	5,32
<i>CIA is very important for individuals in internal auditing</i>	5,45
<i>CA is very important in public accounting</i>	5,35
<i>CMA is very important for individuals in corporate/private accounting</i>	5,61
<i>CFE is very important for individuals in fraud examination/forensic accounting</i>	5,56
<i>SAS is very important for individuals in sharia accounting</i>	3,02
<i>AAP is very important for public sector accounting</i>	3,33
<i>SKP is very important for individuals work in taxation</i>	2,11

TABLE VI. PERCEIVED ADVANTAGES OF CERTIFICATIONS

Advantages	Mean
Career Prospect	5,56
Job Promotion	5,59
Salary Potential	5,12

When it comes to the percentage, there is a significant lag between international accounting certifications (CPA, CIA, CA, CMA, CFE) and those with local accounting certifications. When we asked about the *Shari'a* Accounting Certifications (SAS), Government Accounting Expert (AAP) and Tax Consultant Certifications (SKP) in total there are only 1,60 per cent students aware of it.

Table 5 shows that CMA is the certifications that are being perceived as the most useful, while SKP is the least useful of all mentioned accounting certifications. However, regarding perceived advantages, most students believe that accounting certifications will give benefit in terms of career prospect, job promotion and salary (table 6).

IV. DISCUSSION

Our study reveals some of the interesting results. First, no accounting certification is being known by all of the respondents. CPA, which is rank first among other certifications is only known by 76,08 per cent. Surprisingly, CIA is rank second with 56,95 per cent surpass the CA (55,13 per cent), CMA (19,82), CFE (12,30 per cent) consecutively. A study by Brody, Li and Zhou stated that all of the accounting students in the southwestern public university, USA have heard

about CPA [8]. This difference might be because of the different research location. Since there is only limited study covers this topic, we could not make further assumptions than that student's awareness of accounting certifications in the USA is better than in Indonesia. More research is needed in different countries to analyse whether there is a relationship between the country status (developed or developing countries) with the awareness of accounting certifications.

Second, our study reveals accounting certifications that locally issued by professional organisations, such as SAS, AAP and SKP are less popular than known international accounting certification name like CPA even though the issuer is the same organisations. This finding implies that students awareness of accounting certifications is limited to globally known certifications. However, we found that students are exposed to the accounting certifications mostly in a class. Therefore, the roles of faculty members are very significant to informed students about various accounting certifications. Professional organisations have limited reach over the future accountants, that is why we suggest that they should cooperate with the universities to inform and market the accounting certifications. Giving early information and awareness of accounting certifications to students might benefit to persuade them taking accounting certifications in the future. More concrete cooperation could be done by giving an entry-level certifications provided for students.

We could take an example of CPA Indonesia by the IAPI. They provide three levels of examination to get CPA: entry level, professional level and advanced level. The first level is elementary, targeted fresh accounting graduates who would like to pursue a career as a public accountant. In this entry level there are five subjects: audit and assurance; accounting and financial statement; introduction to micro and macroeconomics; introduction to management, taxation and business law; cost accounting, financial management and information system that must be passed by the students to be able to get Associate Certified Public Accountant of Indonesia (ACPAI). The second level is for professionals, usually, those who work in a public accounting firm. The certification that will be granted when passing this level is CPA. The third level is advance level, targeting CPAs who want to get public accountant permission. They will be granted a pass certificate of public accounting certification exams. Through this certificate, they are able to practice as a public accountant independently.

This strategy could benefit to attract accounting students and fresh graduate to take accounting certifications because they can start with the early and easier examination. If each of the professional organisations is able to do this scheme, we believe that in the future we would be able to attract more of accounting students to become the professional accountants.

Third, our study also reveals that though not all of our respondents are aware of accounting certifications, they perceived that accounting certifications are beneficial. Table 5 shows that perceived benefit of accounting certifications are relatively high. While for SAS, AAP and SKP which are more local context get the lesser perceived benefit. This might be because in the sense of popularity and awareness these three

certifications also rank low, suggesting that our respondents not sure whether these certifications exist and beneficial.

Fourth, our respondents believe that accounting certifications are advantageous for career prospect, job promotion and salary potential. Table 6 shows that means of perceived advantage of accounting certifications are relatively high ranging from 5,12 to 5,59 indicating agreement about the advantage of certifications. The highest perceived advantage is job promotion with 5,59, suggesting that to get job promotion individuals needs to show their specific expertise and knowledge through certifications.

Fifth, our study suggests that 34,9 per cent of accounting students do not want to pursue a career as a professional accountant. This result indicates that not every accounting students are interested in pursuing accountant as a career once they are graduate. It is reasonable that we could not expect every accounting graduates will become an accountant. However, universities should care that this percentage is not getting bigger over the years. The fact that Indonesia has the most significant number of accounting graduates but only in the fifth position of accountants number suggesting that we should carefully plan the strategies so that we can keep up with other Asean countries.

Lastly, tough we have carefully planned and examined this study, study limitation is unavoidable. First, this study might not reflect the perceptions of all of the accounting students in Indonesia, since we only collected limited sample due to time constraints. Future study may add more respondents. Second, we do not differentiate between the early semester students with final students. The information owned among students at various level of semester might be different and therefore might influence the results.

V. CONCLUSION

Through our survey, we find that Certified Public Accountant (CPA) is the most popular certification among others. The finding of this study gives valuable information for the university as well as professional organizations to formulate strategies to attract future's professional accountant.

REFERENCES

- [1] Current status of the accounting and auditing profession in Asean countries. USA: World Bank Group, [Online] Retrieved from: http://www.aseanaccountants.org/files/afa_report-printed_version.pdf.
- [2] Annual report, Indonesia: Asean Federation of Accountant, 2017. [Online]. Retrieved from: http://www.aseanaccountants.org/files/AFA_Annual_Report_2017.pdf.
- [3] Direktori awal usaha/ perusahaan skala menengah besar sensus ekonomi. Indonesia: Badan Pusat Statistik, 2016 [Online]. Retrieved from: <https://www.bps.go.id/publication/2017/12/26/a656763c4a6a019feafdf5a4/direktori-usaha-perusahaan-menengah-besar-aktivitas-jasa-lainnya-sensus-ekonomi-2016.html>
- [4] D.M. Boyle, R. Lawrence, and D.P. Mahoney, "Navigating the Maze of Today's Professional Credentials," CPA J, vol. 83, no. 6, pp. 62, 2013.
- [5] B. Jackling and C. Caler, "Influences on undergraduate students' intentions to become qualified accountants: Evidence from Australia," Account Educ an Int J.vol. 15, no. 4, pp. 419–38, 2006.
- [6] N. Jaffar, N. Ismail, S.M. Zahid, "Determinants of the accounting students' preference to practice as chartered accountant in Malaysia," Account Bus Public Interes, pp. 43–59, 2015.
- [7] L. Wen, Q. Hao, and D. Bu, "Understanding the intentions of accounting students in China to pursue certified public accountant designation," Account Educ, vol. 24, no. 4, pp. 341–59, 2015.
- [8] R.G. Brody, S. Li, and L. Zhou, "Beyond the CPA: Student awareness of accounting certifications," Account Educ J. 26, 2017.