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## Developing entrepreneurial accounting graduates using accounting simulation model among accounting students at Malaysian public universities

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### Abstract

Graduate unemployment is considered as one of the main social development problems facing the Malaysian government. One of the potential careers to solve and reduce the unemployment problem is entrepreneurship. Training, internship and entrepreneurship program must be encouraged to the Malaysian University students for changing their mindset as to become self-reliant by having entrepreneurship spirit and culture. Thus, this study focuses on the individual development by using accounting simulation model to inculcate the entrepreneurial attributes and values in the mindset of the accounting students thus encourage them to become entrepreneur. From the literature, attributes and values of entrepreneur are dignity, self-esteem, good moral values, responsible, honest, knowledgeable, achievement oriented, self-confident, do not give up easily, wise, optimistic, like to work on own, quick to made decision, like change, like a challenge, good mixer, good planner, like to take risks, and trusting. These characteristics are knowledge and skills which can be acquired, trained and improved over time. This research proposes the accounting simulation model to develop the entrepreneurial characteristic among accounting students in Malaysian public universities. This research utilizes a survey method using a questionnaire. The findings of the study provide insights to the academics and Malaysian government in promoting the entrepreneur characteristics a basis for planning, developing and implementing entrepreneurial strategic policy and practices in Malaysia especially related to graduate entrepreneurs.

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## 1. Introduction

One of the main social development problems facing the Malaysian government is graduate unemployment (Rozita & Yuserrie, 2010). According to Chai and Siik (2010), 20,217 graduates registered with the Ministry of Human Resources' Job Clearing System in June 2006 were still unemployed. Although accounting graduates were found to obtain the best labour market outcomes (Lim, Rich & Harris, 2008), there are still accounting graduates who are unemployed. Data from Ministry of Human Resources in 2006 showed that 1,923 (9.5%) accounting graduates are unemployed (Chai & Siik, 2010). Entrepreneurship is considered as one of the potential careers to solve and reduce the unemployment problem (Utusan Malaysia, May 22, 2008).

According to Arifatul Husna, Zainol, Zakiyah and Adura (2010), the Malaysian Government has been seriously engaged in encouraging entrepreneurship especially among the Malays. In the Amanat Tahun 2009, The Minister of Higher Education, highlighted that training, internship and entrepreneurship program must be encouraged to the Malaysian University students to changing their mindset as to become self-reliant by having entrepreneurship spirit and culture (Rozita, Ahmad & Yuserrie, 2010). This is due to the fact that a gap exists between the Malaysian Government's expectation of high involvement of students in entrepreneurship and the actual level of involvement among students in entrepreneurship (Arifatul Husna, Zainol, Zakiyah, & Adura, 2010).

A study among ex-participants of the basic course in entrepreneurship for graduates between 2002 and 2005 conducted in Universiti Utara Malaysia by Afirudin and Armanurah (2006) showed that only 32.8 percent of the participants turned out to be entrepreneurs after they graduated. Thus, the aim of the study is to develop an accounting simulation model that can inculcate the entrepreneurial attributes and values in the mindset of the accounting students thus encourage accounting students to become entrepreneur.

While the literature on entrepreneurship in Malaysia is still growing, studies on the individual development to become entrepreneur are limited. Therefore, this study is designed as a response to the unemployment problems (Rozita & Yuserrie, 2011) and a low involvement in entrepreneurship activities among graduate students (Afirudin & Armanurah, 2006) by addressing these issues via the accounting simulation model. To our knowledge, there is no accounting simulation model have been developed to train accounting students at Malaysian public universities specifically to inculcate the entrepreneur characteristics. The remainder of this paper is arranged as follows. The second section discusses about accounting simulation models and characteristics of entrepreneur followed by Section 3 about research methodology and finally, conclusion in Section 4.

### 1.1 Research objectives

The research objectives are to:

- Develop an accounting simulation model that can encourage accounting graduates to establish their own business in future.
- Develop accounting students with the mindset of entrepreneurial attributes and values using the accounting simulation model.
- Investigate the effectiveness of the accounting simulation model in stimulating accounting graduates to become entrepreneur.

### 1.2 Significance of the research

Garavan and Cinneide (1994) state that students who participated in entrepreneurship program were more likely to start their own businesses than other students. The study by Upton Sexton and Moore (1995) showed that 40 percent of those who had attended courses in entrepreneurship had subsequently started their own businesses, while 30 percent had joined family businesses and only 30 percent worked for large organizations.

This research contributes to strengthen entrepreneurship characteristics among accounting students using the accounting simulation model in increasing the number of graduated entrepreneurs towards the growth of Malaysia's economy. Besides, it assists to inculcate the entrepreneur characteristics among the accounting students. Furthermore, it lends a hand for the government direction mission, which was announced by our Prime Minister in placing entrepreneurship as the driver of the economy for the future decade.

The proposed framework is useful to the Ministry of Entrepreneurship and Co-operative Development (MECD) in developing the framework practices in Malaysia. Indirectly, this research contributes in providing and promoting the entrepreneur characteristics as a basis for planning, developing and implementing entrepreneurial strategic policy and practices in Malaysia especially related to graduate entrepreneurs.

## **2. Literature review**

### *2.1 Accounting simulation models*

Simulation models are defined as what-if models that attempt to simulate the effects of alternative management policies and assumptions about the firm's external environment. They are basically a tool for management's laboratory. It is a detailed representation of the real world. Most financial models are simulation models that are designed primarily for generating projected financial statements, budgets, and special reports, and for performing a variety of what-if analyses in an effort to find the best course of action for the company. Due to technological advances in computers (such as spreadsheets, financial modelling languages, graphics, data base management systems, and networking), more and more companies are building and using modelling for their planning and decision-making efforts (all business.com). Based on the definition, the accounting simulation model is defined as simulation model that is designed primarily for generating financial statements to be used in the decision making process. The accounting simulation model is based on the accounting cycle. The accounting cycle has eight basic steps (Hornrgren, Harrison & Oliver, 2012) as described in the Fig. 1.

### *2.2 Characteristics of entrepreneur*

The characteristics of entrepreneurs including innovation, risk taking (Ibrahim & Soufani, 2002; Gurol & Atsan, 2006; Lee & Peterson, 2000; Lumpkin & Dess, 1996), independence (Woo, Cooper, & Dunkelberg, 1991), diligence (Lankard, 1991), self-confidence (Gibb, 2002; Gurol & Atsan, 2006), locus of control (Gibb, 2002; Gurol & Atsan, 2006; Ibrahim & Soufani, 2002); need for achievement (Gurol & Atsan, 2006; Ibrahim & Soufani, 2002), self-belief, creativity, hard work, commitment, determination (Gibb, 2002), and critical thinking (Lee & Peterson, 2000). Sheikh Abdul Munir (2008) suggested that an entrepreneur need to have dignity; be responsible, honest, knowledgeable, and wise; and know how to command his/her subordinates.

According to Yazilmiwati and Ilhaamie (2012), one of the key attributes of a successful entrepreneur is having a great personality. They proposed the personality that is based on Islamic values in thinking, behaviour and emotion as the characteristic of a Muslim entrepreneur and the personality that is solely focus on the mental, emotional and physical strength as the characteristic of the non-Muslim entrepreneurs. Their study among 250 successful Muslim entrepreneurs in Malaysia showed that there are significant relationships between the personalities of God consciousness and possessing Islamic leadership skills of successful Muslim entrepreneurs and their accomplishments. They concluded that the personality of entrepreneurs studied in their research is a dynamic foundation for individual relationships between the entrepreneurs with both Allah and other people such as employees, customers, suppliers, retailers and wholesalers.

The characteristics of successful entrepreneur also include dignity, self-esteem, good moral values, very strict in doing work and responsibilities, always communicate, and knowledgeable (Ministry of Education, 2012; Yazilmiwati & Ilhaamie, 2012). Turan and Kara (2007) suggested the characteristics and attributes of the Turkish and Irish entrepreneurs as need to achieve, self-confident, do not give up easily, highly responsible, like a

challenge, high self-esteem, optimistic, like to work on own, quick to made decision, like change, good mixer, good planner, like to take risks, trusting, rebellions of authority, impatient, and autocratic.

Their study revealed that three of the most frequently agreed upon characteristics and attributes of Turkish entrepreneur are need to achieve, not giving up easily and being self-confident. This means that Turkish entrepreneurs are achievement oriented, highly responsible, optimistic, and self-confident. According to Idris (1996) and Jone (2010), the characteristics of a great leader, that is wise, strong, and intelligent, has a strong memory, knowledgeable, very experienced, modest, honest, prudent, just and has a strong will, are knowledge and skills which can be acquired, trained and improved over time.

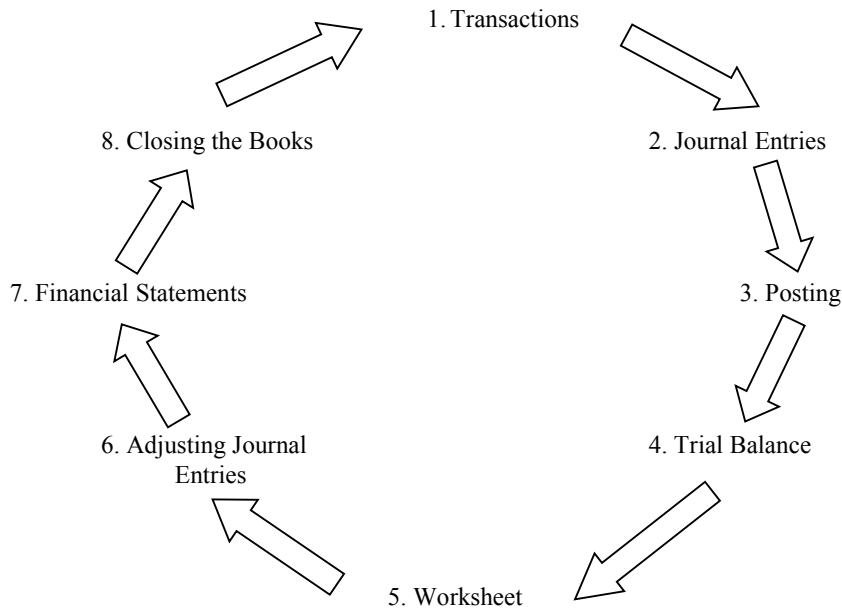


Fig. 1: The accounting cycle has eight basic steps (Hornngren et al., 2012)

### 3. Research methodology

This research utilizes a survey questionnaire to investigate the positive impact on the accounting students after experiencing accounting simulation. 30 students from Malaysian public universities will be chosen randomly as the respondents. The respondents will be given the questionnaire at the beginning and at the ending of the accounting simulation training. This is to allow the researcher to evaluate the relevancy of the developed accounting simulation in instilling the attributes and values of entrepreneur in improving the research respondents' mindset towards entrepreneurship.

The findings are to seek whether the accounting simulation model is successful and effective in improving the research respondents' attributes and values of entrepreneur. It is argued that a successful and an effective accounting simulation model enables an effective embedment of the attribute and values of entrepreneur in the respondents' mindset which can then improve the respondents' perception towards becoming entrepreneur. A 5-point likert scale will be used to group participants into two categories, participants who showed improvement in attributes and values of entrepreneur after experiencing the program (4-5) and participants who showed no improvement in attributes and values of entrepreneur after experiencing the program (1-2). A point scale of 3 is excluded since it represented a neutral point of view in the evaluation process. The data will be analysed to determine the mean value of each attributes and values of entrepreneur for beginning and ending of the program.

#### 4. Conclusion

From this study, the researchers hope to develop an accounting simulation model, which is able to provide opportunities for accounting students to gain first-hand experience as well exposure on the comprehensive accounting cycle. It is hoped that the simulation training would inject entrepreneurial values such as high self-esteem, optimistic and high competitiveness in accounting students while giving them sufficient confidence to become entrepreneurs by starting their own accounting services business. With the emergence of more accountant's entrepreneurs, it is expected that graduate unemployment crisis could be reduced while at the same time to answer the Government's call to produce more chartered accountant in the year 2020.

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