EMPLOYERS' PERCEPTION OF THE QUALITY OF ACCOUNTING GRADUATES IN MALAYSIA

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ABSTRACT

The purpose of this study is to look at the quality issue from the perspective of one of the most important customers of higher education institutions, employers that hire the accounting graduates. Specifically, this study determines how well skill requirements match skill preparedness of accounting graduates. Results revealed that five most important non-technical skills required by employers were the ability to perform assigned tasks, initiative, teamwork, computer literacy, and problem solving. Employers, however, perceived that higher education institutions had failed to prepare accounting graduates with all the skills required. Majority of employers agree that quality differences exists between accounting graduates from public and private institutions, and accounting graduates with and without professional qualifications. Finally, the study highlights suggestion to improve the quality of accounting graduates, and also recommendations for future research.

INTRODUCTION

The Malaysian higher education has undergone substantial growth in the last few years as a result of the efforts made by the Ministry of Education to expand the education industry. The introduction of new legislations such as the new Education Act 1996, the National Council on Higher Education Act 1996, the Private Higher Educational Institutions Act 1996, the National Accreditation Board Act 1996, and the National Higher Education Fund Board Act 1997, manifest the government commitment to make Malaysia as a regional center of excellence in education. These legislations will help produce a new generation of Malaysian graduates who are able to acquire knowledge and skills, intellectually competent, scientifically minded, emotionally stable, morally upright, and socially apt.

The government's policy in education is consistent with its manpower planning to provide the country with the right human skills to keep pace with the growth. Many changes have been made to cope with the demands for education including restructuring the higher education institutions, incorporating them, shortening tertiary courses from four years to three years, and revising the Universities and University College Act. The development of virtual university, distance learning, franchise and twinning programs, as well as the construction of branch campuses of foreign universities has also contributed to the recent growth of Malaysian education. The rapid development in education will lead to a more competitive environment among Malaysian higher education institutions. Each university has developed its own competitive strengths, positioning itself as a center of selective excellence. Courses and programs offered are demand-driven and sensitive to changes in the global environment.

This study attempted to address two important issues. First, what are the skills most needed by employers from accounting graduates? Second, do accounting graduates meet the skills requirements needed by the industry? These issues are becoming more important recently due to the rapid development of Information Technology (IT) that led the country into a borderless environment. The world has observed changes in political, social, legal and regulatory, environmental and technological due to new business deals i.e. globalization. Accounting, being the provider of the financial information about an entity, will inevitably be affected by the rapid developments of IT and business deals. Hence, the accounting education needs to be upgrade to catch up with the continuously changing business environment. A number of studies carried out in other countries such as the United States and United Kingdoms reveal that higher education institutions had failed to prepare students with the necessary skills to compete in an increasing global economy (Buckley, Peach & Weitzal, 1989; Hotch, 1992; Mukherjee, 1993; Oliver & Que, 1996; Parry, Ruthford & Merrier, 1996;).

LITERATURE REVIEW

Total quality management (TQM) is a general management philosophy that holds that quality is a continuous improvement (Seymour, 1992) and measures quality through customers' satisfaction with the services they have experienced. TQM seeks to create an organizational system that anticipates changes in the external environment affecting customer needs and expectations. Under a TQM approach, an organization's systems are continually improved to match these changing needs.

TQM in Malaysian Education

The Malaysian government has formally adopted TQM principles in 1992 when the Public Services Department published guidelines in TQM for use by all government ministries and departments. Correspondingly, the Ministry of Education established its customer charter on April 1, 1996. The Ministry formed a policy and quality section to monitor the implementation of the country's education policy at all levels, based on TQM principles, and envisions that all schools and universities will eventually adopt TQM principles. To control the standards of public higher education institutions, the National Higher Education Council was formed in September 1996. A grading system for public higher education institutions was announced to assess the effectiveness of each department and faculty. To assess the quality of private higher education institutions, the ministry launched the National Accreditation Commission in July 1997.

The National Accreditation Board is responsible in formulating policies on the quality of courses and the accreditation of certificates, diplomas, and degrees. This allows for a more credible evaluation of degrees and certificates conferred by higher education institutions. Quality of education is becoming more important as the government is moving towards knowledge economy in which human resources play an ever-increasing key role in a world competitive environment. This is certainly apparent in higher education, where the product of the system, i.e. graduates can have a direct impact on the quality of both commercial and public organizations. As a result, the enhancement of quality and the attempt to define and measure it are now major issue for higher education in many countries (Frazer, 1992) as quoted in Willis and Taylor (1999).

Quality in Higher Education

In TQM, it is necessary to determine what quality means to a particular set of customer and to design unique processes to improve their satisfaction. Education is a service with the customer express satisfaction and dissatisfaction about school services and instructions.

Student is said to be the primary customers of higher education institutions. According to the survey carried out by Owlia and Aspinwall (1996), students received the highest rankings in terms of customer priority, followed by employers, society, faculty and families. Robinson, Poling, Akers, Galvin, Artzt and Allaire (1991), however, believe that the business community is the ultimate customer of the university's product. Hubbard (1994) resolved this conflict by considering students to be an intermediate customer and the business community as the ultimate customer of the university's product, educated graduates. Referring to the employers as the customer, understanding the personnel needs of business employers are necessary to make that assessment and enhance the quality of the higher education graduates.

Overview of industry needs

Businesses require a broad blend of technical and strategic skills (Sheridan, 1993). Hence, there is no general consensus about what skills are needed by businesses and who possesses those skills (Cappelli, 1992). To solve this problem, several institutions have established a standard, routine procedure to survey businesses that hire their graduates (Rau, 1995). Schmidt (1991) conducted a survey and provided a list of non-technical skills required from business graduates as creativity, communications, ethics,

entrepreneurship, globalization, information technology, interpersonal skills and problem solving. Levenburg (1996) then supported the findings of the study. He found that problem analysis skills raked high, along with oral communication, teamwork, written communication, honesty and integrity, decision-making skills, reliability, self-initiative, computer skills, and leadership skill.

The recent explosion of Information Technology, i.e. Internet usage clearly indicates the increasing importance on computer skills. A study by Hammond, Hartman and Brown (1996) reveals a surprisingly low percentage of college courses that require the student to work on computer-based applications despite the fact that businesses routinely rely on computer support to handle real-world operations. American Assembly of Collegiate Schools of Business (AACSB, 1993) as quoted in Willis and Taylor (1999) strongly encouraged business schools to include written and oral communication as an important characteristic and provide coverage of ethical and global issues as well as the influence of political, social, legal and regulatory, environmental and technological issues.

As for the accounting profession, William (1993) argued, in addition to technical knowledge, future accountants also need to develop the non-technical skills such as capacity for enquiry, abstract logical thinking and critical thinking, historical consciousness, international and multicultural knowledge and the ability to resolve ethical dilemmas. Accounting Education Change Commission (1990) as quoted in Nathan and Dunn (1997) listed a set of skills required for accounting graduates. Those skills include effective reading, writing, analytical and conceptual thinking, an ability to solve diverse and unstructured problems in similar settings, an understanding of

organizations and the means by which organizations change, an understanding of the political forces shaping the standard setting, an understanding of the economic, social, cultural and psychological forces that affect organizations, and knowledge of historical and contemporary events affecting the accounting profession.

Cook and Finch (1994) surveyed which quality is viewed as most important to accounting recruiters. Their sample consisted of 2,000 randomly selected accounting employers representing public accounting, industry, government and education. The study revealed that the most important quality in a potential employee is educational background, prior-work experience, training potential or others. The other included qualities such as people skills, involvement in campus activities, strong managerial potential, intelligence, personality, common sense, ability to think and act decisively, and ability to meet the demands of the profession.

Oliver, Que, Farinacci, and Garland (1996) surveyed the preferences of employers for the background of entry-level accountants. The results of the study revealed some deficiencies in accounting graduates' background qualifications. The areas include verifying computations by hand, and job and internship experiences, especially ones involving computers.

Universities' response to industry needs

Many critics contend that higher education falls short in meeting the job requirements of industry (Parry et. al., 1996). Colleges and universities have been criticized for several shortcomings. A major criticism is that business schools put too much emphasis on analytical problem solving without regard to the practical implications of managerial

actions and decisions. Businesses have also been critical of the lack of curriculum breadth and teaching quality. Maybe an even more important criticism is that too many colleges and universities have shifted from teaching students how to think, to teaching what to think. Teaching the skills of logical analysis and systematic use of evidence so that students are able to examine ideas critically with factual information has been, replaced by emotional interpretation constructs that are not based on reality (Sowell, 1997) as quoted in Willis and Taylor (1999). As a result, college graduates who enter the job market may have biased expectations about the level of performance required by industry. More specifically, businesses complain that too many students put their personal career before the goals of the organization (Hotch, 1992), but this should not be unexpected given the changing employment environment of the present economy.

Higher educations should continually seek feedback from corporate friends to know how to adjust academic programs to meet changing job market requirements (Hotch, 1992). They should create a niche that exploits a unique strength to achieve a regional, if not a national, reputation. This type of focusing is fundamental to every quality management program.

Interestingly, a study carried out by Willis and Taylor (1999) found that most employers felt that the quality of the college business graduate employee had improved in recent years and that colleges are adequately preparing graduates for successful business careers. Findings showed that employers are pleased with the graduate computer skills. However, graduates seemed to lack in international focus, oral communication skills, and written communication skills. Rosmawati (2000) conducted a study on the employers' perception towards the quality of Malaysian business graduates. Findings from the study

revealed that five most important skills perceived by employers were the ability to perform assigned tasks, teamwork, initiative, computer literacy, and interpersonal skills. Employers, however, perceived that higher education institutions had failed to prepare business graduates with all the skills needed.

RESEARCH OBJECTIVES

The objectives of the study are:

1. To determine and investigate the importance of non-technical skills required by employers from accounting graduates
2. To determine and investigate whether higher education institutions are providing accounting graduates with the skills needed by employers
3. To determine and investigate the employers' perception towards the quality differences among accounting graduates

RESEARCH SIGNIFICANCE

This study attempts to identify and investigate the quality of non-technical skills of accounting graduates from the employers' perspective. The findings of this study indicate the quality of local graduates from the employers' point of view. Thus, the findings may be useful to the relevant authorities such as the Ministry of Education, Malaysian Institute of Accountants, Local Accreditation Board, and particularly the higher education institutions. The findings is hoped to give inputs to the higher education institutions of the quality of accounting graduates in meeting the needs of their customers. It may also help the institutions to identify the strengths and weaknesses of the existing curriculum of

higher education institutions. Furthermore, it is hoped that this study will provide a guideline to the policy maker in making decisions pertaining to curriculum planning in the future. Finally, the findings of this study may potentially be used to compare with the findings in more advance countries such as the United Kingdoms and the United States.

METHODOLOGY

Population and Sample

The population of this study consists of 226 accounting firms and 758 non-accounting firms. Non-accounting firms consist of companies listed at the Kuala Lumpur Stock Exchange (KLSE). These two groups of companies are chosen as they are assumed to employ the biggest accounting graduates. To determine the appropriate sample size, a formula as suggested by Krejcie and Morgan (1970) was utilized. The formula produced a Table of "Sample Sizes Required for Given Population Sizes". With an error limit of $\pm$ 5%, the sample size was determined to be 254 for KLSE companies and 144 for accounting firms. A systematic sampling procedure was then used to select the sample from each group.

Instrumentation

Data and fact-finding were done through questionnaire. The instruments were adopted from similar study conducted in the United Kingdom by Willis and Taylor (1999) with some modifications to suit local environment. A pilot survey was then conducted to test the validity and relevancy of the questionnaire with five companies. Respondents were asked to write comments on the questionnaire, if the instructions were unclear, and to

indicate items that were not understood. Based on the returns, the questionnaire was accordingly revised.

The questionnaire was divided into five parts. The first part of the questionnaire addresses demographic data. The second part is a likert-type scale designed to obtain information of the importance of skills required by employers. Respondents were asked to rate each skill using a five-point likert scale (5=very important, and 1=not at all important). The third part obtained information regarding the quality of local accounting graduates according to the skills listed. Respondents were required to rate each skill using a five-point likert scale (5=very prepared, and 1=not at all prepared). The next part of the questionnaire was used to obtain information regarding whether or not employers perceive any differences of the quality of graduate based on where the graduate received his/her degree (i.e. public or private institutions, local or foreign institutions). A dichotomous scale (1=yes, 2=no and 3=unsure) was used to measure the employers' perception. Finally, the last group of questions will be used to gather information on the employers' perception of the overall ability of higher education institutions to prepare accounting graduates to fill responsibilities of the accounting job in today's competitive environment. A five-point likert scale (5=very good, and 5=very poor) was used to measure the data.

RESEARCH FINDINGS

A total of 398 questionnaires were sent through the mail to the partner of accounting firms and the accounts manager of KLSE listed companies. From this number, 116 were returned and this represents a response rate of 29 percent.

Demographic Information of Respondents

Table 1 shows the profile of respondents according to industry types. Non-public accounting firms represent the largest number of responses (71%).

Table 1: Industry Type

Industry	Frequency	Percent
Public Accounting Firm	34	29
Non-Public Accounting Firm	82	71
Total	116	100

Data pertaining to the highest educational level of respondents are as follows: thirty-two respondents (27.6%) had professional qualification, two (1.7%) had PhD, twenty-two (19%) had master's degree and thirty-two (27.6%) had a bachelor's degree as their highest degree. Eighty-six (74.1%) have been working for more than 10 years.

The Importance and Preparedness of Skills as Perceived by Employers

Table 2 displays a ranking of the importance and preparedness of skills as perceived by employers. Skills with mean score of 4.0 or more were considered important by employers or sufficiently prepared by higher education institutions. Five important skills with highest mean scores were the ability to perform assigned tasks, initiative, teamwork, computer literacy, and problem solving. Other important skills include personal attitudinal, motivation, written communication (English), interpersonal skills, oral communication (English), leadership, and general knowledge to perform job. Five skills with the lowest mean scores were awareness on global issues, appearance, knowledge of other related disciplines, oral communication (Bahasa Malaysia), and written communication (Bahasa Malaysia). Results in Table 4 also revealed that higher education institutions do not seem to prepare graduates with all the skills required by businesses.

Five skills with the widest gap in mean scores were written communication (English), oral communication (English), problem solving, ability to perform assigned tasks, and initiative.

Table 2: Means and Ranking of the Importance and Preparedness of Skills as Perceived by Employers

	Importance		Preparedness			
Skills	**Mean**	**Rank**	**Mean**	**Rank**	**Gap**	**Rank**
Ability to perform assigned tasks	4.66	1	3.08	5	1.58	4
Initiative	4.47	2	2.91	9	1.56	5
Teamwork	4.47	2	3.08	5	1.39	8
Computer literacy	4.33	3	3.71	1	0.62	16
Problem solving	4.32	4	2.65	13	1.67	3
Personal attitudinal	4.31	5	2.98	6	1.33	10
Motivation	4.30	6	2.92	8	1.38	9
Written communication (English)	4.28	7	2.53	16	1.75	1
Interpersonal skills	4.27	8	2.76	11	1.51	7
Oral communication (English)	4.25	9	2.56	14	1.69	2
Leadership	4.23	10	2.71	12	1.52	6
General knowledge to perform job	4.15	11	2.94	7	1.21	11
Analytical/math/statistical	3.95	12	2.92	8	1.03	14
Project management	3.89	13	2.82	10	1.07	13
Written communication (BM)	3.75	14	3.32	3	0.43	17
Oral communication (BM)	3.66	15	3.33	2	0.33	18
Knowledge of other related disciplines	3.62	16	2.54	15	1.08	12
Appearance	3.51	17	3.18	4	0.33	18
Awareness on global issues	3.37	18	2.36	17	1.01	15

Independent-Samples T-Test

T-test was performed to test the difference between employers' perception from different industries towards the importance of each skill. Results in Table 3 reveal that there are significant differences between employers' perception from different industries and the importance of the following skills: computer literacy, analytical/math/statistical,

interpersonal skill, teamwork, written communication (Bahasa Malaysia) and oral communication (Bahasa Malaysia).

T-test was also performed to test the difference between employers' perception from different industries towards higher education institutions' preparedness in providing graduates with the skills needed by employers. Results in Table 4 reveal that there are significant differences between employers' perception from different industries and the preparedness of the following skills: computer literacy, general knowledge to perform job, and initiative.

Table 3: Summary Results of Independent T-Test on Industry Type and the Importance of Skills

Skill	Industry	Mean	Mean difference	t	Sig.
Computer literacy	AF N-AF	4.06 4.44	-.38	-2.812	.006
Analytical/math/statistical	AF N-AF	4.24 3.83	.41	2.583	.011
Interpersonal skill	AF N-AF	4.03 4.37	-.34	-2.313	.023
Teamwork	AF N-AF	4.18 4.59	-.41	-3.270	.001
Written communication (Bahasa Malaysia)	AF N-AF	3.44 3.88	-.44	-2.508	.014
Oral communication (Bahasa Malaysia)	AF N-AF	3.38 3.78	-.40	-2.172	.032

P<0.05

AF=accounting firm; N-AF=Non-accounting firm

Table 4: Summary Results of Independent T-Test on Industry Type and the Skills Preparedness

Skill	Industry	Mean	Mean difference	t	Sig.
Computer literacy	AF N-AF	3.38 3.85	-.47	-2.666	.009
General knowledge to perform job	AF N-AF	2.68 3.05	-.37	-2.368	.020
Initiative	AF N-AF	2.65 3.03	-.38	-2.383	.019

P<0.05

AF=accounting firm; N-AF=Non- accounting firm

Employers Perception of the Overall Quality of Accounting Graduates

Table 5 displays mean scores of overall preparation and overall quality of accounting graduates as perceived by employers. Results show that higher education institutions do not seem to adequately prepare graduates with all the skills required by businesses.

Table 5: Employers Perception of the Overall Preparedness and Overall Quality of Accounting Graduates

Skill	Mean
Overall preparation	3.09
Overall quality	3.08

Results of T-Test from Table 6 however reveal that there are significant differences between employers' perception from different industries, and the overall preparedness and overall quality of accounting graduates. Employers from non-accounting firms are more likely to perceive that higher education institutions had prepared their graduates better than employers from accounting firms. Employers from non-accounting firms are also more likely to perceive that the overall quality of accounting graduates better than employers from accounting firms.

Table 6: Summary Results of Independent T-Test on Industry Type, and the Overall Preparation and Overall Quality

Skill	Industry	Mean	Mean difference	t	Sig.
Overall preparation	PAF N-PAF	2.85 3.18	-.32	-2.575	.011
Overall quality	PAF N-PAF	2.76 3.23	-.46	-3.669	.000

P<0.05
PAF=Public accounting firm; N-PAF=Non-public accounting firm

Employers' Perception of the Quality Differences Among Accounting Graduates

Results from Tables 7, 8 and 9 revealed that seventy-six (65.5%), ninety-one (78.4%), and eighty-seven (75%) of employers perceived that there are quality differences among accounting graduates from private or public higher education institutions, local or foreign higher education institutions, and graduates with or without professional qualifications. Although majority of employers seemed to agree that differences in quality exist among the graduates, only 43% prefer to hire graduates from a particular higher education institution.

Table 7: Employers' Perception of the Quality Differences Among Accounting Graduates from Public and Private Higher Education Institutions

	AF (Percent)	N-AF (Percent)	Total (Percent)
Yes	20 (58.8%)	56 (68.3%)	76 (65.5%)
No	6 (17.6%)	26 (31.7%)	32 (27.6%)
Unsure	8 (23.5%)	-	8 (6.9%)
Total	34 (100%)	82 (100%)	116 (100%)

AF=accounting firm; N-AF=Non-accounting firm

Table 8: Employers' Perception of the Quality Differences Among Accounting Graduates from Local and Foreign Higher Education Institutions

	AF	N-AF	Total
Yes	25 (73.5%)	66 (80.5%)	91 (78.4%)
No	7 (20.6%)	16 (19.5%)	23 (19.8%)
Unsure	2 (5.9%)	-	2 (1.7%)
Total	34 (100%)	82 (100%)	116 (100%)

AF=accounting firm; N-AF=Non-accounting firm

Table 9: Employers' Perception of the Quality Differences Among Accounting Graduates with and without Professional Qualifications

	AF	N-AF	Total
Yes	33 (97%)	54 (65.8%)	87 (75%)
No	1 (3%)	28 (34.2%)	29 (25%)
Unsure	-	-	-
Total	34 (100%)	82 (100%)	116 (100%)

AF=accounting firm; N-AF=Non-accounting firm

Chi-square Test

Results from chi-square test performed indicated that there are relationships between employers' perception from different industries and the quality of graduates from public and private higher education institutions ($p < 0.01$), and the quality of graduates with and without professional qualifications ($p < 0.01$). Non-accounting firms are more likely to perceive that there are quality differences between public and private institutions accounting graduates than accounting firms. Accounting firms, on the other hand, are more likely to perceive that there are quality differences between accounting graduates with and without professional qualifications.

Surveyed employers were also asked to identify the major strengths and weaknesses of today's accounting graduates. Results in Tables 10 and 11 show that willingness to learn and work hard, and computer capability were the primary strengths while communication skill was the most frequently listed weakness. Another weakness that was mentioned almost frequently as communication was lack of business experience.

Table 10: Major Strengths of Accounting Graduates as Perceived by Employers

Attribute	Frequency	Percent
Willingness to learn and work hard	46	41.1
Computer capability	41	36.6
Ambitious	15	13.4
Self-esteem	7	6.3
Others	3	2.7
Total	112	100.0

Table 11: Major Weaknesses of Accounting Graduates as Perceived by Employers

Attribute	Frequency	Percent
Lack of communication skills	51	45.1
Business inexperience	32	28.3
Lack of work ethics	19	16.8
Lack of team focus	6	5.3
Others	5	4.4
Total	113	100.0

The final question asked what higher education institutions could do to produce quality accounting graduates. Summary results are presented in Table 12. Majority of employers suggested the institutions to teach better understanding of "real work" and communication skills. Other recommendations include motivational courses and company's loyalty.

Table 12: Employers' Suggestion to Prepare Quality Graduates

Suggestion	Frequency	Percent
Better understanding of "real work"	39	35.8
Internships	33	30.3
Teach better communication skills	31	28.4
Others	6	5.5
Total	109	100.0

DISCUSSIONS, CONCLUSIONS AND RECOMMENDATIONS

Discussion of results

The study among others attempted to identify the important skills required by the employers. Results from the study revealed that twelve skills considered important by employers were the ability to perform assigned tasks, initiative, teamwork, computer literacy, problem solving, personal attitudinal, motivation, written communication (English), interpersonal skills, oral communication (English), leadership, and general knowledge to perform job. The findings supported and confirmed other research findings such as Schmidt (1991), Levenburg (1996), Nathan and Dunn (1997), and Rosmawati (2000).

Results from Independent T-Test showed that there are significant differences between employers' perception from different industries and the importance of computer literacy, analytical/math/statistical, interpersonal skill, teamwork, written communication (Bahasa Malaysia), and oral communication (Bahasa Malaysia). Employers from non-

accounting firms are more likely to perceive that computer literacy, interpersonal skill, teamwork, written communication (Bahasa Malaysia), and oral communication (Bahasa Malaysia) as more important than employers from accounting firms.

Secondly, the study attempted to identify the preparedness of higher education institutions in providing the skills required by employers. Results from the study revealed that higher education institutions seemed not to adequately prepare accounting graduates with all the skills desired by employers. The findings supported the findings by Rosmawati (2000) but contradicted with the ones found in Willis and Taylor (1999). The differences may be due to the lack of commitment among Malaysian higher education institutions to revise and update their curriculum to reflect the rapid changes in business environment and requirements. However, computer skills seemed to please the employers as it received the highest mean. The findings showed that today's accounting graduates are well equipped with computer knowledge and skills to work effectively in the information age. Among the worst prepared skills written communication (English), oral communication (English), problem solving, ability to perform assigned tasks, and initiative. The findings supported and confirmed the results found in Willis and Taylor's (1999) study. The findings showed that communication skills, though considered among the most important skill world wide, is an issue faced by most businesses in the world.

T-test was performed to test the difference between employers' perception from different industries towards higher education institutions' preparedness in providing graduates with the skills needed by employers. Employers from non-accounting firms are more likely to perceive that higher education institutions had prepared graduates with

computer literacy, general knowledge to perform job, and initiative better than employers from accounting firms.

The survey does not flesh out the reason why non-accounting firms and accounting firms seemed to perceive differently towards the importance of certain skills and the preparedness of higher education institutions in providing quality graduates. It may be because different industries operated in different business environment. Hence, their perceptions may differ, as they require different skills. The findings from this study also cannot be compared to prior research as to the best of our knowledge, no such study have been undertaken to look at the differences between employers' perception from different industries and the importance of skills and higher education institutions' preparedness in providing graduates with the skills required by employers.

Thirdly, the study attempted to identify the employers' perception towards the quality of accounting graduates from public and private higher education institutions, local and foreign higher education institutions, and graduates with and without professional qualifications. Majority of respondents (65.5%, 78.4%, and 75%) perceived that there are quality differences among the graduates. Further test using chi-square revealed that non-accounting firms are more likely to perceive that there are quality differences between public and private institutions accounting graduates than accounting firms. Accounting firms, on the other hand, are more likely to perceive that there are quality differences between accounting graduates with and without professional qualifications.

The survey does not flesh out the factors contributed to the differences in quality of graduates or which category of higher education institution is superior to others. It may

because graduates from certain higher education institution possess certain attributes not found in graduates from other higher education institutions. Graduates from foreign higher education institutions, for example, are noted to possess better communication skills, more easy-going and self-confidence compared to graduates from local higher education institutions. Although employers seemed to agree that differences in quality exist among the graduates, only 43% of employers prefer to hire graduates from a particular higher education institution. It may because employers in Malaysia do not want to be bias to a particular higher education institution.

Conclusions

Results from the study shed the light of the non-technical skills required by employers from accounting graduates in Malaysia. Among the skills considered important were the ability to perform assigned tasks, initiative, teamwork, computer literacy, problem solving, and personal attitudinal. Secondly, higher education institutions in Malaysia do not seem to adequately prepare their graduates with the skills needed by employers. Five skills with the widest gap in mean scores were written communication (English), oral communication (English), problem solving, ability to perform assigned tasks, and initiative. Finally, employers in Malaysia agreed that differences in quality exist between accounting graduates from public and private higher education institutions, local and foreign higher education institutions, and also graduates with and without professional qualifications. The good news is only 43% of employers prefer to hire graduates from a particular institution.

Recommendations

The followings are some recommendations that could be useful for higher education institutions:

a. higher education institutions should have a close relationship with the businesses to get the latest inputs of the business development and requirements. This can be achieved through research collaboration and industrial attachment of academicians in various industries. This is important as the students depend upon their instructors to be current in knowledge of the marketplace and to provide them with the possible education by which to reach their goals.

b. higher education institutions need to emphasize and train the students with the non-technical skills in addition to the technical skills to compete in today's highly competitive business environment.

c. higher education institutions should incorporate more case studies to expose the students with the latest development in business environment.

d. higher education institutions should lengthen the period of practical training to give more exposure to the students of the real business world.

RECOMMENDATIONS FOR FURTHER RESEARCH

a. Employers' perceptions in the study were limited to the skills specified in the questionnaire. There might be other skills not included in the questionnaire that need to be considered in future research.

b. The sample of this study was limited to public accounting firms and big companies listed in the KLSE. Smaller companies might have different

requirements than bigger companies. Hence, future research should also consider smaller companies and compare the results of the two groups.

c. The study did not attempt to identify the factors influencing the employers' perception towards the quality of graduates. Future research should look at the possible factors that might affect the employers' perception.

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