

Perceptions of Accounting and Accountants

In the Eyes of the People from Mainland China and Macau

Dr. Kwok Shu Hung

Macau University of Science and Technology

Macau, PRC

e-mail address: shkwok@must.edu.mo

Abstract—This study examined the perceptions of the accounting and the accountancy profession. A survey of university students was performed. The results indicated that both the Mainland Chinese and Macau students perceive accounting and accountants with a negative image of dull and boring. The results also indicated accounting as precise, definite and the profession is of a high social status. The implications of the results were discussed.

Keywords- *image perception; accounting profession; education; china; macau*

I. INTRODUCTION

It is important for the accountancy profession to portray a proper professional image of the public accountants. If there is not a proper public image of the accountants, the accounting profession will not be able to attract and retain talented people to join the profession, and the profession may not be able to gain the necessary respect and trust from the public. Thus, this may jeopardize the status of today's accountants as a profession.

While the large accounting firms and the profession have long been trying to change the stereotype of traditional accountants to business professionals, we are not sure if their mission to change public image perception has been accomplished. It is said that "the greatest challenge for accounting is still its image" [1].

The traditional accountant stereotype has a long history and accountants were described as cold, aloof, and impersonal some forty years ago [2]. In the more recent literature, there are different studies on the perceptions of accounting and the accountancy profession (e.g. [3]; [4]; [5]). Quite often, the roles of accountants are associated with the work of bookkeepers with a beancounter stereotype being dull, dry, unimaginative, precise and abiding to rules (e.g. [6]; [7]). Studies related to perceptions of the accounting work and the accounting professions have been examined in different countries such as Australia, New Zealand, USA, Romania, Ireland, Syria, Holland and et al., ranging from the perspectives of the secondary students, university students and accountants themselves (e.g. [8]; [5]; [9]; [10]; [6]; [11]; [7]). Apparently, there is only a limited number of studies in Asia (e.g. [12]).

This study is to examine the perception of accounting and accountants in Mainland China and City of Macau, a Special Administrative Region of Mainland China. The study of the perceptions of accounting and accountancy profession in China and Macau appears to be rare. Also, Mainland China and

Macau are chosen for this study because both Macau and Mainland are fast growing economies and with their own unique features and cultural environments which are different from the studies conducted in the West. The results of the perceptions of Mainland people and Macau people will also be compared.

II. BACKGROUND – ACCOUNTANCY PROFESSION IN MAINLAND AND MACAU

In China, the Chinese Institute of Certified Public Accountants (CICPA) was formally established as a national organization in November 1988 under the supervision of the Ministry of Finance (MoF) and also the financial departments of local governments whereas in Macau, the development of the accounting profession is more from within the profession.

With the opening up of the economy to the foreign enterprises, CICPA initially was formed to breed professional accountants to serve the Sino-foreign joint ventures when China opened up its economy in the 1980s. Gradually, the roles of the CICPA firms have been expanded to cover the audit of the state owned enterprises and also other Chinese enterprises when they seek to list in the local or foreign stock exchanges. The CICPA has grown tremendously in the last 25 years since its formation. The CICPA working together primarily with MoF has transformed its local accounting standards in a socialist environment to the international standards. Starting from 2013, CICPA has already adopted the international accounting and auditing standards almost completely. With the rapid development of China economy since the early 1980s, the accounting profession also grows rapidly both in quantity and quality to cope with today's environment. The roles and functions of traditional accountants may not be adequate with China business environment today. CICPA has begun to expand her jurisdictional boundaries such as fraud investigation and advisory. It can be foreseen that in the near future CICPA will become truly internationalized and be considered as one of the major accounting bodies in the international accounting arena.

Indeed, the accounting profession in Mainland China is at an important stage as to how they should expand the accounting profession jurisdiction to attract the best and the brightest to the profession. It is also an appropriate time to survey the images of the public accountants in Mainland China at this critical time to provide insight to the profession on their future development.

As for Macau, with the rapid change of the economy in the past ten years since the opening up of the gaming industry in

2002 attracting a number of foreign players, Macau is becoming an international city. The Macau government has implemented a law on December 31, 2005 to abolish the previously Portuguese based accounting scheme and replaced it with new Macau Official Plan for Accounting incorporating the International Financial Reporting Standards (“IFRS”) to meet with the internationalization of business happening in the city. At the same time, the roles of accountants in Macau have significantly transformed to meet the changes in the business environments in Macau and have been expanded from scorekeeping and audit work to include financial planning, assurance services, risk management, business advisory and corporate governance.

There has been increasing demand of accountants in Macau to meet with its rapid growing economy. Presently, a significant number of talents in the profession are imported to meet the surging demands. In the long run, Macau needs more locally trained accountants to meet the increasing demand. To attract the local best and the brightest people to the accounting profession, it is important to have a correct perception and a positive image of the accountancy profession.

III. DATA COLLECTION

A survey in form of a questionnaire was conducted. A questionnaire was designed to collect the views of the students studying at a University in Macau. The University attracts both local students, students from Mainland China and other countries. There is a significant number of students who come from Mainland China to study at the University and these students can become a proxy for students from Mainland. One section of the questionnaire asks the student respondents about the perception of accounting and accountants. Another section of the questionnaire asks the student respondents about their personal particulars, such as their gender, age, country origin and their subject major.

The design of the questionnaire was based on the one developed by [12] and subsequently used by different researchers (e.g. [6] and [14]). It includes 36 pairs of adjectives representing opposite views on the nature of accounting work and the image perception of accountants. A 7-point scale from 1 to 7 is used and placed between each pair of the adjectives. The students were asked to express the strength of their opinion in a particular direction. Some of the pairs are reverse-coded.

The questionnaires were all distributed and completed by students during classes with the assistance of the instructors. Clear instructions by the class instructors were made as to how to complete the questionnaires.

Questionnaires were collected in class and 538 questionnaires are usable for this study. The respondents include students with accounting major and non accounting major. There are 390 respondents were with accounting major and 148 respondents are non-accounting major. Among those students, 182 students were male and 356 students were female and 430 students come from Mainland China and 108 are Macau local students. The students coming from Mainland China are used as a proxy to represent the Mainland Chinese students.

IV. RESULTS

Data Analysis was performed. A review of the mean score of the 36 pairs revealed that most of the pairs are with a mean score lower than 4. Only 4 pairs are with a mean score higher than 4, namely Easy / Challenging; Solitary / Interaction with others; Inflexible / Adaptable and Conceptual / Analytical. A mean score lower than 4 implies that the respondent views that the first item of a pair of adjective describes better the nature of the work of accountants. The first adjective of the pair usually reflect the traditional views of the accountants such as boring in boring / interesting, introvert in introvert/extrovert which tend to portray a negative image.

Among the 36 pairs, there are 13 items with a mean score lower than 3, with examples such as compliance/innovative, factual/routine and certainty/ambiguity. In other words, a review of the mean score revealed that generally both the Mainland and Macau students hold the traditional views of the accounting work and accountants associated more with the work of bookkeepers.

In order to identify if some of the personal particulars may have an effect on the views of the students, one way ANOVA was performed to compare mean between groups such as Male versus Female, Students majoring in Accounting versus students with non-accounting major and local Macau students versus Mainland students.

It was found that there are 5 items that the female students have higher mean scores than their male counterparts. They include boring/interesting, dull/existing; tedious/absorbing; monotonous/fascinating at a significance level lower than 0.05. In other words, the female students tend to think the nature of accounting work is more interesting, existing, fascinating than the male students despite all their mean scores are lower than 4. This finding was different from the findings in Ireland [6] whereby female accounting students perceived accounting to be neither interesting nor boring while male accounting students perceived accounting as boring. This difference in findings may be due to cultural difference between these two countries. As for non-accounting students, both female and male students found accounting boring.

As for the groups between student respondents with accounting major versus non-accounting major, there are 21 items whereby the students with accounting major have higher scores than the non-accounting students at a significance level lower than 0.05. This indicates the accounting majors have a more “positive” view towards the nature of accounting work and image of the accountants. This may be explained that students with accounting major, through their studying of accounting, have a better understanding about the nature of accounting work and accountants in real world. However, in general, the mean scores of the students with accounting major are lower than 4, indicating the undesirable side of the profession.

The country of origin of the students also has effects on the views of the students towards the nature of work of accounting and accountants. There are 10 pairs of items the mean scores of which are different between the Mainland students and Macau students at significance level lower than 0.05. They include for

example boring / interesting, factual/intuitive, details/overview, precise /imprecise. To control the effects of the course (accounting major versus non accounting major) taken by students on the impact of the country of origin of the students, multivariate analysis was performed with courses taken by the students as control variables. The results reveal that there are 14 pairs of items with different mean scores between the Mainland students and Macau students at a significant level < 0.05. Most of these items are different from the items without taking course major by students as control variable. As such, it indicates indirectly that the effects of the accounting major by students do have significant impact on the view of the students besides country of origin.

Factor analysis was then performed to ensure parsimony and also facilitate the discussion and analysis among these 3 variable factors, namely, gender, country of origin and accounting major versus non-accounting major. Principal components analysis was employed and the result suggested that there are 4 distinct factors to describe the nature of accounting work and accountants. They are namely (1) boring (2) precise (3) definite and (4) social status/esteem. The reliability test indicates the Cronbach's Alpha ranges from 0.814, 0.769, 0.715 and 0.523. The factor of "social status" is of lower Cronbach's alpha, possibly because there are only 3 items in that factor as Cronbach's alpha value increases with number of scale items in the factor. The Cronbach's alpha of all the items was 0.833 indicating a good reliability.

The four factors, namely boring, precise, definite and social status or esteem are represented by the respective scale items as indicated in Table 1.

TABLE I. SCALE ITEMS OF THE FOUR FACTORS

Boring	Precise	Definite	Social Status/Esteem
Dull /Exciting	Thorough/ Superficial	Certainty/ Ambiguous	Benefit Society/ Profit Driven
Boring / Interesting	Precise/ Imprecise	Compliance / Innovative	Record-keeping/ Decision-making
Monotonous/ Fascinating	Planned/ Spontaneous	Introvert /Extrovert	Prestige / Ordinary
Tedious/ Absorbing	Logic/ Imagination	Factual /Intuitive	
Repetition /Variety	Details/ Overview		
Structured /Flexible			

These four factors are quite similar to some previous studies except that there is a new factor of "social status or esteem" identified in this study. The other factor of "compliance" as identified in other studies (e.g. Byrne and Willis, 2005) in the Western country was not found in this study. This new factor identified in this study could be explained that Chinese students are used in the sample whereby Chinese traditionally could be more concerned about social status or importance of the job as perceived in society other than the other nature of the job. Therefore the results of identifying different factors in this study may indicate cultural and economic environments may have influence on the

perception of accountants. The mean scores of all the items in each factor are generally low, with 3.5 for Boring; 2.57 for Precise and 2.6 for Definite and 3.46 for Importance.

One way ANOVA was also performed for these 4 factors to identify if there are any differences between groups. The result revealed that Female has higher score on Boring factor and lower score on Importance at a significance level < 0.05. There is no significant difference for the other two factors.

As for student respondents with accounting major versus non-accounting major, students majoring in accounting have a higher score in Boring factor and lower score in Importance factor, both at a significance level < 0.05. There is no significant difference for the other two factors.

As for country of origin, the Mainland students also have higher score on Boring/Interesting factor and lower score on Social Status/Esteem as compared with Macau students at significance level < 0.05. There is no significant difference for the other two factors.

V. LIMITATIONS AND FUTURE RESEARCH OPPORTUNITIES

There are certain limitations of this study. This study was based on survey data obtained from one University and they may not be representative. Therefore, further research should be conducted to involve students from more universities. The other limitation is that this study used the Mainland Chinese students studying in Macau as a proxy for all the students in Mainland. This thus poses a future research opportunity to perform a survey study involving different universities in Mainland China there and identify if there are any differences in this result findings.

VI. CONCLUSION AND IMPLICATIONS

The low mean scores in most of the pair items as found in this study reflect that both the Macau students and Mainland students view the nature of accounting work and accountants as boring, precise, definite but may be of relative importance in society. The reasons Mainland students and Macau students studying accounting may be because they view accountants are of relatively higher social status. It is questionable whether such motive may be sustainable to retain the best and brightest students to stay in the profession for long.

The results are alarming particularly with low mean scores in the "boring" factor. It may imply that the nature of the accounting work is boring and the image of accountants is dull. This reflects that this negative image perception of accountants has not changed despite the diversity of roles of today's accountants in real life. It appears that the accountancy profession in both jurisdictions fails to convey a positive image of today's accountants reflecting the dynamic work of the accountants in their fast growing economies. As such, it may pose challenges for the accounting profession to attract the best and the brightest to the profession if the image of bookkeeper stereotype is not changed.

Our results of low mean scores in most items may imply that there is much work for the accounting profession and educators to do for changing the image of traditional accountants to a business professional to reflect the expanding

roles of accountants as business professionals rather than traditional accountants. It is hoped that the findings of this study will provide some insight to the professional accounting bodies in these two jurisdictions to put extra effort on educating the students and the public to have a positive image of the profession.

As for Macau, other than being a casino city with a good number of casino resorts with shopping centres selling luxury goods attracting millions of tourists coming to the city, the current state of professional accounting bodies in this small city is also unique. Despite the rapid growing economy with a record of US\$38 billion in gaming revenue in 2012, about 6 times of that generated in the Las Vegas, the number of public accountants (called registered auditors in Macau) has remained about the same in the past few years at around 200. One of the reasons could be the difficulty of attracting talented people to the profession. The local government may consider assisting and supporting the profession and the educator on educating the locals to build a more positive image of the accounting profession. Further, there are four different accounting bodies in the city with population of around half a million. The size of each of these professional accounting bodies is small and some of the qualified accountants in Macau have memberships of more than one accounting body. For the purpose of attracting the best and the brightest to the profession, consolidation of the professional bodies will help build a more unified professional image of the local accounting profession and the pooled resources can thus be better utilized for educating the public for a positive image of the accountancy profession.

All in all, to change the image perception of the accountants, this requires the concerted effort of the accounting profession, the accounting educators and the government to initiate, facilitate and support such change.

ACKNOWLEDGMENT

This research was supported by Macau Foundation (Fundação Macau) (MF-U/UH/MIAR/TIS-2012- 0248). This support is gratefully acknowledged.

REFERENCES

- [1] Buffini, F. and A. Cornell (2005). Top talent deserts the professions. *Australian Financial Review*, January 8–9, pp. 13–15.
- [2] DeCoster, D. T. and Rhode J. G. (1971) The accountant's stereotype: real or imagined, deserved or unwarranted. *The Accounting Review*, XLVI(4), pp. 651–664
- [3] Coleman, M., Kreuze, J., & Langsam, S. (2004). The New Scarlet Letter: Student Perceptions of the Accounting Profession After Enron. *Journal of Education for Business*, 79(3), 134-141.
- [4] Jeffrey, G. (2002). Changing the image of accountancy in Mexico. *The Accountant*, 14
- [5] Wells, Paul, Kate Kearins and Keith Hooper (2008). Perceptions of Accounting and Accountants: Looking in the Mirror. <http://www.unitec.ac.nz/fms/conferences/araconference/Paul%20Wells-Perceptions%20of%20Accounting%20and%20Accountants.pdf>
- [6] Byrne, Marann; Willis, Pauline. *Accounting Education* (2005). Irish Secondary Students' Perceptions of the Work of an Accountant and the Accounting Profession. Vol. 14 Issue 4, p367-381. 15p.
- [7] Clement C. Chen, Keith T. Jones, Audrey N. Scarlata, Dan N. Stone (2012). Does the Holland model of occupational choice (HMOC) perpetuate the Beancounter-Bookkeeper (BB) stereotype of accountants? *Critical Perspectives on Accounting*, Volume 23, Issues 4–5, June 2012, p370-389.
- [8] Kavanagh, Marie H.; Drennan, Lyndal (2008). *Accounting & Finance*. What skills and attributes does an accounting graduate need? Evidence from student perceptions and employer expectations.. Vol. 48 Issue 2, p279-300. 22p.
- [9] Hunt, Steven C.; Falgiani, A. Anthony; Intrieri, Robert C (2004). The Nature and Origins of Students' Perceptions of Accountants. *Journal of Education for Business*. Jan/Feb2004, Vol. 79 Issue 3, p142-148. 7p
- [10] Ștefan, Bunea; Marian, Săcărin; Mădălina, Gîrbină Maria (2013). An Analysis of the Perception of Chartered Accountant Trainees Regarding Access to The Accounting Professional Training Needs. *Annals of the University of Oradea, Economic Science Series*. Jul2013, Vol. 22 Issue 1, p1154-1164. 11p.
- [11] Sonja Gallhofer, Jim Haslam, Rania Kamla (2011). The accountancy profession and the ambiguities of globalisation in a post-colonial, Middle Eastern and Islamic context: Perceptions of accountants in Syria. *Critical Perspectives on Accounting*, Volume 22, Issue 4, April 2011, p376-395
- [12] Devie; Tarigan, Josua (2008). The perception of Employees Towards the Management Accountant Roles as an "Actor": A Research in Bangkok and Surabaya. *Journal of International Business Research*. Jan 2009 Supplement, Vol. 8, p21-37. 17p.
- [13] Saemann, G. P. and Crooker, K. J. (1999) Student perceptions of the profession and its effect on decisions to major in accounting. *Journal of Accounting Education*, 17(1), pp. 1–22.
- [14] Baxter, Peter; Kavanagh, Marie (2012). *Australasian Accounting Business & Finance Journal*. 2012, Vol. 6 Issue 5, p81-100. 20p.