

■ REPORTING BY THE ACCOUNTANTS TODAY EDITORIAL TEAM

# STRENGTHENING ACCOUNTANCY EDUCATION

**HOW CAN MALAYSIA IMPROVE** the current accountancy education to produce market-ready talent not just for local employers, but the world.

**MALAYSIA** has produced a large number of accountancy graduates, but employers frequently lament that they lack market readiness and are unemployable. This consequently stymies development goals, since quality talent is the fuel which greases economic growth and supports the fruition of the Economic Transformation Programme (ETP).

“Feedback shows that there is always a shortage of talent which constraints development goals,” said Johan Mahmood Merican, Chief

Executive Officer, Talent Corporation Malaysia Berhad (TalentCorp), at the recent National Accounting Educators Convention (NAEC) with the theme of ‘Strengthening Accountancy Education’. “Since universities are major suppliers of accountancy talent, how can the education sector close the gap to ensure graduate employability?” he asked further.

The following are some of the key points for action gleaned from the NAEC:





## PREPARE FOR CROSS BORDER CURRENTS

Wide exposure is vital to shaping the in-demand accountancy professional who in turn should acquire broad capabilities, competencies and experience, and ironically, deep industry and functional specialisation as well. Hermetic mindsets, protectionism and territorial attitudes run counter to internationalisation, which require tolerance for diversity and broad-mindedness. But we have to shed these insecurities and biases because finance and accountancy careers are no longer confined to local markets, and feature strong cross border, regional and global flavours.

Malaysia's efforts to harness its global diaspora are directly contributing to the globalisation of local business, remarked Johan. While TalentCorp is actively encouraging Malaysian expatriates abroad to return and work locally to help reduce the talent gap, it also makes sense for Malaysians to become corporate leaders at a global level and contribute back to Malaysia from abroad. In this respect, young Malaysian accountants should have global ambitions but remain Malaysian at heart. Johan



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quoted the example of Devinder Kumar, Malaysian chief financial officer and senior vice-president of AMD (Advanced Micro Devices) based in the US, who had been instrumental in the growth of AMD in Malaysia, both in manufacturing in Penang and global shared services in Cyberjaya, creating jobs and stimulating growth in the process.

Malaysia's ranking as world number three in global shared services is another factor driving the globalisation of Malaysian accountants and finance professionals. While we lack the people and low costs to compete with India and the Philippines in low-value transactional shared services, Malaysia is positioning itself as a centre for medium and high-value added global finance shared services (FSS). At the same time, the shifting of FSS to Malaysia and similar destinations implies that robust talent pipelines must be developed in these locations to replace the talent pools being hollowed out in higher-cost developed nations. "We are going to need more and more Malaysian accountancy graduates to serve not only Malaysia, but the world," enthused Johan. "So how can we as educators inspire them and provide international exposure to our young

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Malaysians so they think regionally and globally?”

**LEVERAGE ON BIG DATA**

Data volumes today are projected to rise exponentially, from 0.8 zettabytes to 35 zettabytes or 44 times from 2009 to 2020. By analysing and interpreting this data, or using big data analytics, institutions of higher education will be able to deliver better quality to students and affect their educational outcomes.

Ignorance of what students nowadays require has produced shoddy results. Quoting a study of 2,300 students, Associate Professor Dr. Sagaya Amalathas, Head of Department, Decision Science & IT, UNITAR International University, said that 45% of those surveyed demonstrated “no significant gains in critical thinking, analytical reasoning and written communications during the first two years of college, while 36% showed no improvement after four years.”

Dr. Sagaya is optimistic that big data analytics will be able to remedy this dismal state of affairs. “You’ve got to know your customer in order to serve them better,” she said, likening students to customers. She recommended applying big data analytics in accountancy education to profile students, match them to appropriate courses and majors, monitor student performance, improve student retention, and deliver effective value to students.

While big data analytics will require substantial investment, Dr. Sagaya said a win-win situation would be to collaborate with leaders in big data and technology to leverage their expertise and infrastructure.

**PUT STUDENTS FIRST**

While it may seem like common sense, Associate Professor Dr. Noraini Mohamad, University Teknologi MARA encouraged



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*Dr. Noraini Mohamad*

educators to shift from a lecturer-centric approach to a student-centred approach. “Less us and more them, and shift the focus of activity from the teacher to the student,” she said. She added that students must be encouraged to take responsibility for their own continuing education, instead of being spoon-fed, which reflects actual conditions in the working world.

**INCORPORATE BUSINESS ISSUES**

Business today is integrated, and to be market-ready, students must be exposed to the latest concepts and issues.

A key example is the Goods and Services Tax (GST) which took effect in Malaysia on 1 April 2015, and impacts not just tax and business revenues, but also business operations and systems. “GST is a business issue, not a tax issue,” said Rajagopal Raghavan of Multimedia University (MMU), Melaka Campus which started offering GST as an elective subject to final year accounting students in 2014 to make them “more marketable.”

The course syllabus covers seven topics: introduction to GST, supply, input tax credits, tax invoices and record keeping, special schemes, special transactions and capital goods adjustments (mixed suppliers).

Given that Malaysian GST is still

fluid, Rajagopal expects the GST syllabus to adapt as well going forward. While the current MMU syllabus is based on the Customs Department's GST training syllabus, future changes may include incorporating case studies into the syllabus based on actual issues and events, and covering GST for various industries such as telecommunications, shipping agencies and manufacturing to name a few. "This is essential because GST has different peculiarities and treatments depending on the sector and industry."

He cautioned educators that GST should also result in revisions to other accountancy subjects, such as fundamentals of accounting (incorporating GST elements into concepts and processes like double entry, revisions to accounts payable and accounts receivable, and recording of GST in financial statements).

## EMERGE FROM IVORY TOWERS

The Malay proverb states that a crab will teach its offspring to walk in a crooked line. How then can educators ensure that their teaching is relevant to market expectations if they themselves are insulated from the marketplace?

Linkages and exchanges between industry and academia will be essential if lecturers are sincere in wanting to produce quality talent, said Datuk Johan Idris, President, MIA. He encouraged academics to pursue secondment with public practice firms and corporate finance functions in order to be able to apply technical theories in real-life situations and to build up a robust network for future referrals.

In the same vein, Rajagopal encouraged lecturers to go through GST training in order to be able to teach the subject effectively.

Finally, there is also a dire need to revamp the accreditation, hiring and

promotion policies for academics in the accountancy and business faculty. Currently, educators with postgraduate qualifications (masters and doctoral degrees) and research credentials are prioritised in the academic world, although they may lack corporate and industrial experience. It is high time that universities and institutions of higher education modify their policies to recruit and validate lecturers and teachers with professional qualifications and working experience. This should apply not only to accountancy, but also engineering, law, banking and other professions. At its very core, accountancy is a profession and a vocation – professional accountants with relevant working experience are needed to bridge the gap between academia and work and to expose students to real-life accounting problems, warts and all.

## WORDS OF ENCOURAGEMENT

While Malaysia's education system might be cracked, there is still optimism that appropriate and timely interventions such as the above measures might seal the fissures and help restore quality. Datuk Johan concluded, "There is a continuous demand for quality teaching and obviously, the educators are faced with a gigantic task in nurturing the talent pool of tomorrow. We must not forget the contribution of teachers to the country and society at large." Assuring educators that MIA would help them "all the way" as they worked to help build the country's talent pool, he pledged that the Institute would continue to work tirelessly with other stakeholders and agencies to strengthen accountancy education and nurture future accountancy professionals. But the pace must pick up; time till 2020 is running out and the country's competitiveness is at stake. ■



Rajagopal Raghavan

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