SOFT SKILLS DEVELOPMENT IN ACCOUNTING EDUCATION IN INDONESIA

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ABSTRACT

For many years universities around the world have placed students’ development of soft skills high on the agenda. However, limited empirical studies can be found on how these soft skills are perceived by stakeholders in accounting education in Indonesia. This paper reports some initial qualitative findings of professional literature on soft skills in Indonesia. There will be need for further research to study this academically as it will inform the accounting education reform in Indonesia.

Keywords: Soft skills; Accounting education; Accounting education reform; Indonesia

The Context of Soft Skills in Accounting Education

In the past, the delivery of accounting was simply to provide technical skills for its graduates {De La Harpe, 2000 #555}. However, for the last two decades this practice has changed. An emphasis on technical skills alone was not sufficient because internationalisation of the world economy, intensified market competition, the emergence of information technologies, and societal change. Accounting programs need to prepare new accountants with an added value so that they are ready to enter the labour market {Daff, 2012 #694}. These added values referred to soft skills such as communication skills, business presentation skills, and interpersonal skills {De Villiers, 2010 #877}.

Such soft skills are proved suitable for employment {Howieson, 2003 #550;Jackling, 2009 #683;Wells, 2009 #692} and lead to success in employability {Jackling, 2009 #683;Jackson, 2013 #684;Kavanagh, 2007 #698;Tempone, 2012 #691}. In addition, employers put more importance on soft skills, rather than on than technical skills {Bui, 2010 #679;Kavanagh, 2008 #687}. Therefore, professional bodies start to include these skills in the accounting programs {Jackling, 2009 #683}. 
However, stakeholders of accounting have varied perceptions of what soft skills are required. In many cases, the skills of graduate accountants do not meet demands of employers {Awayiga, 2010 #476;Jackling, 2009 #683;Kavanagh, 2008 #687;Kutluk, 2012 #623;Oliver, 2011 #699;Abayadeera, 2014 #676;Bui, 2010 #679;Parvaiz, 2014 #707}. There is also evidence that accounting educators have limitations in developing the skills of graduate accountants. De Lange, Jackling and Gut {, 2006 #603}; Awayiga, Onumah and Tsemayi {, 2010 #476}; Willcoxon, Wynder and Laing {, 2010 #761} find that academics fail to equip accounting students with an adequate set of skills as expected by the accounting profession. This is could be due to such constraints as deficiency in teaching skills, lack of passion in teaching accounting subject, and poor performance of educators {Abayadeera, 2014 #676;Bui, 2010 #679;Parvaiz, 2014 #707}.

The Context of Soft Skills in Accounting Education in Indonesia

It is argued that traditional classroom instruction have become one of the source of problems in skills gap in Indonesia {Hill, 2012 #611}. For example, education remains focused on transferring academic knowledge, and on memory-based learning, rather than trying to enhance the learners’ abilities in acquiring knowledge and soft skills {Ajisuksmo, 1999 #902;Hill, 2012 #611}. Although for the past few years there was an attempt to implement the collaborative learning, the old practice still exists. Furthermore, teachers are viewed as powerful know-alls, responsible for student learning while students are seen as know-nothings who must absorb knowledge from teachers and obey them {Ajisuksmo, 1999 #902}.

A recent survey conducted by the ASEAN Study Centre and Ministry of Foreign Affairs of Indonesia {, 2014 #781} reported that the market has consistently indicated disappointment at the skills of Indonesian graduates. Graduates are found to be unprepared for work. Ironically, most Indonesian tertiary curricula, including accounting, have not yet caught up with the demands from the industrial sectors {FEB UB, 2014 #701;IAI, 2013 #777;Martinez-Fernandez, 2010 #749}. A persistent complaint amongst employers is about the lack of experience or relevant skills of graduate accountants and their incapability to apply their skills {FEB UB, 2014 #701;UGM, 2014 #775;Unjani, 2014 #773}. Accounting graduates in Indonesia are also
lacking generic skills, such as communication skills in English, analytical thinking, leadership, team work, an ability to work independently, and professional presentation skills {IAI, 2013 #777; UGM, 2014 #775; TopCareer, 2013 #774}. Furthermore, within behavioural skills, leadership, team orientation and ability to work independently are considered particularly weak. In another report, employers suggested that communication and presentation skills would be crucial skills to develop a career {IAI, 2013 #777}. Accounting educators in Indonesian universities are actually aware of the students’ weakness in critical thinking and communicating in English language {FEB UB, 2014 #701; UGM, 2014 #775; Unjani, 2014 #773; TopCareer, 2013 #774}. However, the evidence above has some limitations as to the existing knowledge about the skills gap as they come mainly from professional literature with little use of rigorous methods. Therefore, there will be need research that expected to be communicated in more academic-refereed environment.

In relation to generic skills importance for the better accounting practice in Indonesia, facing to the AEC at the end of 2015, Indonesian accountants have some challenges. First, Indonesia has an insufficient number of registered professional accountants {IAI, 2013 #777; Steelyana, 2012 #714; Utami, 2011 #772}. With the economic growth above 5% per year, the need for accounting services is getting bigger {IAI, 2013 #777}. Second, there are fewer competent professional accountants across Indonesia compare with the accountants from ASEAN countries (Hill & Wie, 2012; Sinaga & Wahyuni, 2014; Steelyana, 2012). Thus, Indonesian accounting service provides opportunities for accountants from other ASEAN countries to support Indonesia’s economic growth. Many accountants from the Philippines, for example, are now working in the Indonesian Big Four (Sinaga & Wahyuni, 2014).

According to Kutluk, Donmez, Utku and Erdogan {, 2012 #623}, one of the factors to win the global competition is to have well-educated and well-equipped employees. Education, including that of accounting, is an economic good that provides utility on consumption and serves as an input for the process of production of other goods and services {Parvaiz, 2014 #707}. Thus, conducting accounting that provides skills needed by graduate accountants is an investment. Indonesia needs to reform its accounting education to enhance the national productivity by emphasising more convertible, universal skills and to better respond to the demands of the labour market.
The subsequent research, then, may presenting empirical evidences of the developing certain skills gap that important for accounting profession but become the weaknesses of Indonesia’s graduate accountants. By narrowing those skills gap it will contribute to knowledge and literature as graduate accountants’ problem in one of the major developing countries revealed, along with characteristic of learning and teaching methods in Indonesia.

Conclusion

Previous literature indicates that employers are seeking graduates who possess a diverse range of soft skills including communication skills, business presentation skills, and interpersonal skills. Employers also use soft skills as discriminators when evaluating graduates. The discussion about skills gap in Indonesia will need further research as there were only professional literatures that inform about the skills gap. This paper contributes to enhance the awareness of accounting educators in Indonesia to investigate the skills gap that could be used to inform curriculum development that will lead the accounting education reform.

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