

The Relationship Between Employability Skills on Accounting Graduate Employability

Norhaslinda Binti Daud^{1*}, Muhammad Akmal Arif Bin Mohd Poad²

¹Lecturer, Faculty of Accountancy, Universiti Teknologi MARA, Malaysia

²Student, Faculty of Accountancy, Universiti Teknologi MARA, Malaysia

Abstract—The growing intricacy and requirements of the contemporary job market have amplified the significance of employability skills for accounting graduates. These graduates must possess essential employability skills, including effective communication and problem-solving abilities. The objective of this study is to examine the relationship between employability skills on the employability of accounting graduates. It offers valuable insights into the impact of these abilities and qualities on employability outcomes, aiding in shaping educational methods and enhancing graduates' preparedness for the job market. Building upon previous research, this study particularly examines the experiences of accounting graduates who encounter distinct problems and have specific expectations in the professional environment. Although employability skills are crucial, there is a significant lack of information in the literature about the specific ways in which these abilities affect the success of accounting graduates. This study aims to fill this gap by examining data gathered from accounting graduates and utilising Pearson correlation to comprehend the connections between the indicated abilities and employability. The results demonstrate substantial positive relationships between communication skills and employability, underscoring the significance of these qualities in the field of accounting. Problem-solving skills exhibit different levels of impact, indicating the necessity for a nuanced strategy in cultivating these talents within educational programs. The study's results highlight the importance of curriculum developers, educators, and policymakers prioritising key employability skills in accounting education. This study contributes to the overall comprehension of how employability skills might improve career outcomes for accounting graduates, providing practical suggestions for both educational institutions and companies.

Index Terms—Accounting Graduates Employability, Employability Skills, Communication Skills, Problem-Solving Skills.

1. Introduction

The persistent issue of elevated unemployment rates among Malaysian graduates remains a major concern. Despite the yearly output of graduates from public and private higher education institutions, the employment rate among them is unexpectedly low. One key element greatly affecting Malaysia's rising unemployment rates is the lack of skills among recent accounting graduates. Based on the Labour Force Survey Report for 2021 by the Department of Statistics Malaysia (DOSM), the unemployment rate increased slightly

from 3.5% in 2021 to 3.6% in 2022.

The cultivation of skills within higher education institutions is crucial. Employers anticipate that recent graduates will have a broad range of skills before joining the labour market. Nevertheless, the conventional university paradigm frequently prioritised the transmission of theoretical information while neglecting to sufficiently address practical skills and employability. There was a lack of alignment between educational institutions and the labour market's requirements, leading to graduates who were not equipped for employment. Evaluating and overhauling the pedagogical framework at higher education institutions is imperative. It is crucial to synchronise academic curriculum with the ever-changing requirements of the work economy. Institutions ought to incorporate practical skill development projects, internships, industry collaborations, and experiential learning opportunities into their programmes. The purpose of this transition is to guarantee that graduates acquire not just academic credentials but also practical expertise and real-life encounters that are crucial for employment.

Incorporating a strong emphasis on employability skills, such as problem-solving and communication, into the educational system will greatly improve graduates' preparedness for the job market. Institutions can facilitate smoother transitions from college to employment by addressing these abilities, thereby bridging the gap between academic learning and industrial expectations. Essentially, it is crucial to have a fundamental change in the educational method. By prioritising the cultivation of pertinent skills in addition to academic credentials, graduates will be better prepared to fulfil the requirements of employers, improve their chances of finding employment, and make more substantial contribution to the workforce in Malaysia.

2. Research Objectives

The main objective of this study is to investigate the relationship between employability skills on accounting graduate employability.

Specific objectives:

1. To determine the relationship between communication skills on accounting graduate employability.

*Corresponding author: norhaslinda.daud88@gmail.com

2. To determine the relationship between problem-solving skills on accounting graduate employability.

3. Literature Review

A. Accounting Graduate Employability

Hillage & Pollard (1998) define employability as securing and sustaining satisfying employment. Employability refers to the ability to navigate the job market and achieve one's full potential through stable employment. Employability is influenced by various factors, including the knowledge, experience, talents, and personality traits of individual graduates, as well as the faculty, curriculum, and teaching methods in university systems. Additionally, the expectations of employers who hire graduates also play a role in determining employability (Erabaddage, Shukri & Khatibi, 2015).

Within the realm of accounting, employability encompasses more than just expertise in the subject matter. Accounting graduates are required to have proficient analytical skills, meticulous attention to detail, unwavering ethical integrity, and excellent communication talents (Alstete & Beutell, 2004). These talents are greatly appreciated in an industry that demands the capacity to adjust to changing technologies and regulatory modifications (McLelland & Sutton, 2011).

In addition, certifications such as CPA or CA not only validate the expertise and dedication of accounting graduates but also significantly improve their chances of finding employment (McLelland & Sutton, 2011). Engaging in practical experiences, real-world case studies, and internships while studying plays a crucial role in connecting theoretical knowledge with practical application (Moncarz *et al.*, 2014). Employers desire graduates with a comprehensive understanding of accounting concepts and demonstrate a robust ethical framework, placing a high value on honesty and strict adherence to professional rules of conduct (Loebbecke & Eining, 2005). It is crucial to have a strong ethical understanding, especially considering the strict requirements for accountability and openness in current financial processes.

Furthermore, a broad outlook on global matters and a comprehensive of international accounting standards are growing in significance as a result of the worldwide expansion of business. Employers highly respect graduates who have a comprehensive understanding of foreign accounting methods and can effectively navigate various cultural and regulatory environments (Albrecht *et al.*, 2011). Moreover, the capacity to adjust to ongoing learning and acquiring new skills is another crucial element of employability in the field of accounting. The field experiences swift transformations in regulations, technology, and business practices.

Accounting professions typically value individuals with exceptional presentation and report-writing abilities. According to García *et al.* (2020), graduates who are able to clearly communicate complicated financial information to a wide range of people have a competitive advantage in the labour market. In addition, the ability to analyse data and possess technology skills, particularly in new fields such as data analytics and artificial intelligence in accounting, are becoming increasingly

essential for accounting graduates (Association of Chartered Certified Accountants, 2020). Proficiency in utilising software for data analysis and interpretation is crucial for graduates entering this data-driven era. An accounting graduate's employability includes ethical consciousness, adaptability to technology advancements, a global outlook, a dedication to ongoing education, proficient communication abilities, data analytic competency, and expertise in developing technologies.

B. Employability Skills

Graduate employability encompasses a combination of skills, attitudes, and adaptability essential for success in the professional world (Yorke, 2006). It goes beyond just having technical abilities. Employers are placing more importance on comprehensive skills that include cognitive flexibility, effective communication, and a proactive attitude (Winterbotham *et al.*, 2001). The shifting perspective on employability highlights the importance of ongoing learning and adjustment in response to rapid technology advancements. The ongoing significance of adaptability, effective communication, and problem-solving skills are highlighted as crucial attributes that empower graduates to negotiate intricacies and make substantial contributions to the workforce.

A recent study reveals a significant change in employers' evaluations, where soft skills such as communication, teamwork, adaptability, and critical thinking are considered more important than technical expertise (Succi & Canovi, 2022). This transition recognises that although technical skills are still crucial, frequently, the more intangible characteristics truly distinguish excellent professionals.

The ever-changing nature of the contemporary workforce requires individuals to possess not only a fixed set of skills but also a dedication to ongoing learning and an entrepreneurial attitude (WEF, 2020). This mentality promotes creativity, tenacity, and flexibility, in line with the requirements of a constantly changing professional environment. In order to achieve success, graduates must develop a wide range of skills, including technical expertise, the capacity to think critically, effective communication, cultural sensitivity, and a strong desire for continuous learning (Deloitte Australia, 2023).

In addition, employability encompasses not only individual abilities but also the ability to interact effectively in varied teams and adapt to changing circumstances (Robles, 2021). Employers highly appreciate individuals who can effortlessly assimilate into their organisational culture and positively impact team relations. The importance of interpersonal skills, emotional intelligence, and the capacity to collaborate effectively in varied environments is emphasised by Gowsalya and Ashuk Kumar (2015).

The education sector has a crucial role in fostering these talents that make individuals employable. The Department of Education, Science, and Training (2022) states that incorporating these skills into the curriculum and offering hands-on learning experiences better prepare graduates for the job market demands. Practical experiences, internships, and joint projects facilitate the process of connecting theoretical knowledge with real-world application, hence improving

students' chances of finding employment.

Moreover, having a global outlook is becoming increasingly essential in the present interconnected society. According to Yang (2022), individuals who possess cross-cultural competency and a comprehension of global markets have a greater advantage in succeeding in international settings. The capacity to understand and navigate different cultures and languages, along with a global perspective, improves one's chances of finding employment in a highly competitive worldwide labour market.

Aside from possessing technical and soft abilities, it is crucial to have the capacity to effectively use and take advantage of technology (Kumar & Raghavendra, 2020). Proficiency in digital literacy and a strong understanding of developing technologies enable graduates to quickly adjust to the always-changing digital environment. Employers desire personnel who possess the ability to not only utilise existing tools but also quickly adapt to and exploit new technology in order to stimulate creativity and enhance production.

The dynamic nature of work highlights the significance of resilience and the capacity to manage uncertainty and ambiguity Succi & Canovi (2020). Resilience empowers graduates to recover quickly from setbacks, adeptly handle change, and exhibit unwavering determination in the face of obstacles, which are highly valued in a dynamic work environment.

The concept of employability goes beyond the traditional idea of acquiring skills. It includes a dynamic interaction of cognitive talents, soft skills, adaptability, and an entrepreneurial attitude Tushar & Sooraksa (2023). Individuals who have a wide range of skills, a strong dedication to ongoing learning, an understanding of many cultures, the ability to adapt to new technologies, the ability to bounce back from challenges, and a strong sense of ethical behaviour are well-positioned to succeed in today's complex and ever-changing professional world.

4. Research Methodology

The research design of this study focuses on hypothesis testing to explore the relationship of employability skills on the employability of accounting graduates. Individual accounting graduates are analysed to derive broader conclusions, with minimal interference from the researcher to ensure genuine data collection. Conducted in a natural, non-contrived environment, the study employs a probability sampling method with a sample size of 369 participants. It utilises a cross-sectional, one-shot approach to capture data at a single point in time, primarily through survey research. Employing scaling techniques to measure variables, data is collected via structured questionnaires. Data analysis involves three key steps: initial exploration to understand data distribution, checking the reliability and validity of the data, and conducting statistical tests to verify the hypotheses. This comprehensive research design aims to yield valid insights into the relationship between key employability factors and the success of accounting graduates, providing valuable information for enhancing educational strategies and improving graduate employability.

This study utilises a quantitative research methodology and

employs a questionnaire survey as the research instrument. The survey is designed to gather data on the independent variables, which are expressed in statements. The distribution of the data was limited to accounting graduates from Universiti Teknologi Mara (UiTM) in Peninsular Malaysia. This study employed the statistical software SPSS to analyse the data.

According to the Ministry of Higher Education (MOHE) Graduate Tracer Study in 2022, the number of graduates in accounting, business, and administration in Peninsular Malaysia is 85,734. The focus of this study is on accounting graduates from Universiti Teknologi Mara (UiTM) in Peninsular Malaysia. This study examines graduates from different academic programmes, including a Diploma in Accountancy, Bachelor of Accountancy, Master of Accountancy, and professional certificate programmes. These graduates was the focus of the study. The sample size for this study was determined using simple random sampling, as described by Sekaran and Bougie (2016).

5. Analysis and Findings

A. Demographic Analysis

The demographic profile of the participants is shown in Table 1. This table presents information regarding individual information such as gender, age distribution, employment status, education level, and years of graduation.

Table 1
Demographic profile

	Respondents	Percentage (%)
Gender		
Male	195	52.8
Female	174	47.2
Total	369	100
Age		
21 - 25 years old	84	22.8
26 - 30 years old	70	19.0
31 - 35 years old	77	20.9
36 - 40 years old	90	24.4
40 years old and above	48	13.0
Total	369	100
Employment status		
Employed	327	88.6
Unemployed	42	11.4
Total	369	100
Highest education		
Diploma/Foundation	32	8.7
Bachelor's Degree	195	52.8
Master's Degree	50	13.6
Doctor of Philosophy	46	12.5
Professional Certificate	46	12.5
Total	369	100
Graduate from		
Universiti Teknologi Mara (UiTM)	369	100
Total	369	100
Years of graduation		
Less than a year	82	22.2
Between 1 - 2 years	75	20.3
Between 3 - 4 years	51	13.8
Between 5 - 6 years	65	17.6
More than 7 years	96	26.0
Total	369	100

B. Correlation Test

Table 2 displays the correlations among three variables:

ACCGE, COMSKILL and PROBSKILL. The coefficients vary between -1 and +1, with +1 being a complete positive correlation, -1 representing a complete negative correlation, and 0 representing no association. Furthermore, every connection presented in this matrix is statistically significant at the 0.01 level, shown by "***". This implies that there is a probability of less than 1% that these correlations result from random variation.

Table 2
Pearson correlation

		DV	IV1	IV2
ACCGE	Pearson Correlation	1	.949**	.930**
	Sig. (2-tailed)		<.001	<.001
	N	369	369	369
COMSKILL	Pearson Correlation	.949**	1	.956**
	Sig. (2-tailed)	<.001		<.001
	N	369	369	369
PROBSKILL	Pearson Correlation	.930**	.956**	1
	Sig. (2-tailed)	<.001	<.001	
	N	369	369	369

**Correlation is significant at the 0.01 level (2-tailed).

The findings demonstrate positive relationships between ACCGE and the other variables, implying that as individuals ACCGE, their communication abilities (COMSKILL) and problem-solving skills (PROBSKILL) also tend to grow. The correlation coefficients for ACCGE with these factors are all greater than 0.8, indicating highly associations.

The correlation between the variable ACCGE and the variable COMSKILL is exceptionally strong, as indicated by a Pearson correlation coefficient of 0.949. This implies a robust and positive correlation, indicating that as the ACCGE increases, their communication skills also tend to increase. The p-value of less than 0.001 suggests that this relationship is statistically significant, suggesting a high confidence level in this association. Similarly, a significant and positive association exists between ACCGE and PROBSKILL, as indicated by a coefficient of 0.930. The robust link, statistically significant at the $p < 0.001$ threshold, suggests that individuals with greater ACCGE also exhibit higher levels of PROBSKILL.

The correlation between COMSKILL and PROBSKILL is quite strong, with a value of 0.956. These findings indicate a strong correlation between persons with advanced communication skills (COMSKILL) and those with superior problem-solving abilities (PROBSKILL). This link is statistically significant at a very high level ($p < 0.001$).

Overall, the Pearson correlation matrix indicates that all the variables being examined exhibit positive correlations with one another, albeit to different extents. These data suggest a positive correlation between the increase in one variable and the growth in the others. All the correlations exhibit statistical significance at the 0.01 level, indicating compelling evidence that these associations are not attributable to random chance. This comprehensive analysis facilitates comprehension of the interconnections between these factors, which can be valuable

for future study and practical implementations, such as creating training programmes or interventions to improve these skills.

6. Conclusion and Recommendation

The study concludes by summarising the findings on the primary objectives of employability skills on accounting graduate employability. The study demonstrates that communication and problem solving skills boost employment. These abilities greatly increase accounting graduates' job prospects. Practical advice for educators and policymakers is provided. Accounting programmes should include communication skills to prepare graduates for jobs. These findings can help policymakers boost graduate employability.

Larger, more diversified samples and longitudinal studies should be used in future studies to track developments. This study shows that specific abilities boost accounting graduates' employability. It supports future research and practical suggestions for enhancing educational methods and policies to prepare graduates for careers.

References

- [1] Albrecht, W. S., Sack, R. J., & Van der Merwe, A. (2011). International accounting education standards board (IAESB) and accounting education. *Issues in Accounting Education*, 26(3), 659-675.
- [2] Alstete, J. W., & Beutell, N. J. (2004). Performance indicators in higher education: A survey of public universities. *Planning for Higher Education*, 32(3), 28-37.
- [3] Erabaddage, V., Shukri, M., & Khatibi, A. (2015). Employability of Accounting Graduates: Perceptions of Employers and Employees in Malaysia. *Procedia - Social and Behavioral Sciences*, 211, 825-830.
- [4] Garcia, E., & Sánchez, J. (2020). Fostering independence through experiential learning: A case study of mentorship programs. *International Journal of Higher Education*, 9(4), 128-143.
- [5] Gowsalya, R., & Ashuk Kumar, M. (2015). Employability Skills of Management Graduates: Perception of B-School Students and Corporate Expectations. *International Journal of Business and Management Innovation*, 4(6), 1-7.
- [6] Hillage, J., & Pollard, E. (1998). Employability: Developing a Framework for Policy Analysis. Research Brief No. 85. Department for Education and Employment.
- [7] Loebbecke, J. K., & Eining, M. M. (2005). The ethics of accounting and finance: Trust, responsibility, and control. *Journal of Business Ethics*, 57(1), 79-92.
- [8] McLelland, K., & Sutton, S. G. (2011). The value of professional certification in the accounting employment market. *Journal of Education for Business*, 86(3), 146-151.
- [9] Moncarz, E. S., Zhao, J. J., Kay, M. G., & Sing, J. L. (2014). The effect of internships on student perceptions of accounting employment opportunities. *Accounting Education*, 23(1), 26-43.
- [10] Sekaran, U., & Bougie, R. (2016). *Research methods for business: A skill building approach*. John Wiley & sons.
- [11] Succi, C., & Canovi, M. (2020). Soft skills to enhance graduate employability: Comparing students and employers' perceptions. *Studies in Higher Education*, 45(9), 1834-1847.
- [12] Tushar, H., & Sooraksa, N. (2023). Global employability skills in the 21st century workplace: A semi-systematic literature review. *Heliyon*.
- [13] Winterbotham, M., et al. (2001). Graduates' Work: Organisational Change and Students' Attributes. *Higher Education Quarterly*.
- [14] Yang, X. (2021). The role of cultural attributes in innovation capability. *Journal of International Business and Cultural Studies*, 14(1), 1-15.
- [15] Yorke, M. (2006). Employability in Higher Education: What It Is — What It Is Not. Learning and Employability Series.