

THE RELATIONSHIP BETWEEN THE READINESS OF THAI ACCOUNTING STUDENTS FOR THE INTERNATIONAL EDUCATION STANDARDS AND THEIR COMPETENCY: A SURVEY STUDY OF SOUTHERN THAILAND

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Abstract. This study's objectives are to investigate the readiness of Thai accounting students for the International Education Standards, to test for differences between groups in their readiness for the International Education Standards, and to establish if there is a correlation between competency of Thai accounting students and the readiness for the International Education Standards. The population is all Thai accounting students in bachelor's degree who is studying in South of Thailand. By simple random sampling, 480 accounting students are selected to be surveyed in this study. Descriptive analysis, independent sample *t*-tests, ANOVA, and multiple regression are used to analyze the data collected. The findings indicate that even though the total average competency scores are at a medium level, the competencies in terms of attitudes, values, and ethics were at a high level. On the other hand, the participating students are at a medium level of readiness for the International Education Standards. Moreover, there are significant differences between groups of participants based on educational institution, and the students' awareness of the International Education Standards. Finally, the readiness of the participating Thai accounting students for the International Education Standards is significantly affected by their knowledge, attitudes, and ethical competencies.

Keywords: International Education Standards, competency, Thai accounting students

1. Introduction

Within the ASEAN Economic Community (AEC), accounting professionals are regulated by many international standards such as the International Financial Reporting Standards (IFRS), and the International Education Standards (IES). This is so because accounting professionals are one of eight free service areas that have been included in the Mutual Recognition Arrangement (MRA) since 2009 (Srijunpetch, 2009). This arrangement stipulates that people working in the accounting area can move freely from one to another member country of the AEC in order to work. However, different accounting education regulations and standards are applicable in each member country. Therefore it is important to have international accounting education standards that are acceptable in all the AEC countries individually and the ASEAN Federation of Accounting (AFAC) has drawn up the International Education Standards for Accounting Professionals (IES) to improve and develop the quality and competency of accounting students in AEC member countries. In Thailand, the Federation of Accounting Professions has administered the IES for Thai accounting students since 2011.

However, to date, there has been no research in relation to the IES in Thailand. Therefore, the readiness of Thai accounting students for the IES is still unknown, which means that the future direction of the development of Thai accounting education is unclear. Moreover, no study has tested whether there is a relationship between competency of Thai accounting students and the readiness for the International Education Standards. This study therefore aims to investigate the readiness of Thai accounting student for IES, test for differences between different groups of accounting students and to test for a correlation between competency of Thai accounting students and the readiness for the International Education Standards. Accordingly, it addresses three questions: 1) are Thai accounting

students ready for the IES, and if so, in what way? 2) Are there differences between groups of interest in the readiness of Thai accounting students for the IES? and 3) which competency influences the readiness of Thai accounting students for the IES? This study was designed to shed light on the correct direction for the development of Thai accounting education in light of Thailand's membership of the AEC. The results will also provide data for future studies, and identify the ways in which Thai accounting students are ready for the IES, and the AEC and their ability to compete within the AEC.

This paper begins by setting out the concept of the IES following which there is a review of relevant literature. The research methodology and the study's findings are then set out followed by a summary, comments on the implications and limitations of the study, and suggestions for future studies.

2. International Education Standards for Accounting Professionals (IES)

Competency of accounting students in today's world is to respond the environmental changes and stakeholder needs (Black, 2012). In addition, American Accounting Association (1986) defined the best accounting student's competencies as "creative thinking, learning to learn, lifelong learning, and communication skills". Therefore, the IES are created by the International Federation of Accounting (IFAC) to improve and develop world accounting education standards. IFAC also aims to create a single standard for its 125 member countries which include the AEC member countries. The IES sets out standards relating to the skill, knowledge, values, attitudes and ethics which accounting students should strive to attain and thus seek to increase the competence of accounting professionals. However, the IES can be adapted for use in each country so that they are appropriate in different environments. The IES was launched in 2009 with eight standards, as follows:

- IES1: Entry requirement to a program of professional accounting education including content of professional accounting education programs.
- IES2: Content of professional accounting education program including accounting, finance, and related knowledge, organization and business, and information and technology.
- IES3: Professional skill including professional skill, intellectual skill, technical and functional skill, personal skill, interpersonal and communication skill, and organization and business management skill.
- IES4: Professional values, ethics, and attitudes
- IES5: Practice experience requirements for aspiring professional accountants
- IES6: Assessment of professional capability and competence
- IES7: Continuing professional development including a program of lifelong learning and continuing development professional competence
- IES8: Competence requirement for audit professionals

3. Literature review and research hypotheses

Although there has been no published literature about the IES in Thailand, the readiness of Thai accounting students for the IES is still unknown, and no study has tested whether there is a relationship between the readiness of Thai accounting students for the IES and their competency, there have been some prior studies relating to international standards in the AEC member countries. For example, Suttipun (2014) investigated the readiness and factors influencing the readiness of Thai accountants for membership of the AEC. Using 410 Thai accountants as its sample, the study found that age, and the awareness of the AEC affected the readiness of Thai accountants for forthcoming membership of the AEC. Nguyen and Gong (2012) examined accounting reform and the international convergence of Vietnamese accounting standards. They found that even though there were more than 7,000 accountants in Vietnam, they still had poor competency as accounting professionals compared with other leading AEC countries such as Singapore, Malaysia, Thailand, and Indonesia. Steelyana

(2012) studied the competency of Indonesian accountants in the light of accession to the AEC. He found that the quality of the competency of Indonesian accountants needs to be developed and improved. Kanitpong (2010) tested the competitive advantage of three economic leaders in the AEC, Singapore, Malaysia, and Thailand and found that Singapore had a greater economic competitive advantage than Malaysia and Thailand.

This study tested whether there is a relationship between the readiness for the IES (the dependent variable), and competencies of Thai accounting students as independent variables. For the independent variables of Thai accounting student’s competency, Suttipun (2014) found that ethical, and skill competencies influenced the readiness of Thai accountants for the AEC. On the other hand, he was not able to find any relationship between knowledge, values, and attitudes and the readiness of accountants for the AEC. Kunklaw (2014) also found a positive relationship between Thai accounting students’ readiness for the AEC and their skill, but found no relationship to other competencies. Therefore, this study separated accounting students’ competencies according to those defined in the IES: skill, knowledge, attitudes, values, and ethics. The hypotheses arising were:

- H1: Skill influences the readiness of Thai accounting students for the IES
- H2: Knowledge influences the readiness of Thai accounting students for the IES
- H3: Attitude influences the readiness of Thai accounting students for the IES
- H4: Values influences the readiness of Thai accounting students for the IES
- H5: Ethical competency influences the readiness of Thai accounting students for the IES

4. Methodology

This study is a survey study of the readiness of Thai accounting students for the IES. The population was all Thai accounting students who are studying in bachelor’s degree of the department of accountancy from all universities located in the South of Thailand consisting of Prince of Songkla University (Hatyai campus), Prince of Songkla University (Trang campus), Taksin University, Warailuk University, Hatyai University, Songkhla Rajabhat University, and Rajamangala University of Technology. By simple random sampling, 480 accounting students in the southern area are selected and used in this study. The data are collected between December 2013 and February 2014 using a mail questionnaire. The questionnaire used is adapted from previous studies (See Virunjanya, 2011; Suttipun, 2014) and questionnaires are sent to all the participating universities by mail. Closed-ended questions are used in the questionnaire because they are more convenient for the participants to answer. The questionnaire is separated into three parts. The first part relates to general information about of the participants, their gender, age, study year, educational institution, GPA (education result), training experience, and their awareness of the IES. The second part relates to the competencies of the participating Thai accountancy students based on the five competencies defined in the IES: skill, knowledge, values, attitudes, and ethics. In the last part, the accounting student is asked about their readiness for the IES. The level of competency of the Thai accounting students, and their readiness for the IES is scored based on a five-point Likert scale (See Wilmshurst and Frost, 2000) from 1 (lowest readiness/competency) to 5 (highest readiness/competency). The results are classified as follows

Score 1.00-1.49	means	the lowest readiness/competency
Score 1.50-2.49	means	low readiness/competency
Score 2.50-3.49	means	medium readiness/competency
Score 3.50-4.49	means	high readiness/competency
Score 4.50-5.00	means	the highest readiness/competency

All the data is hand-collected. The data is analysed using the SPSS statistical software package, version 21. The study uses descriptive analysis to describe the general information about the participating Thai accounting students, their competency scores, and their readiness for the IES. To test whether there are differences between groups for their readiness for the IES, the study uses independent samples *t*-tests, and ANOVA. Independent sample *t*-test is used to test a different IES readiness between groups of gender, training experience, education institution, and perception of IES information. ANOVA is used to test a different IES readiness between groups of study year, and GPA. Moreover, if there is a significant difference between the groups using ANOVA, the post-hoc-test will be considered later. Finally, multiple regression is used to test for a relationship between the readiness of the participating Thai accounting students for the IES and their competencies.

5. Findings

From 480 mail questionnaires, 430 (89.58 percent) are returned and completed correctly. Demographic information about the Thai accounting students who participated in the study appears in Table 1. The findings indicate that most respondents are female. The largest number (36.4%) had GPA's between 2.51-3.00 followed by 3.01-3.50 and 2.01-2.50, with less than 10% having a GPA above 3.51. Moreover, more than 50 percent (253 students) has never trained as accounting professionals. Finally, only around 30 percent of the participants have any knowledge about the IES.

Table 1: Demographic information

	Information	Frequency	Percent
Gender	Male	44	10.4
	Female	381	89.6
Study year	Year 1	101	23.5
	Year 2	116	27.0
	Year 3	111	25.8
	Year 4	102	23.7
Institution	Government universities	374	87.0
	Private universities	56	13.0
GPA	Below 2.00	2	0.5
	Between 2.01-2.50	81	18.9
	Between 2.51-3.00	156	36.4
	Between 3.01-3.50	147	34.3
	Above 3.51	42	9.8
Training	Yes	175	40.8
	Never	253	59.2
Awareness of the IES	Yes	126	29.4
	Never	301	70.6
Total participants		430	100

Table 2 indicates the average scores for the competencies and readiness of the participants for the IES. The results show that although the totaled average scores of the students' competencies is at a medium level, the competencies of attitudes, values, and ethics are at a high level. On the other hand, the study finds that the Thai accounting students who participated in the study have only a medium level of readiness for the IES. This may be because there are many new international accounting standards applicable not only in Thailand but also in other AEC member countries such as the International Financial Reporting Standards (IFRS), ASEAN Taxation, and the IES. Moreover, the Federation of Accounting Professions in Thailand places more emphasis on the IFRS than the IES because Thai accounting standards have had to change from a single standard to two standards since 2011, and will be changed again to three standards by 2016.

Table 2: The average scores for the competencies and the participants' readiness for the IES

Factors	Means	S.D.	Meaning
Skill	3.2695	0.41462	Medium
Knowledge	2.8751	0.49092	Medium
Attitudes	3.8835	0.48845	High
Values	3.6391	0.48190	High
Ethic	3.5381	0.47761	High
Total competencies	3.4611	0.35998	Medium
The readiness of accounting students for the IES	3.3703	0.55494	Medium

Table 3 shows the results of *t*-tests and ANOVA testing whether there are significant differences in the readiness scores between different groups of participating accounting students based on their demographic data. The results find that there are significant differences between groups of educational institutions, and the awareness of the IES. This is due to the fact that there are many accounting standards and regulations that have to be changed before Thailand becomes an AEC member country, such as the MRA, the IFRS and the IES. For this reason, each university may accord different priorities to different sets of accounting standards and regulations in seeking to improve and develop their accounting students' competencies. Moreover, accounting students who have higher awareness of the IES are found to be significantly more ready than other groups.

Table 3: Independent sample *t*-tests and ANOVA

	Information	Means	t / F	Sig
Gender	Male	3.5019	1.690	.092
	Female	3.3530		
Study year	Year 1	3.3828	.484	.694
	Year 2	3.3312		
	Year 3	3.4159		
	Year 4	3.3548		
Institution	Government universities	3.3700	1.992	.045*
	Private universities	3.4375		
GPA	Below 2.00	3.6667	.838	.501
	Between 2.01-2.50	3.4146		
	Between 2.51-3.00	3.3146		
	Between 3.01-3.50	3.3832		
	Above 3.51	3.4385		
Training	Yes	3.3890	.723	.470
	Never	3.3498		
Awareness of IES	Yes	3.4597	2.262	.024*
	Never	3.3278		

** Significant at 0.01, * significant at 0.05

To test the level of correlation between accounting student competencies, and the IES readiness, Pearson's correlation is performed using one tailed analysis (see Table 4). The result indicates that there is a significant correlation between the readiness of the IES and the IES perception, skill, knowledge, attitude, value, and ethic (P-value < 0.05).

Table 4: Pearson's correlation coefficients

	Readiness	Skill	Knowledge	Attitude	Value	Ethic
Readiness	1	.319**	.357**	.349**	.311**	.391**
Skill		1	.524**	.463**	.466**	.432**
Knowledge			1	.300**	.338**	.337**
Attitude				1	.675**	.585**
Value					1	.699**
Ethic						1

** Significant at 0.01, * significant at 0.05

Multiple regression is used to test whether there is a relationship between the independent variables, such as gender, age, training, awareness of the IES, skill, knowledge, attitudes, values, and ethics and the dependent variable as the readiness of Thai accounting students for the IES. The equation used is as follows:

$$\text{Readiness} = a + \text{Skill} + \text{Knowledge} + \text{Values} + \text{Attitudes} + \text{Ethics} + \text{error}$$

Readiness = The readiness of Thai accounting student for the IES (Score)

Skill = Skill competency (Score)

Knowledge = Knowledge competency (Score)

Values = Value competency (Score)

Attitudes = Attitude competency (Score)

Ethics = Ethical competency (Score)

As the results show, (see Table 4), the readiness of Thai accounting students for the IES is significantly affected by knowledge, attitudes, and ethical competencies. This is because universities in Thailand are forced by Thai government and government organizations to focus and improve those competencies for competitive advantage toward AEC. For example, Thai government has set the English-Speaking since 2012 and students of universities are forced as the first group to learn more in this knowledge. Moreover, some universities in Thailand also provide the other AEC language to teach for their students as well. However, the study is unable to find any significant relationship between the readiness of students for the IES, and skill and values competencies ($p > 0.05$).

Table 5: Multiple regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error			
(Constant)	1.490	.578		2.577	.010
Skill	.071	.076	.053	.938	.349
Knowledge	.256	.063	.228	4.078	.000**
Attitudes	.177	.070	.158	2.520	.012*
Values	-.077	.080	-.067	-.956	.340
Ethics	.286	.073	.249	3.899	.000**

** Significant at 0.01, * significant at 0.05

To test about normal distribution of multiple regression used in this study (See Table 6), the result indicates that independent and dependent variables are significantly fit for the study assumption ($R = 0.481$, $R \text{ square} = 0.232$). This is because P-value shows below 0.01.

Table 6: Model summary

Model	Sum of square	df	Mean square	F	P-value
Regression	28.460	5	3.162	13.308	0.000**
Residual	94.335	397	.238		
Total	122.795	406			

** Significant at 0.01, * significant at 0.05

6. Conclusions and comments

The objectives of this study are to investigate the readiness of Thai accounting student for the IES, to test for differences between groups in their readiness for the IES, and to test for correlations between the readiness for the IES and the Thai accounting student's competencies. The findings indicate that even though the total average scores of the students' competencies are at a medium level, the competencies of attitudes, values, and ethics are at a high level. On the other hand, the participating Thai accounting students have a medium level of readiness for the IES. Moreover, there are significant differences between participants from different educational institutions, and also base on their awareness of the IES. Finally, the readiness of the participating Thai accounting students for the IES is significantly affected by the student's knowledge, attitudes, and ethical competencies.

This study provides some contribution to knowledge in this field. For example, the study indicates the situation of Thai accounting education with regard to the international accounting education standards such as the IES, and also what Thai accounting students' competencies, as defined in the IES are. Therefore, the Thai educational organizations such as the Ministry of Education, universities, and faculties of accounting within those universities will have more knowledge of the direction they should take to improve and develop their students' competencies, how to aid the development of competitive advantage in the accounting field and how to remedy their weaknesses. Moreover, the results of this study results shed some light on accounting education research not only in Thailand but also in other AEC member countries.

However, some limitations must be mentioned regarding this study. For example, there may be other factors influencing the readiness of accounting professionals for the IES which were not included in this study. Further, the sample used limits the generalizability of this study because there are more than 100 universities in Thailand but this study used only seven universities in the South of Thailand. However, this limitation arises because there are only seven universities in that area having accounting departments. The study does not compare its results with research from other AEC member countries because only after 2015 will all accounting professionals in AEC member countries use the same accounting education standards. However, in future studies, comparisons between AEC countries in terms of the new accounting standards such as the IFRS or the IES should be investigated.

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