

The Education Gap in the Accounting Profession Evidence from Lebanon

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There has been considerable research on the gap between accounting skills that employers expect their newly employed accountants to possess and the skills they actually do possess upon graduation. It would be highly beneficial to know if such a gap indeed exists in Lebanon and to what skill-sets it pertains. This paper has two objectives: First, it aims to identify the types of skills that are lacking upon employment from the perspective of a main stakeholder: the employer. Second, we seek to determine if public and nonpublic employers have different perceptions of the importance of those skills. We expect that the results of this study would help educators emphasize the needed skills and thereby meet the expectations of the employment market locally and regionally. Findings suggest that even though employers in Lebanon acknowledged the importance of generic skills, they prioritize technical skills. Furthermore, this study has found that accounting skills required at the entry level differ for public and nonpublic accountants, so there is a need for academicians to prepare accounting students accordingly.

Field of Research: Accounting Education

1. Introduction

There has been considerable research on the gap between accounting skills needed by entry-level employees in the workplace, and the skills they actually possess upon graduation (Siegel, 2010; Douglas et al., 2010; Wally-Dima, 2011). There is not much agreement among employers or scholars on whether fresh accounting graduates possess the required skills to succeed in the accounting profession. Business schools worldwide offer undergraduate accounting programs that graduate entry-level accountants with various skills of a technical and generic nature. However, it is hard to confirm whether those skills match the skills required by their potential employers. The role of the accountant in business organizations has expanded over the years from simple bookkeeping and reporting function to greater involvement in decision making (Siegel et al, 1997). To adjust to those changes, the accounting program curricula need to be reviewed to ensure that the students are provided with the necessary skills for career advancement in today's dynamic business environment.

The aim of this research is to examine the employers' assessments of skill sets (technical and generic) possessed by accounting college graduates upon hire. The employer is a main stakeholder who can evaluate the skill level of newly hired graduates based on

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workplace needs. More importantly, we survey public and nonpublic accounting employers' perceived importance of those skills to see if there are significant differences in perceptions based on the different accounting sectors.

Identifying the educational gaps will help in two ways: 1) It will guide employers to plan for the new hires' orientation and training programs, and 2) it will help educators develop, update, and refocus their accounting programs to promote high quality learning in sync with the needs of the profession. 3) More importantly, understanding how employers prioritize employee skill-sets according to the nature of the firm (whether public or nonpublic), helps educators prepare students for the accounting sector in which they choose to work. Up to our knowledge, such delineation has not been made in previous literature. These are the main issues that motivated the initiation of this study.

This empirical study identifies the skill-sets needed for accountants to succeed in their profession. It sheds light on the accounting education gap in Lebanon and suggests approaches to narrow the gap. This study addresses the following research questions:

- 1) Is there a gap between what accounting employers expect from their new hires and what they actually get?
- 2) Do public and nonpublic employers have different priorities regarding employee skill-sets?

Addressing these questions contributes to the literature in two ways: First, it sheds light on the accounting education gap in Lebanon, a representative middle-eastern nation in which no similar study, to the authors' knowledge, has previously been conducted. Second, it extends the accounting education literature by providing a deeper understanding of the perceived importance of the required skills, both generic and technical, as related to accounting sectors, whether public or non-public.

The findings of this study are insightful for they suggest a divergence from the findings of previous studies. Though our findings confirm the existence of an education gap, they suggest that accounting employers prioritize technical skills over generic skills, contrary to previous studies' findings. Another contribution that this study makes is that Public accounting employers place more emphasis on teamwork and leadership development than their nonpublic counterparts in the Lebanese workplace, hence the significance of the study.

The next section presents a review of the literature on accounting education and the relevant expectation-performance gap regarding technical and generic graduates' skills. The following section describes the methodology used in this study, while the section after that details the results with the related analysis. A discussion of the findings is then presented followed by a conclusions and implications section. Finally, the limitations of the study are presented with directions for future research.

2. Literature Review

The role of accountants in business organizations has evolved from the traditional wealth counting and historical reporting to a more strategic setting and information analysis role. This change is mainly due to the increasing complexity of business transactions, continuous technological advancement, and an increasingly competitive international

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business environment. Major advances in financial software applications have freed accountants from the mechanical aspects of the profession allowing them to spend more time in new roles such as internal consultants, analysts, and business partners (Russell et al. 1999; Siegel, 1999). In the last two decades, the global business environment has changed dramatically requiring accountants to be more involved in the decision making process. Accountants ought to adjust to those changes by being forward-looking, acting as advisors and strategic input providers to different areas of the organization (Messmer, 2001). Recent surveys have found that accountants are now performing tasks related to decision support and performance evaluation activities, such as enterprise resource planning, strategic planning, business expansion, and revenue enhancement. (Messmer, 2001; Rodney, 2006).

Accounting graduates are expected to possess a large range of skills to succeed in this constantly changing business environment. Previous studies have found that besides their technical functional skills, accounting employees should possess a set of generic skills. Those skills, such as communication, teamwork and leadership, and interpersonal skills seem to influence the employees' advancement in their profession. It seems that generic skills enable graduates to make successful use of their acquired technical knowledge (De Lange et al., 2006; Gammie et al. 2002; Tempone, 2012). Recent studies have found that most employers believe that accounting graduates are not being taught adequate generic skills in their programs. The greatest areas of skills that fail to meet the employers' expectations were those of analytical/critical thinking, team skills, communication skills, interpersonal skills, ethical awareness, emotional intelligence, and technological skills (Burnett, 2003; Kavanagh and Drennan, 2008; Jackling and De Lange, 2009; Daff et al., 2012; Yu et al, 2013). Notably, most studies in this field are related to western culture and reflect the needs of the western marketplace.

In an attempt to narrow the perceived gap in accounting education, accounting professional bodies recommended the inclusion of generic skills in accounting programs. The American Accounting Association (AAA) appointed the Accounting Education Change Commission (AECC) to suggest changes in the undergraduate accounting curricula to meet employers' expectations. In 1990, The AECC announced the initial recommendation regarding the Objectives of Education for Accountants: Position Statement Number One. The statement proposed that accounting students should be exposed to a broad-based general education, integrating all the different accounting disciplines and business areas. Moreover, it suggested that the learning process should be continuous. The study concluded that accounting graduates must possess communication skills, intellectual skills, and interpersonal skills to become successful professionals. The use of technology was also mentioned as a necessary skill.

In the same manner, the International Accounting Education Standards Board (IAESB), an independent organization, has also recognized the need for the development of generic skills for accounting graduates. In 2005, the IAESB issued the education international standard 3, in which it prescribes the mix of professional skills required by accountants. They include: intellectual, technical, personal, interpersonal and organizational skills.

Recent research found that employers value more the generic skills of their recruits whereas fresh graduates seem to perceive technical skills as more important than generic skills. (Kibli and Oussii, 2013; Yu et al, 2013; Usoff and Feldmann, 1998). Moreover, significant differences have been identified in the required skills and abilities by public and

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nonpublic accounting entry-level positions (Siegel and Kulesza, 1995; Palmer et al, 1997; Barac, 2009), but few such studies were conducted in the Middle-Eastern region reflecting the needs of firms in this area.

It is critical that accounting graduates understand recruiters' expectations and needs. Research has found that accounting graduates find their early employment experience far beneath their expectations. Although, they find their job assignments and the opportunities to develop business skills challenging, the unmet expectations regarding unanticipated overtime, deadlines and stress seem to reduce performance and enthusiasm for continuous professional learning (AAA, 1993). The new hire's success depends largely on the fit between his/her acquired skills and those demanded by the job. A mismatch between employee abilities and job requirements will lead to discontent, poor performance, low achievement, and job turnover (Holland, 1997). In a recent research made in Lebanon about what factors influence accountants' role in the decision-making process, it was found that the higher the self-perception of his/her skills, the higher his/her influence on the decision making process (Khoury et al, 2014).

In 2010, a framework for the expectation-performance gap in accounting education was developed (Brui and Potter, 2010). According to Brui and Porter (2010), the expectations-performance gap refers to the "difference between the competencies desired by employers and the actual competencies demonstrated by graduates". The expectation-performance gap framework specifies four educational gaps: 1) The expectations gap that exists between the skills employers desire and those that educators desire, 2) The constraints gap that exists between the skills that educators desire their students to attain and those they expect them to have attained, noting that this gap is constrained by institutional and student-related factors, 3) The performance gap that exists between the skills that educators expect their students to have attained and those that the students have actually attained, and finally 4) The performance gap that exists between the skills that employers desire their new hires to possess and those that the new hires actually possess. It is precisely this gap, the expectation-performance gap that this study will attempt to examine in the context of the Lebanese workplace.

Moreover, recent studies have found that employers perceived graduates' generic skills to be more important than technical skills (Jackling and De Lange, 2009). Yet, their perceptions of the graduates' generic skill-level are lower than those of their technical skill-level (Tempone et al., 2012). Therefore, it is important to find out which skills are prioritized in the Lebanese workplace, especially since the authors of this study have not found any similar research to that end related to Lebanon.

Based on the above review of the literature, the following research hypotheses are addressed:

H₁: Employers perceive that there is a gap between graduates' actual skills and the needs of the workplace.

H₂: Employers in public and nonpublic accounting positions assess fresh graduates' skill-level significantly differently.

H₃: Employers prioritize graduates' generic skills over technical skills.

H₄: Employers in public and nonpublic accounting positions perceive the importance of graduates' skills significantly differently.

3. Methodology

We conducted a quantitative study involving data collection from accounting employers across the public and nonpublic accounting industry, which habitually employs and trains fresh accounting graduates. The data collection took place during the months of February and March 2014, in Lebanon, a small Middle Eastern nation with a dynamic private sector, packed with local and international accounting firms, both public and nonpublic.

A 36-item survey instrument was developed based on the **competency-skills profile** (Deppe, 1991) to measure employers' assessment of accounting graduates' skills at entry-level. The **competency-skills profile** scales were adjusted to fit the Lebanese context and compressed for simplicity into 23 items down from 35. These 23 items constituted the skill profile section of the questionnaire. The pronoun "I" was replaced with "They" to reflect employers' assessment of the graduates' skills based on the latter's performance. Another set of 6 items ranked employers' perceived skill importance, and a final set of 7 items were questions related to demographics. The final instrument included a total of 36 items where employers' perceptions were measured on a 5-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree).

The skills profile was grouped into 6 categories (Deppe et al, 1991): technical and functional skills, interpersonal and communication skills, knowledge of business environment, professional ethics, teamwork and leadership development, and decision making skills. These constituted the variables that were measured and compared and later used in t-test analysis.

Ranking was developed to summarize the employers' perceived relative importance of the generic and technical attributes. The rankings were based on the six categories indicated above. They were measured on a 6 point scale, ranging from 1 (most important) to 6 (least important).

In order to measure the internal consistency of the scale, Cronbach's alpha test was used as an indicator of reliability. The test produced an Alpha of 0.784 which is greater than that recommended by Nunnally (1978). See Table 1 below.

Table 1: Scale reliability

Reliability Statistics	
Cronbach's Alpha	N of Items
.784	30

Six out of the 30 items belonged to a single ranking question, which when added to the other 24 scale items gave a total of 25 scale items altogether. Thus, following the recommendation by Hair et al. (2008) which suggests that the sample size should be 4-5 times the number of questions on the survey, it was decided that a sample size between 100 and 125 would be sufficient.

The questionnaires were administered using a convenience sample during the period February 2014 to April of the same year. They were distributed by researchers who waited for the respondents to complete the questionnaires and then collected them in person, thus

ensuring a 100% response rate (a total of 100 usable questionnaires which was deemed appropriate as per the above rule and time limitations).

The data was later analyzed using SPSS version 19 for Windows. Descriptive statistical tests, namely mean comparisons and t-tests, were performed as they allow for the statistical comparison between the mean scores for each selected item and for the determination of the significance levels of the differences between the means. Using mean comparisons was essential in understanding the employers' prioritization of skill sets in their respective sectors. Moreover, using t-tests was necessary to determine if there were any statistically significant differences in the prioritization of skill sets by public vs. nonpublic accounting employers, thus filling a gap in the literature which has not, to our knowledge, examined this issue in this region.

4. Findings and Discussion

4.1 Demographic Characteristics of the Sample

The sample data regarding age was normally distributed and the respondents' age ranged from 22 to 73 years with a mean of **37**. In terms of gender, respondents were about 65% male and 35% female, which reflects the distribution of gender in the accounting profession in the region. In terms of employment distribution, 71% of the respondents were employed in local firms, while 29% in international firms. More importantly, 43% of the respondents were public accountants, whereas 57% were non-public accountants.

4.2 Employers' Assessment of Accounting Graduates' Skills

Our analysis begins with an assessment of employers' perceptions regarding the accounting skills that fresh graduates possess upon entry-level employment. Respondents rated the skills of entry-level graduates by using the **competency-skills profile** scales developed by Deppe et al. (1991), and the corresponding means were computed for each skill as shown in Table 2 below. The mean of the means for the 23 skill-rating items was 3.38 (STD DEV = 0.328). This suggests that all the ratings were in the undecided range (around 3) but none were in the agree range (4). Since the skills section was divided into six categories, the mean of each category was used to compare the perceived preparedness of the fresh graduates. The lowest skill ratings, in a relative sense, went to graduates' decision-making skills and their technical and functional skills. See table 2 below.

Table 2: Employers’ rating of newly hired graduates’ skills

Mean comparisons

	Skills categories	Means	STD DEV
1	Technical and functional skills	3.23	0.32
2	Interpersonal and communication skills	3.43	0.343
3	Knowledge of business environment	3.29	0.35
4	Professional ethics	3.79	0.21
5	Teamwork and leadership development	3.74	0.15
6	Decision making skills	3.14	0.11
	Average	3.38	

A closer look at the rated skills in each category shows that, in a relative sense, employers’ highest ratings went to graduates’ ability to work effectively with diverse groups of people (Mean = 3.89), their good understanding of interpersonal and group dynamics (Mean = 3.79), and their ability to motivate other people (Mean = 3.75). These three items reflect the employers’ perceptions of the graduates’ team work and leadership skills. Parallel to these are employers’ perceptions of the graduates’ professional ethics where employers believe that graduates understand the code of professional ethics (Mean = 3.77) and apply it in their work environment (Mean = 3.80).

A close look at the data reveals that employers do not have a high opinion of graduates’ ability to use spreadsheets and accounting software (Mean = 2.78), nor of their ability to apply IFRS (Mean = 3.02). Employers also gave a low rating to the graduates’ ability to determine, analyze and control costs (Mean = 3.12), and their ability to prepare budgets and appraise investments (Mean = 3.04). These items reflect employers’ perceptions of the graduates’ technical abilities.

Parallel to these, employers also did not have a high opinion of the graduates’ decision making skills such as their ability to solve diverse and unstructured problems (Mean = 3.08), their ability to interpret data and induce general conclusions (Mean = 3.07), and their ability to select and assign priorities among restricted resources (Mean = 3.26). The results suggest that employers’ relatively low ratings of graduates’ technical skills is a reflection of their dissatisfaction with the current skill level of their entry-level employees, which in turn reflects a serious expectations-performance gap as perceived by the employers. Therefore, our first hypothesis, H₁, suggesting the existence of such a gap in Lebanon, is supported.

These results show that though employers do not generally rate the graduates’ skills highly, they do perceive the latter’s’ generic skills (team work, interpersonal, and leadership development) to be relatively higher than their technical skills. This is an important finding because it is *inconsistent* with the results of most of the previously conducted studies (Tempone et al., 2012; Wells et al., 2009; Abayadeera and Watty, 2011, Kavanagh and Drennan, 2008), which reported employers’ lower ratings of generic skills relative to technical skills. A detailed discussion of these results is presented in the discussion and implications section. Therefore, the findings here suggest that, in the Lebanese workplace, generic skills are perceived as superior to technical skills, though both skill-sets are perceived to be barely adequate.

4.3 Public vs. Non-Public Employers' Assessment of Accounting Graduates' Skills

The findings mentioned in the above section were related to the perceptions of employers in both public and nonpublic accounting positions. It was important to find out whether public accounting employers rated accounting graduates' skills differently from nonpublic accounting employers. Our suspicion here was that the skill assessment might have been influenced by the type of firm the employers belong to and, consequently, the type of work that they perform.

An independent samples t-test was performed to determine if there was a significant difference between the public and non-public accounting employers' ratings of accounting skills of those graduates. Results show that all items related to professional ethics and decision making skills were rated significantly differently – higher by public accounting employers. See Table 3 below. Moreover, a significant difference ($p = 0.041 < 0.05$) was found between public and non-public accounting employers' perceptions of graduates' skills regarding gathering, summarizing and analyzing financial data. Employers in public accounting firms rated new hires lower on those skills than their non-public counterparts did.

This difference in employers' perceptions may be due to the fact that public accounting firms have higher expectations of their employees than other organizations, particularly in matters related to decision making and analysis. Graduates in public accounting firms, will have direct contact with clients and will be expected to assist in making client-related decisions.

Moreover, they are more exposed, though marginally, to ethical dilemmas than their counterparts in the nonpublic accounting sector. Hence, our second hypothesis, H_2 , in this study is supported.

Table 3: T-test for skills rating by public vs. non-public accounting employers

Independent samples T-test for employers' perceptions						
Skill	Levene's test for equality of variances			T-test for equality of means		
		F	Sig.	t	df	Sig. (2-tailed)
Graduates know methods of gathering, summarizing, and analyzing data.	Equal variances assumed	0.747	0.390	2.070	98	0.041
	Equal variances not assumed			2.086	92.93	0.040
They understand the code of professional ethics	Equal variances assumed	1.035	0.312	2.497	98	0.014
	Equal variances not assumed			2.535	94.99	0.013
They can apply the code of ethics in their work.	Equal variances assumed	7.665	0.007	2.711	98	0.008
	Equal variances not assumed			2.643	80.90	0.010
They can solve diverse and unstructured problems.	Equal variances assumed	1.136	0.289	2.798	98	0.006
	Equal variances not assumed			2.87	96.95	0.005
They can interpret data and induce general conclusions.	Equal variances assumed	0.873	0.352	2.675	98	0.009
	Equal variances not assumed			2.650	87.36	0.010
They can select and assign priorities within restricted resources.	Equal variances assumed	3.271	0.074	2.833	98	0.006
	Equal variances not assumed			2.886	95.73	0.005

4.4 Perceived Importance of Entry Level Skills

It was important to determine which skills are perceived by employers to be most important at the entry level: generic or technical skills. Having this knowledge would help us determine if the skills that are perceived to be of high importance by employers are indeed matched by skills possessed by entry level graduates.

On a scale from 1 to 6, (1 being the most important and 6 being the least), the ranking result showed that the mean score for technical and functional skills was the highest (mean = 2.48), followed by professional ethics, teamwork and leadership development, interpersonal and communication skills; whereas, decision making skills and knowledge of business environment were ranked last (mean = 4.99). See Table 4 below.

Table 4: Ranking of skills from the employers' perspective.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
technical expertise and functional skills	100	1	6	2.48	1.755
professional ethics	100	1	6	3.82	1.987
Teamwork and leadership development	100	1	6	3.93	1.981
interpersonal and communication skills	100	1	6	4.02	1.864
decision making skills	100	1	6	4.12	1.653
knowledge of business environment	100	1	6	4.99	2.181
Valid N (listwise)	100				

Findings suggest that though employers in Lebanon acknowledge the importance of generic skills, they prioritize technical skills. This could be due to the fact that adequate knowledge of technical accounting skill is hard to find among graduates, leading employers to place more value on it than other more available skills. Generic skills such as ethical awareness, teamwork and leadership development, and communication skills were ranked second only to technical and functional skills. Therefore, the fact that they were ranked lower than technical skills reflects the high value attached to technical skills in the Lebanese accounting workplace. Hence, our third hypothesis, H3, is not supported.

In order to determine whether there exists an educational gap between the skills that employers want and the skills fresh graduates possess at entry level, we compared the order of importance of accounting skills as perceived by employers with their perceptions of the accounting graduates' preparedness. Results show that the most important skills required by employers are the technical and functional skills (ranked 1st) which, according to those employers, fresh graduate do not adequately possess (ranked 5th).

Furthermore, it seems that the employers' assessment of employees' generic skills was relatively high (ranked 1st, 2nd, and 3rd), while their perceived importance was relatively moderate (ranked 2nd, 3rd, and 4th). Therefore, the problem lies in the fact that accounting graduates are perceived to have a low level of technical competence in a workplace that attaches high importance to such competence. This is what really constitutes the gap in accounting education as related to the Lebanese workplace. These results lend further support for our first hypothesis; but more importantly, they delineate the probable root cause of the gap. See Table 5 below.

Table 5: Comparison between skills required most by employers and skills possessed by graduates

Ranking comparisons

Importance of skills as perceived by employers (most important to least)	Rank	Skills that graduates possess as perceived by employers (most important to least)
Technical and functional skills	1	Professional ethics
Professional ethics	2	Teamwork and leadership development
Teamwork and leadership development	3	Interpersonal and communication skills
Interpersonal and communication skills	4	Knowledge of business environment
Decision making	5	Technical and functional skills
Knowledge of business environment	6	Decision making

4.5 Perceived Importance of Graduates’ Skills By Public Vs. Nonpublic Accounting Employers

Now that employers’ perceptions of accounting skills were ranked in order of importance, it was important to find out whether or not there were any differences in employers’ perceived importance based on the accounting sector the employers belonged to.

Since our second hypothesis suggested that there might indeed exist such a difference, an independent samples t-test was performed to determine if there was a significant difference between the perceived importance of accounting skills at a public vs. nonpublic accounting employers. It was found that the importance of only one skill, teamwork and leadership development, was perceived significantly differently ($p = 0.041 < 0.05$). The findings suggest that public accounting firms place more value (3.47) on teamwork and leadership development skills than other organizations (4.28) probably because in public accounting firms, employees have to work in teams and are expected to work efficiently and effectively with diverse groups of people. Therefore, our fourth hypothesis, H4, is supported, though only with regard to the teamwork and leadership development skills.

This result is significant in that it empirically shows how much emphasis is placed on teamwork and leadership development by public accounting firms as opposed to nonpublic firms. This result may influence the career choices of the graduates according to their perception of their own teamwork and leadership potential. This knowledge may help graduates choose proper career placements that suit their characters, thus leading to fewer career failures among those graduates. For example, a graduate with a timid character and introvert personality trait would likely choose to work for a nonpublic accounting firm which does not highly emphasize leadership potential, thus drawing a successful career path rather than being challenged at a public firm. This particular finding constitutes a valuable contribution to the body of knowledge in this field, and a useful guideline to employers and future employees at the same time.

Previous research lends support to these findings since differences based on the field, whether public or nonpublic accounting, have been shown to exist in areas like ethics, global and environmental issues, budgeting, performance evaluation, and strategic cost management. (Siegel & Kulseza, 1995; Palmer et al, 1997; Barac, 2009). See Table 6

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below. But this is the first time that teamwork and leadership potential are highlighted as points of difference in priorities between public and nonpublic firms.

Table 6: T-test results for perceived importance of accounting skills in public vs. nonpublic accounting firms.

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
technical expertise and functional skills	Equal variances assumed	.612	.436	.385	98	.701	.137	.356	-.569	.844
	Equal variances not assumed			.393	96.27	.695	.137	.349	-.555	.829
interpersonal and communication skills	Equal variances assumed	.325	.570	-.525	98	.601	-.198	.378	-.948	.552
	Equal variances not assumed			-.522	88.66	.603	-.198	.380	-.953	.557
knowledge of business environment	Equal variances assumed	1.226	.271	1.153	98	.252	.507	.440	-.366	1.380
	Equal variances not assumed			1.164	93.41	.248	.507	.436	-.358	1.373
professional ethics	Equal variances assumed	1.183	.279	.379	98	.706	.153	.403	-.647	.952
	Equal variances not assumed			.382	93.71	.703	.153	.399	-.640	.945
Teamwork & leadership development	Equal variances assumed	1.372	.244	-2.072	98	.041	-.816	.394	-	-.034
	Equal variances not assumed			-2.039	84.64	.045	-.816	.400	1.597	-.020
decision making skills	Equal variances assumed	.170	.681	.224	98	.823	.075	.336	-.591	.741
	Equal variances not assumed			.222	87.61	.825	.075	.338	-.597	.748

5. Conclusion and Implications

The findings of this study suggest that there exists a clear expectation-performance gap in the accounting education in Lebanon. Based on the descriptive analysis of employers' perceptions of the skills possessed by college graduates upon employment, those skills are deficient and not up to the expectations of the employers or the related workplace. Results show that employers believe that fresh accounting graduates lack decision making skills that are deemed necessary for succeeding in an accounting career. They seem to lack skills that enable them to interpret data and induce general conclusions, select and assign priorities among restricted resources, and solve diverse and unstructured problems.

This can be explained by the tendency of accounting departments at many universities and colleges to focus on routine accounting techniques and simple procedures. This implies that accounting programs may want to consider incorporating case studies and unstructured problems in their curricula in order to cultivate decision making and analytical

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skills. Moreover, emerging management accounting tools should be introduced in accounting programs to enhance the decision making skills of accounting students.

A deeper analysis of the technical and functional skills category shows that fresh graduates lack technological orientation, IFRS knowledge, practical knowledge of management accounting tools and fundamentals of Lebanese taxation laws. Employers find fresh graduates underprepared in those skills mainly because most Lebanese universities do not provide a deep coverage of those topics in their curricula. Through the use of foreign textbooks and teaching methods, local taxation laws and practices are not thoroughly covered in most Lebanese universities.

These results are supported by the findings that the World Bank and the IMF presented in their Reports on the Observance of Standards and Codes (World Bank, 2003). They found that accounting education in most Lebanese universities suffers from the lack of updated accounting curricula. "Accounting classes only superficially cover modern accounting information systems and IAS. There are no independent courses teaching IAS and ISA. Most universities that import accounting literature from the United States teach generally accepted accounting principles rather than IAS. The outdated curricula and lack of appropriate literature do not provide students with the necessary background for modern accounting and auditing, which should also include training in analytical thinking." It seems that no major effort has been done to upgrade the accounting curricula since the issue of that report.

This study clearly shows that a serious gap exists between the expectations and requirements of employers regarding the skills of entry level graduates on one hand, and the skills actually possessed by those graduates on the other.

The accounting education gap is attributed to the fact that employers and educators have little interaction. In order to bridge the gap, accounting departments should work in collaboration with members of the accounting profession. Employers should have an active role in the restructuring of accounting programs. By importing foreign teaching methods and textbooks, Lebanese universities prepare students for accounting positions abroad but fail to meet the local needs. There is no unified higher educational model in Lebanon; most universities follow American, French or Egyptian patterns (CERD, 2006). Students ought to have knowledge in Lebanese taxation laws, Lebanese regulations and IFRS, which is still in its implementation stage in Lebanon. Most Lebanese universities offer a single computer literacy course, which may not be adequate preparation for the use of accounting software in accounting. A better approach might be to incorporate accounting software program applications in all accounting classes.

Our second finding reported employers' relatively better assessment of graduates' generic skills as related to professional ethics, teamwork and leadership, and interpersonal communication. Despite employers' generally low ratings, they seem to believe that fresh graduates are better prepared in generic skill-areas than in technical and functional skill-areas.

For example, employers gave their highest rating to graduates' professional ethics. Despite the fact that Lebanon is known to have high level of corruption (*Lebanon was ranked as the 28th most corrupt nation among 177 according to the Corruption Perceptions Index, 2013*) and a frail judicial system, employers found that entry-level accounting graduates

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understood the code of ethics and they could apply it with ease in workplace affairs. Results of a research done at one Lebanese university (AUB) found that business students had the tendency to behave according to their moral principles and values. Students were found to refer primarily to moral principles in their managerial ethics decision making. Lebanese graduates tend to have personal values that are based on morality due to the solid influence of religion and family teachings of values that are deeply rooted in their moral system (Zgheib, 2005).

However, following a deeper analysis of the current study's findings regarding employers' relatively higher assessment of newly employed graduates' professional ethics, it seems appropriate to mention that fresh accounting graduates who are employed at the entry level do not have decision making authority, nor are they in a position to engage in unethical decision making. If unethical behavior does exist, it exists at higher organizational levels, not at the entry level. Therefore, when employers perceive new hires to be ethical, it is probably because those new hires, in their current position, are not presented with the opportunity to behave otherwise, especially since ethical decision making is usually practiced at the higher ranks of the organization.

Employers' second highest rating was given to graduates' teamwork and leadership, and interpersonal communication skills (also generic skills). Here, it is important to draw the attention of the reader to the extravert nature of the Lebanese individual. Generally speaking, Lebanese people have the tendency to score high on extraversion as a personality trait. They are outgoing, gregarious, and highly sociable (Gates, 1989). In fact, a recent study examined the extraversion trait in Lebanese respondents and found that they scored second highest on extraversion among the big five personality traits (Boustani and Krauss, 2014).

Therefore, it may be reasonably concluded that the extravert nature of Lebanese employees enables them to use their interpersonal skills effectively in the workplace. It allows them to demonstrate appropriate leadership and communication ability and to work effectively in teams. Accounting graduates are rated better on generic skills mostly because they are inherently equipped with those skills with or without formal training.

To summarize, the purpose of this study was to find out how employers perceive the adequacy of skills possessed by fresh accounting graduates hired at entry level positions. A quantitative analysis was performed and relevant findings were reported. The main findings of this study indicate that there indeed exists an expectation-performance gap in the skills set of accounting graduates. Employers believe that entry-level accountants require more preparation on all skills. However, employers perceive that there is an expectation-performance gap in technical and functional skills, more so than in generic skills. This particular finding forms a point of divergence from previous literature which indicates a bigger gap in generic skills. In this study, employers indicate that fresh graduates lack technological orientation, IFRS knowledge, practical knowledge of management accounting tools and fundamentals of Lebanese taxation laws, probably because most Lebanese universities do not provide a deep coverage of those topics in their curricula. These findings should prompt educators to encourage a deeper coverage of those topics in order to help meet the expectations of employers in this market, hence the significant insight offered by this research.

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Furthermore, the use of foreign textbooks and teaching methods has indirectly led to the overlooking of local taxation laws and practices in most Lebanese universities. The results of this study suggest that Lebanese universities need to revisit their curricula to include a considerable slice on local accounting and taxation laws and practices that would help fresh graduates succeed in their career upon employment.

This study suggests, through empirical testing, that though the accounting profession is guided by international laws and guidelines, it continues to be governed by local regulations which must in turn be emphasized by local universities and training institutes in order to fully prepare students for success in the workplace. Furthermore, this study has found that accounting skills required at the entry level differed for public and nonpublic accountants. Public accounting firms require their employees to have teamwork and leadership skills that enable them to lead audit teams successfully and deal with clients persuasively. Such skills are not absolutely essential for non-public accountants. This means that adequate teamwork and leadership training should be methodically and regularly provided for entry level positions at public accounting firms. By the same token, graduates with low teamwork ability and substandard leadership potential, armed with the above knowledge, can pursue employment at nonpublic accounting firms where they can succeed in their careers without being severely challenged.

Moreover, findings reveal that Lebanese employers emphasize the importance of technical accounting skills among fresh graduates, but rate those graduates' current technical skills as barely adequate, signifying a gap between the workplace requirements and college preparation. These findings reflect a general sense of dissatisfaction on the part of employers, one of the main stakeholders in the accounting industry. Our findings which reveal a clear expectation-performance gap make it necessary for academicians to use internationally benchmarked accounting curricula which also highlight local regulations in order to guarantee a minimum technical and well-rounded outcome for Lebanese graduates. Further, employers are seeking a diverse range of skills and abilities. It is critical that students also understand what skills employers prioritize. The results of this study will help students to prepare for future employment. Being aware of the skill-sets employers (whether in public or nonpublic accounting sectors) require will motivate students to hone their skills and increase their employability.

There are several limitations to this study which is limited to employers' responses only and does not cover the employees' and educators' perceptions. Future researchers should take into consideration the perspectives of students, fresh graduates, and academicians. Further, this study is descriptive in the sense that no causal relationships were tested. Future researchers may want to consider examining variables in causal relationships using regression analysis to investigate what variables cause the education gap, and what variables lead to the difference in the perceived importance of accounting skills in public vs. nonpublic accounting firms.

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