

The Accounting Education of Graduates: Is It Meeting the Needs of Employers? Evidence from Cyprus

Andreas Georgiou*

Business, Accounting and Finance of Frederick University, Cyprus

ABSTRACT

The purpose of this paper is to review the evidence concerning the relationship between the education of accounting graduates and the industry, with particular emphasis on their knowledge and skills in accounting degree programs. A questionnaire and semi-structured interviews were analyzed and used in order to examine the relationship between the skills of accounting graduates and the needs of employers. It was found that in certain areas, accounting graduates are lacking in technological skills, analytical skills, and writing skills. The evidence is provided that employers are more positive concerning the use of technical skills in the workplace than students. The implication of the results is that graduates do not realize the importance of technology skills and this raises the question whether technology skills should be increased in graduate programs in accounting or not. It is recommended that the application of International Accounting Education Standards (IAES) can help improve the quality of accounting education in many accounting institutions since the IAES aims to bridge the gap between educational institutes and the industry in the accounting field. A few studies have been carried out in Cyprus in this area and the article can act as a base for future research in accounting education.

Keywords: Accounting education, accounting graduates, knowledge skills, technical skills, Cyprus

*Corresponding author: Lecturer of Accounting, Email: bus.akg@frederick.ac.cy
<https://doi.org/10.22067/ijaaf.v2i2.74113>

1. Introduction

The accounting profession is the main driver of the Cyprus economy. According to Georgiou (2017), as cited by ICPAC.org.cy (2013), the main driver of the economy is the services provided by the accountants to international business companies that are set up in Cyprus.

The changing business environment in Cyprus means that accountants in Cyprus should not restrict themselves to the preparation of financial reports or undertaking of company audits. Accountants in Cyprus should have the skills and knowledge to undertake non-accounting services such as consultancy, public listings, and systems development amongst others.

The aim of this paper is to investigate the perceived relevance of accounting education in Cyprus. For the past few decades, there has been a criticism of accounting education worldwide for failing to address the skill requirements in today's dynamic business environment.

This implies that accounting graduates, the accountants of tomorrow, must be in a position to have the necessary skills and knowledge from their degree programs to enable them to meet the requirements of the business environment.

The general view is that university courses should not be restricted to knowledge skills but should also look at professional skills. According to Behn et al. (2012) accounting practice has been changing due to changes in technology and the globalization of markets. They argue that accounting programs have not adapted the content of a course with the changes in the accounting environment. They argue that is a need for changes to the course content and the way these courses are taught.

The purpose of this paper is to review the evidence concerning the relationship between the education of accounting graduates and the industry, with particular emphasis on their knowledge and skills. In particular, the paper investigates accounting education on a degree program and its relation to the needs of the business environment in Cyprus with the aim of improving the content of accounting degree programs.

Motivated by the suggestions of the literature [e.g. Georgiou et al. (2012)], the paper aims to answer the question whether accounting graduates are meeting the needs of employers in Cyprus and if this is not the case, to make recommendations to universities as to how the programs may be improved in order to meet the needs of the business environment.

The previous literature provides evidence that employers are in general are not satisfied with the quality of accounting graduates. This evidence was found in both developed and developing economies (Albrecht and Sack, 2000; Gabbin, 2002, Jackling and De Lange, 2009; Awayiga et al., 2010).

According to Jackling and De Lange (2009), while both graduates and employers acknowledge that technical skills in accounting are important, they provided evidence that employers need a wide range of generic skills which graduates stated were not being taught satisfactorily in their accounting degree programs. Jackling and De Lange (2009) provide evidence that what was lacking in the degree programs were the generic skills of teamwork, leadership, oral communication and interpersonal skills amongst others.

Awayiga et al. (2010) encourage the academic community to introduce changes in accounting degree programs with a special focus on skills development. They propose that the expectation gap between what degree programs provide and what employers expect from graduates can be bridged through the introduction of industrial placements to graduates and by encouraging accounting firms in practice to strengthen their links

with universities in order to marry practical training in accountancy with classroom theory.

The remainder of this paper is divided into the following sections: The next section explores the literature on the knowledge and technical skills that are considered as being vital for accounting graduates entering both the accounting profession and as accountants in industry. A brief overview is given of accounting education system in Cyprus. The next section looks at the methodology used in the paper and provides details of approach concerning: research design, data collection, and data analysis. The following section provides an analysis of the results that includes a description of the data analysis used to explore the responses. The final section includes a discussion of the major findings and possible alternative approaches for the development of technical and knowledge skills.

2. Theoretical literature

There has been a significant change in the world business environment over the past three decades. According to Albrecht and Sacks (2000), this could be due to two main factors: firstly the rapid developments concerning information technology and the move towards global markets. Cyprus has not been outside these developments and in the past decade, these changes have been evident in the Cyprus business environment.

The main implications of these decisions are that organizations are now operating in environments characterized by an increased competition that requires managers to be more effective and prompt in their decision-making. The use of information technology offers opportunities to firms if used effectively since it could lead to improved products, a better promotion of products and services, more effectiveness in the provision of financial and non-financial information, and improved customer service amongst other things.

Based on the above-said facts, the academic community and specifically those providing accounting degrees have a role in ensuring that these degree programs are meeting the needs of the more dynamic business environment. However, there is evidence that there is a gap between the skills and knowledge provided in accountancy degrees and what is required by employers.

Khan and Sethi (2009) also provided evidence that there is an expectation gap between what is taught in business schools and the requirements of employers in this dynamic business environment. Bui and Porter (2010) explain that gap relates to the differences in the perceptions between employers and academics concerning the skills which accounting graduates should possess.

Georgiou et al. (2012) in a study concerning corporate governance education in Cyprus found evidence that accountancy degree courses were not meeting the knowledge needs concerning corporate governance, family businesses, and the Cyprus Stock Exchange. They suggested that there was a need for new modules to narrow this expectation gap.

A number of studies have found significant differences between the perceptions of the accounting academic community and employers in the accounting profession about accounting-related knowledge taught in degree courses.

Armitage (1991) found evidence of differences between the approach to advanced financial accounting between academics and practitioners. They found evidence that academics preferred an in-depth analysis on fewer topics in contrast to practitioners who are in support of a wider coverage of topics with less depth being covered.

Bullock et al. (1995) found evidence of the reluctance of academics to teach the

basics of accounting which is in line with the requirements of practitioners. Albrecht and Sack (2000) found evidence that the accounting academic community has failed in their degree programs to develop graduate skills that will be useful for them to have successful careers in the profession.

Mohamed and Lashine (2003) found evidence that there is a need for accounting packages to be taught in universities. The reason given was due to their importance in the market.

Watty (2005) provides evidence that the accounting academic community has a different perception of what is defined as quality accounting education rather than what is expected. She found evidence, based on a study in Australia, that academics view accounting education as being compliance-driven and largely driven by requirements of the accounting profession in contrast with the view that accounting education should be aimed at achieving high academic standards.

Bui and Porter (2010) also highlight it is important that students' perceptions about the accounting degree context should be considered when making changes to degree programs. According to Felton et al. (1994) students are attracted to an accounting career due to: the attractive salary; training and development opportunities; high ethical standards and, and job security amongst other factors.

However, there is evidence that once students start an accounting degree their enthusiasm towards accounting appears to decline. Marriot and Marriott (2003) in a UK study found evidence that accounting graduates entering their final year found the accounting degree as being less stimulating and satisfying than expected when they first started the degree program. There was also evidence that these graduates were not so positive concerning the prospect of being employed in the accounting profession. Marriot and Marriott (2003) stated that the implication of this is a negative attitude that could be connected with the structure and content of the degree programs offered.

The study aims to examine the role of the perceptions of employees and graduates as a means of helping to bridge the gap between what is taught and what is required in the business environment.

Accounting education in Cyprus:

Accounting education in Cyprus was carried out through a number of ways. The oldest approach was through the LCCI Bookkeeping examinations that have four levels of examinations. According to Lccicyprus.com (2013), the LCCI qualifications have been offered in Cyprus for over 50 years and that there are more than 8,000 applications for examinations each year. The LCCI qualifications in accounting are recognized by the government and employers in the private sector.

The second form of accounting education is through the professional examinations of major accounting bodies such as the: ICAEW, ACCA and ICPAC amongst others. The significance of this type of education is highlighted by Cyprusprofile.com (2018) that states that there are an estimated 3,600 qualified accountants that are members of the Institute of Certified Public Accountants of Cyprus (ICPAC) together with estimated 3,000 students' members of the ICPAC. This is a country where the estimated population is less than 1 million. The bulk of students study these exams via tuition from colleges that are specialized in teaching such courses. Students that study these courses are in the main part-time and usually work in accountancy related employment. There are a significant number of students who study the exams after obtaining a degree. A significant number also manage to achieve exemptions from these professional exams if the degree program was accredited by the specific professional body.

The third form of accounting education is via accounting related degree programs. A significant number of students use the degree as a stepping stone onto undertaking professional examinations. The degree program could be undertaken by students via universities in Cyprus, colleges in Cyprus, or through educational institutions outside of Cyprus. The research aims to examine knowledge and technical skills that are considered as being vital for accounting graduates entering both the accounting profession and as accountants in industry.

3. Research methodology

The research aimed to examine knowledge and technical skills that are considered as being vital for accounting related graduates entering both the accounting profession and as accountants in industry. The study was assessed from two perspectives: from the perceptions of students and those of employers. Concerning graduates questions were devised to determine whether the knowledge and skills taught on degree programs were relevant and important to their places of work. Concerning employers questions were devised with the aim of determining if the knowledge and skills taught on degree programs were in line with their needs.

In line with Jackling and De Lange (2009) the research aims to answer three research questions for the Cyprus environment:

Research Question 1: What is the perception of accountancy related graduates concerning the emphasis given on knowledge and technical skills in accountancy degree programs?

Research Question 2: What do employers' perceive as the most important graduate skills in their potential employees in accountancy related occupations?

Research Question 3: Is there a convergence between graduates and employees in terms of perceived knowledge and technical skills taught in accountancy related degree programs and those required for employment in accountancy related occupations.

In order to answer these questions, data were collected from both graduates and employers using a questionnaire. The analysis of the questionnaire was via quantitative methods. The questionnaire designed was based on the questionnaires designed in a similar study by Awayiga et al. (2010) and Jackling and Lange (2009). They were also influenced by a review of the literature and a review of the accounting and finance degree program at Frederick University. The questionnaire was also influenced by the regulations contained in the International Accounting Education Standards.

The professional skills examined in the questionnaire are mainly in line with those stated in International Education Standard 3 (IES 3) as cited by IFAC (2015). For example, areas such as analytical, communication and interpersonal skills are stated in IES 3 as learning outcomes for professional skills. The knowledge skills used are in line with the learning outcomes for technical competence as outlined in IES 2 as cited by IFAC (2015).

Information on the relevance perception of accountancy graduates concerning the emphasis is given on knowledge and technical skills in accountancy degree programs was applied through the submission of a questionnaire to a sample of students from universities in Cyprus. The sample is comprised of accounting graduates and graduates of business administration with a specialization in accounting. The latter was included in the sample due to the similarities between the degree in accounting and finance with the degree in business administration (with a specialization in accounting).

between 2010 and 2016. This is considered to be a reasonable size based on the population of accounting (or accounting related) graduates in universities in Cyprus. A total of 106 participants replied giving a response rate of 85%. This level of response was satisfactory though further attempts were made to contact non-respondents.

In line with Albrecht and Sack (2000), the participants were asked to rate the importance of technical and knowledge skills considered important for a current/future career of accounting graduates. The answers were ranked on a 1-5 Likert scale with an answer of “5” indicating the skill is extremely important whereas the answer of “1” indicating the skill is extremely unimportant. Table 1 below provides demographic statistics concerning the sample:

Accounting and finance graduates	% 70
Business administration (with specialization in accounting)	% 30
Full time	% 78
Part-time	% 22
Private sector	% 94
Public sector	% 6
Senior managerial position	% 14
Middle managerial position	% 43
Junior managerial position	% 43
2010 graduates	% 8
2011 graduates	% 11
2012 graduates	% 34
2013 graduates	% 10
2014 graduates	% 13
2015 graduates	% 13
2016 graduates	% 11
Sector of employment:	
Manufacturing	% 11
Tourism	% 12
Retail	% 11
Accounting firms	% 25
Financial	% 12
Shipping	% 19
Services	% 7
Others	% 3

Table 1.
Demographic
statistics
concerning the
accounting
related
graduates
sample

Table 1 above shows that most accounting graduates are in full-time employment in the private sector. They are mainly employed in junior and middle managerial positions which are in line with expectations since many are training to become qualified accountants. The sample was underweight in graduates after 2012. This can be explained by the effects of the financial crisis in Cyprus in 2013.

The sample was intended to be comprised of 125 employers whose contact details were acquired through contacts with graduates. In line with the approach in Jackling and Large (2009), the human resource managers were contacted by email and were asked to complete a questionnaire concerning the knowledge and skills required in graduates. A total of 95 participants replied giving a response rate of 76% which was satisfactory. The answers were also ranked on a 1-5 Likert scale with an answer of “5” indicating the skill is extremely important whereas the answer of “1” indicating the skill is extremely unimportant. Table 2 below provides demographic statistics concerning the sample:

Private sector	% 89
Public sector	% 11
Employees employed:	
Less than 100	% 47
101 to 1000	% 32
More than 1000	% 21
Sector of employment:	
Manufacturing	% 16
Tourism	% 10
Retail	% 10
Accounting firms	% 21
Financial	% 11
Shipping	% 16
Services	% 11
Others	% 5

Table 2. Demographic statistics concerning employers' sample

The data analysis of participants' replies was entered to a spreadsheet program since the answers to questions was quantitative. The responses of each of the participants were analyzed into categories and analyzed. A statistical program carried out the data analysis of questionnaire since most of the answers were for uniform standard questions. The responses of each of the participants are analyzed into categories and analyzed using the means of answers, variances and t tests.

In accordance with research by Bui and Porter (2010) semi-structured interviews were conducted in May 2017 with the following groups:

- Recent graduates of accounting/business degree programs who were employed in accounting firms;
- Recent graduates of accounting/business degree programs who were employed in industry/commerce who carried out accounting duties;
- The partners of accounting firms; and,

d) Accounting lecturers who taught on accounting/business degree courses.
A total of 20 participants was interviewed in total. Six participants were interviewed in each of the categories a), b), and c) whereas two accounting lecturers were interviewed.

The interviewee's opinions were sought on the following issues:

1. The professional and accounting skills desired in business/accounting graduates;
2. The professional and accounting skills business/accounting graduates are perceived to possess;
3. The effectiveness of business/accounting degree programs in developing the professional and accounting skills of graduates; and,
4. Students' factors and their effect on accounting education.

The answer to each of the mentioned areas was analyzed and compared with each interview group and conclusions were derived thereon using content analysis.

4. Results and discussion

Analysis of questionnaire data

The aim of the questionnaires given to accounting graduates is to examine their perceptions concerning the emphasis is given on knowledge and technical skills in accountancy degree programs. The aim of the questionnaires given to employers is to examine their perceptions as the most important graduate skills in their potential employees in accountancy related occupations.

The results concerning the graduates' and employers' perceptions concerning professional skills that are perceived in terms of importance of the career of accounting graduates are given in Table 3.

Variables	Accounting graduates		Employers		Significance
	Mean	Variance	Mean	Variance	
Quantitative	3.35	1.43	3.05	0.90	
Writing	3.86	0.81	4.16	0.67	**
Oral	2.91	1.16	3.26	1.05	**
Interpersonal	2.84	0.92	3.37	0.55	***
Analytical	4.19	0.50	4.32	0.43	
Team	4.06	0.66	3.63	0.45	***
Foreign languages	4.04	0.66	4,15	0.69	
Managerial	3.74	1.16	3.95	0.48	
Ethics	2.13	0.86	2.79	0.59	***

Notes: The table reports means and standard deviation for different variables for accounting graduates and employers using the equal variances assumption. There are 106 accounting graduates' observations and 95 employers' observations. Statistically significance: "*" : 10% level, "***": 5% level, "****": 1% level.

Table 3.
Accounting
related
graduates and
employers'
perceptions
concerning
professional
skills

Table 3 provides evidence that both accounting graduates and employers strongly agree that the most important professional skill is the analytical thinking (means of 4.19 and 4.32, respectively). These results are in line with the findings in other studies such as Albrecht and Sack (2000) and Awayiga et al (2010).

This result implies that employers' expect graduates to be able to apply their theory to practical situations and not merely to learn accounting theory in rote fashion. Employers also place importance on writing skills (mean 4.16). This result implies that educational institutions should place emphasis on writing skills in their forms of assessment since it will help graduates in their future careers.

In contrast to the findings in Jackling and Lange (2009) both graduates and, to a less extent, employers view teamwork as an important professional skill (means of 4.06 and 3.63 respectively). This implies that educational institutions should aim to encourage it. One way this could be done is via group assignments throughout course modules in degree programs.

Both students and employers view foreign languages as being important (means of 4.04 and 4.15 respectively) and something that needs to be included in a degree course. Though it is mentioned that the degree is taught in the English language, there is a significant amount of firms with Russian related interests and this implies that degree courses should consider having a module in this foreign language.

Significant differences between the perception of graduates and employers were evidenced concerning ethics skills at the 1% level. Both seemed to find this professional skill not so important especially the graduates (means of 2.13 and 2.79 respectively). The findings suggest that students and, to a less extent, employers are not keen on its promotion on degree courses in accounting.

In addition, there is evidence that employers perceive writing skills as being extremely important (means of 3.86 and 4.16 respectively) and this is an issue educators should ensure is applied to modules in the relevant degree programs.

The results concerning the graduates' and employers' perceptions of technical skills that are perceived as being important for the career of accounting graduates are given in Table 4.

Variables	Accounting graduates		Employers		Significance
	Mean	Variance	Mean	Variance	
Excel type spreadsheets	4.29	0.48	4.53	0.25	***
Database systems	2.74	1.07	3.42	0.99	***
Word processing	3.88	0.66	4.32	0.43	***
Email software	3.53	1.05	3.26	0.62	
PowerPoint type packages	2.53	0.84	3.73	0.54	***
Internet	2.38	0.87	2.84	0.67	***
Windows	2.13	0.67	2.37	0.55	**
Accounting software	3.53	0.84	4.16	0.45	***

Table 4. Accounting related graduates and employers' perceptions concerning technology skills

Notes: The table reports means and standard deviation for different variables for accounting graduates and employers using the equal variances assumption. There are 106 accounting graduates' observations and 95 employers' observations. Statistically significance: "*" : 10% level, "***": 5% level, "****": 1% level.

An analysis of the means shows that there are significantly different perceptions between graduates and employers concerning technology skills (See Table 4).

Based on Table 4, the results show that employers are more positive concerning the use of technical skills in the workplace than students. This is in contrast to the results of Awayiga et al. (2010) that showed similar perceptions. The implication of the results indicates that graduates' do not realize the importance of technology skills and this raises the question whether technology skills are promoted enough on graduate programs in accounting.

The results also stress the importance of the knowledge of spreadsheet packages (means of 4.29 and 4.53 respectively), word processing packages (means of 3.88 and 4.32 respectively), and accounting software packages (means of 3.53 and 4.16 respectively). This is something educators should look to promote accounting related graduate programs.

The results concerning the graduates' and employers' perceptions of degree subjects that are perceived as being important for the career of accounting related graduates are given in Table 5.

Variables	Accounting graduates		Employers		Significance
	Mean	Variance	Mean	Variance	
Financial accounting	4.56	0.31	4.52	0.25	
Internship	4.33	0.47	4.31	0.45	
Management accounting	4.27	0.33	4.00	0.43	***
Financial Management	4.06	0.40	4.00	0.53	
International business	3.99	0.66	4.16	0.47	
Investment	3.70	0.63	3.74	0.62	
Taxation	4.23	0.42	4.21	0.38	
Auditing	4.37	0.29	4.37	0.24	
Quantitative methods	3.35	1.35	3.00	0.96	**
Computing	3.86	0.68	4.11	0.41	**
Management	3.25	1.14	2.84	0.67	***
Economics	3.11	0.98	3.05	0.69	
Law	3.13	0.95	2.84	0.56	

Table 5.
Accounting
related
graduates and
employers'
perceptions
concerning
degree subjects

Notes: The table reports means and standard deviation for different variables for accounting graduates and employers using the equal variances assumption. There are 106 accounting graduates' observations and 95 employers' observations. Statistically significance: "***" : 10% level, "**": 5% level, "*": 1% level.

Based on Table 5, the results show that there are similar perceptions between graduates and accounting employers concerning the relevance of degree subjects. The results show that both graduates and employers consider financial accounting, auditing, and taxation knowledge as being relevant to the accounting practice (the means registered are in excess of 4 for both graduates and employers). This is in line with the accounting practices in Cyprus whereby the three main areas in demand are accounting, auditing, and taxation services. According to Georgiou (2018a) education in auditing is becoming more important especially due to recent European Union directives on mandatory audit rotation.

Both also give vital importance to the lessons for the internship (means of 4.33 and 4.31 respectively) and international business (means of 3.99 and 4.16 respectively). The possible reason for this is that the internship module allows students to gain practical experience that will assist them in a future career in accounting. This is due to the fact that it allows them to link their theory with accounting practice.

According to Georgiou (2017), the international business module is probably perceived as being important by both students and employers due to the fact that Cyprus has a significant amount of firms with international business. The module is viewed as benefitting students since many accounting firms have clients with significant overseas businesses.

According to Georgiou and Kontakos (2018), the modules of international business and investment have increased in importance due to the large increase in foreign direct investment over the past few years.

Georgiou (2018b) provided evidence that the importance of investment as a module can be justified by the fact that the total investment (especially in the tourism sector) has been on an increasing trend in Cyprus over the past few years. It should be noted that investments in this sector expected to be double in during 2014-2018 to an amount estimated at €400 million.

However, both graduates and accounting employees are not so positive concerning the use of management, law, and economics to the accounting profession (the means registered are in less than 3.3 for both graduates and employers). It should be mentioned that many of the accounting professions do have examinations in these three subjects, though the role of economics in accounting professional exams has diminished over the last twenty years.

These results imply that accounting degree programs are going in the right direction concerning the subjects covered in degree programs, however, it does raise questions concerning the structure of accountancy professional exams and whether the weight given to certain subjects (e.g. law) should be changed.

Analysis of interview data

The aim of the interview data is to provide additional data concerning the relationship between whether the accounting and technical skills of graduates are meeting the needs of employers.

Professional and accounting skills desired:

The partners of accounting firms all agreed that graduates should possess communication skills. Graduates who worked in accounting practice, in industry, and in commerce generally agreed that oral skills are extremely important in their workplace. They generally believed that degree courses are underweight in testing this skill. A former graduate observed: *In our workplace we constantly have to be able to communicate effectively with our clients. I feel that my degree course did not do enough in testing our oral skills.*

The partners stated they desire graduates to be in a position to apply their knowledge to practical situations. Partners in small/medium firms desire that graduates should be able to carry out bookkeeping tasks with minimum effort. They justify this due to the modules in accounting that test students with exercises in book-keeping.

A number of graduates working in practice and industry complained about the lack of computer accounting in degree programs. They admitted that this did not help them in their careers. Some suggest the introduction of an internship module in degree courses is the way forward. A former graduate observed: *The lack of accounting computer skills has not helped us since employers look for candidates with practical experience rather than graduates without no experience of accounting software.*

From the interviews, it was found that partners in small/medium accounting firms desire that graduates should be able to cope with accounting software whereas in larger firms the desire was not so great due to in-house staff training offered by these firms.

Professional and accounting skills perceived:

According to the accounting lecturers, graduates are perceived to have a sound knowledge of accounting concepts due to various levels of financial accounting modules covered in degree programs. They do admit that a variation in knowledge can be explained by the differing academic abilities of students. This is in contrast to the perception of accounting partners who perceive that graduates do have gaps in their basic accounting knowledge. They perceive the fault is with accounting educators.

A typical comment is as follows: *The problem with graduates is that they rote learn and find it difficult to apply their knowledge to real life situations.*

Accounting educators should take more action to deal with this problem. There is also a general perception by partners and graduates that English language skills (that is writing oral and presentation skills) are inadequate in graduates. Many former graduates complained that though they are taught English in various modules, Business English was lacking in courses.

A typical comment from a former accounting graduate is as follows: *We should have been asked to prepare more reports, letters, and memos in our coursework and in our final exams. This would have helped us in our careers. In my employment, I am continually asked to prepare memos to colleagues and to prepare reports for clients.*

Effectiveness of degree programs in developing skills

In general, the former graduates perceive that a lack of funds allocated to accounting/ business departments had a negative impact on the effectiveness of these degree programs though it was generally admitted that the relatively small size of Cyprus universities did not help. It should be stated that public universities rely on finance from the state and private universities rely on finance from private sources.

A former accounting graduate stated that it would have helped his studies if there were specialized software packages in accounting, auditing, and taxation amongst others. It was admitted that the high cost of these programs probably meant such programs were not bought.

Former graduates also complained that the teaching style of lecturers did have an impact on the effectiveness in developing skills. A typical comment from a former accounting graduate is as follows: *Certain lecturers put more emphasis on teaching theory than solving case-study scenarios and this did not enhance my learning in that discipline.*

Another complaint by a number of graduates is that the syllabuses of many modules contained too much content. This meant that lecturers were taking insufficient time in covering areas and they argued this resulted in gaps in the students' knowledge. Accounting lecturers admitted that a problem with most modules is that teaching time was reduced by factors such as public holidays, mid-term tests, and revision lessons amongst others. They admitted that this made it difficult to cover the syllabus. They also admitted that this problem was aggravated by the fact each module had a duration of 13 weeks.

One accounting lecturer stated this problem could be solved by reducing the number of modules in the degree program and by removing some non-accounting modules and concentrating more on accounting related modules. They believed that this will have a positive effect on improving learning on accounting related modules.

Students' factors and their effect on accounting education:

According to the accounting lecturers, a problem faced is the large differences in the abilities of students. They agree that though there are a number of students that are dedicated, motivated, and hardworking but there are also a significant number of low ability students some of whom seem to be disinterested in the area they are studying. They seem to agree that this difference in the abilities of students has a negative impact on accounting education. They believe that this problem could be dealt with by setting higher entry criteria for entrance onto related degree programs. They did admit, however, that this was difficult to enforce by the fact that the entry requirements are determined at the university level.

They agree the market for students is very competitive and a change in the

entrance criteria will come at a financial loss for the university concerned.

Another student factor that some graduates exist is the culture of students in perceiving that their grade is more important than the education they receive. Despite this graduates view education as being important. A typical comment by a graduate is as follows: *Getting a good grade is very important, however, it does not satisfy me if I am not adequately learning what is being taught.*

5. Conclusions and recommendations

The aim of this study is to examine and compare the perceptions of graduates and employers in Cyprus in the accounting sector. Based on the research evidence, it is concluded that professional skills such as analytical thinking teamwork and writing skills are seemed to be very important for the current/future career of accounting graduates.

In addition, the research revealed (especially by the employers) that Excel type spreadsheets are a very important technology skill for the current/future career of accounting graduates. The evidence is provided that employers are more positive concerning the use of technical skills in the workplace than students. The implication of the results indicates that graduates' do not realize the importance of technology skills and this raises the question whether technology skills should be increased in graduate programs in accounting.

The results also stress the importance of the knowledge of word processing packages and accounting software packages and this is something educators should look to promote accounting graduate programs.

Concerning the subjects covered in degree programs, there is an evidence that both graduates and employers agree that the coverage is in the right direction. The introduction of a module in internship has been well received by graduates and employers. The reason for this may be due to the fact that this module enables students to link the theory to practice. However, there is evidence that the weighting to certain areas such as law and economics should be reviewed.

The implications of the research are that educators in accounting (especially degree programs) should review the modules concerning technology skills and consider upgrading their presence in line with the needs of the workplace in the accounting profession.

One way this can be done is by examining the learning outcomes to those published by the International Accounting Education Standards (IAES). The aim of IAES is to develop high-quality international education standards that enhance the competence of aspiring professional accountants in order to strengthen the worldwide accountancy profession.

It is proposed that educators in accounting can examine IES 2 concerning technical competence and ensure that modules within the program are meeting these learning outcomes. For example, in line with IES 2, modules in accounting should in total be able to educate students in: applying book-keeping principles prepare financial statements; understand and apply accounting standards, and be able to interpret financial information.

In addition, it is also proposed that educators in accounting can examine IES 3 concerning professional skills and ensure that modules test the skills outlined in the learning outcomes of IES 3. These include the skills of effective teamwork; communication skills, information technology skills and analytical skills amongst others.

It is finally proposed that a detailed study of IAES handbook and the application of

its standards by accounting education institutions will help improve the quality of accounting education and will lead to a better quality of accounting education.

6. References

- Albrecht, S.W., and Sack, R.J. (2000). Accounting Education: Charting the Course through a Perilous Future. *Accounting Education Series*, No. 16, ISBN: 0865390886,9780865390881, <https://searchworks.stanford.edu/view/10002409>
- Armitage, J. L. (1991). Academics' and practitioners' views on the content and importance of the advanced financial accounting course. *Journal of Accounting Education*, Vol. 9, (2), pp. 327–340. DOI: 10.1016/0748-5751(91)90008-F
- Awayiga, J., Onumah, J.M., and Tsamenyi, M. (2010). Knowledge and Skills Development of Accounting Graduates: The Perceptions of Graduates and Employers in Ghana. *Accounting Education: an international journal*, Vol. 19, (1–2), pp. 139–158. DOI: 10.1080/09639280902903523
- Behn, B.K., Ezzell, W.F., Murphy, L.A., and Strawser, J.R. (2012). The Pathways Commission on Accounting Higher Education: Charting a National Strategy for the Next Generation of Accountants. *Issues in Accounting Education*, Vol. 27, (3), pp. 595-600. DOI: 10.2308/iace-10300
- Bullock, J.J., Ell, V., Inman, B.C., Jiambalvo, J.J., Krull, R.f., Lathan, M.H., Mitchell, A.R., Schwartz, B.N., Scott, L.P., Williams, J.R., and Barefield, R.M. (1995). Accounting faculty/practitioners partnerships to address mutual education concern. *Issues in Accounting Education*, Vol. 10, (1), pp. 197–206.
- Bui, B., and Porter, B. (2010). The expectation-performance gap in accounting education: an exploratory study. *Accounting Education: An International Journal*, Vol. 19, (1-2), pp. 23-50. DOI: 10.1080/09639280902875556
- Cyprusprofile.com (2018). The Institute of Certified Public Accountants in Cyprus. available at <http://www.cyprusprofile.com/en/companies/overview/the-institute-of-certified-public-accountants-of-cyprus-icpac> (accessed 13 July 2018).
- Felton, S., Buhr, N., and Northey, M. (1994). Factors influencing the business student's choice of a career in chartered accountancy. *Issues in Accounting Education*, Vol. 9, (1), pp. 131–141. ISSN 0739-3172, ZDB-ID
- Gabbin, A.L. (2002). The crisis in accounting education. *Journal of Accountancy*, Vol. 193, (4), pp. 81–86. <https://search.proquest.com/openview/ff6ef3ac3deaebf400c9808507dc2e66/1?pq-origsite=gscholar&cbl=41065>
- Georgiou, A.K. (2017). Are Accounting Graduates Meeting the Needs of Employers? Evidence from Cyprus. Conference Paper, 8th International Conference International Business, University of Macedonia, Thessaloniki, Greece. https://www.researchgate.net/publication/320056710_ARE_ACCOUNTING_GRADUATES_MEETING_THE_NEEDS_OF_EMPLOYERS_EVIDENCE_FROM_CYPRUS
- Georgiou, A. (2018a). Auditors' Perceptions on the Impact of Mandatory Audit Firm Rotation on Auditor Independence - Evidence from Cyprus. *Science and Business: Development Ways*, Vol. 3, (81), pp. 149-156.
- Georgiou, A. (2018b). Evaluation of The Investment Environment in The Cyprus Tourism Sector. Conference Paper, 9th International Conference International Business 2018, University of Macedonia, Thessaloniki, Greece.

- The Accounting Education of Graduates: Is It Meeting the Needs of Employers? Evidence from Cyprus
- 71
- Georgiou, A., and P. Kontakos (2018). Investment Incentives and Attracting Foreign Direct Investments (FDI) – Evidence from Cyprus. *Science and Business: Development Ways*, Vol. 3, (81), pp. 157-161. ISSN 2221-5182, https://www.researchgate.net/publication/324720515_Investment_Incentives_and_Attracting_Foreign_Direct_Investment_FDI_-_Evidence_From_Cyprus
- Georgiou, A.K., Koussis, N., and Violaris, I. (2012). Corporate governance research applied at a private university,” *Higher Education, Skills and Work-Based Learning*, Vol. 2 (1), pp. 74-94. DOI:10.1108/20423891211197767
- IFAC (2015). International Education Standard 2 (IES 2): Initial Professional Development – Technical Competence. International Federation of Accountants.
- IFAC (2015). International Education Standard 3 (IES 3): Initial Professional Development – Professional Skills. *International Federation of Accountants*.
- ICPAC.org.cy (2013), “Professional challenges and opportunities,” available at: http://www.icpac.org.cy/icpac.nsf/dttopportunities_en/dttopportunities_en?OpenDocument (accessed 26 June 2013)
- Jackling, B., and De Lange, P. (2009). Do Accounting Graduates’ Skills Meet the Expectations of Employers? A Matter of Convergence or Divergence. *Accounting Education: an international journal*, Vol. 18, (4–5), pp. 369–385. DOI: 10.1080/09639280902719341
- Khan, M.M.S., and Sethi, N. (2009). Management education & corporate governance: a case of India & Pakistan”, *Research Journal of International Studies*, Issue, Vol. 12, pp. 29-43. https://www.researchgate.net/publication/242103196_Management_Educating_Corporate_Governance_A_Case_of_India_and_Pakistan
- Lccicyprus.com (2013). LCCI in Cyprus. available at <http://www.lccicyprus.com/regionalinfo.asp> (accessed 6 September 2013).
- Marriott, P., and Marriott, N. (2003). Are we turning them on? A longitudinal study of undergraduate accounting student’s attitudes towards accounting as a profession”, *Accounting Education*, Vol. 12, (2), pp. 113–133. DOI: 10.1080/0963928032000091738
- Mohamed, EK.A., and Lashine, Sh. H. (2003). Accounting knowledge and skills and the challenges of a global business environment. *Managerial Finance*, Vol. 29, (7), pp. 4–16. DOI:10.1108/03074350310768319
- Watty, K. (2005). Quality in accounting education: what say the academics? *Quality Assurance in Education*, Vol. 13, (2), pp. 120 – 131. DOI: 10.1108/09684880510594373

