

Thai Accountant Competencies, Accounting Experience, Accountability Attitude, and Adaptation Capabilities, on Success in Accounting Profession after ASEAN Economic Community

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Abstract

The article aims to study 1) Thai Accountant Competencies and adaptation capabilities; and 2) factor affecting on success in accounting profession after Thailand becomes a member of The Asian Economic Community. The sample consists of 400 accountants which operate their performance in Thai businesses. Online questionnaire was used for data collection in this research. Data analysis consists of descriptive statistics (i.e. mean, S.D., ranking) and inferential statistics (i.e. Pearson Correlation and Multiple Regression Analysis). The result shows that 1) Thai Accountant Competencies especially improvement of knowledge and skill of professional accountant, and adaptation capabilities are more than fair well. This finding also explain that the preparation level of Thai Accountant Competencies, Accounting Experience, Attitude of Implement Accounting, and Adaptation Capabilities have positively significance level at the significant level $\alpha < 0.01$.

Keywords: Thai Accountant Competencies, Accounting Experience, Accountability Attitude, Adaptation Capabilities, Success in Accounting Profession

Introduction

Currently, Thailand has become a member of ASEAN Economic Community and has play role an active part in economic development especially professional labor skills. Accounting except auditing is one of seven labor skills that could transform to any country in AEC community. Additionally, Thai Accounting Standards (TAS) and Thai Financial Reporting Standard (TFRS) have contents following International Accounting Standard (IAS) and International Financial Reporting Standard (IFRS). TAS and TFRS will implement after IAS and IFRS were adopt 1 years. This situation shows the opportunity of Thai accountants to create their performances to be professional accountants which could work around AEC community or global by testing and have improve their qualification for work that places. However, it was found that only a small proportion of Thai accountants were registered as ASEAN accountants. Additionally, the business environment has changed dramatically, high competition level, and accounting information system for decision making is needed for both foreign and Thai investors. Financial Report is the output of accountant performance with the objective to provide useful information to users for economic decision making. Using financial reporting with moderate quality characteristics reflect the performance and financial position of the businesses following accounting standard. In Thailand, change in accounting

standard from Thai Financial Reporting Standard for PAEs includes the attempt of change TFRS for NPAEs to TFRS for SMEs in order to develop Thai small businesses and upgrade accounting standard with more information usefulness such as information for Statement of Cash Flow (TAS 7), Related Party following (TAS 24). These information is needed for managers and investors for profit planning and control their businesses. As a results, to increase the proportion of AEC accountants from Thailand, accountants are needed to develop their skills and competencies by preparing themselves for environment changing in Thailand 4.0, understanding AEC organizational culture, AEC communication and their competitive both Thai citizen and foreigners. Additionally, regulators (i.e., Thai Government, the Federation of Accounting Profession (FAP)) attempt to support Thai accountants to continuous develop Thai professional accountant.

This article aims to 1) study the preparation level and adaptation capabilities of accountants, and the success in accounting profession after become to AEC community; and 2) the factors affecting on the success in accounting profession after becomes a member of AEC community, in order to develop Thai Accounting Standard to Global Standard and upgrade Thai accountant skills for competition in AEC community.

Conceptual Framework

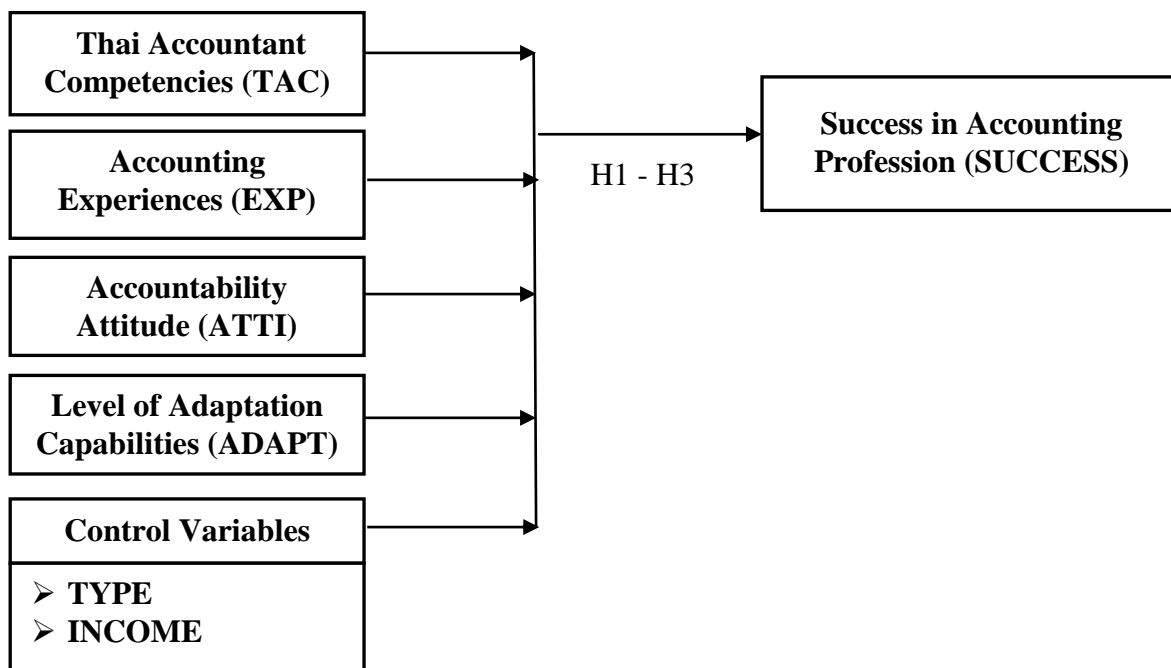


Figure 1 Conceptual Framework

Success in Accounting Profession (SUCCESS) is the achievement level with safety, security, commitment or happiness from working, knowledge and skills, performance, lifestyle, proud of effective accounting practice with continuous effectiveness to make their own benefit and sustainable life.

Thai Accountant competencies (TAC) is the level of practice related with accounting profession such as 1) development in accounting knowledge and skills including training in business, tax and law; 2) training and study in business economy and environment; 3) communication skills and learning organizational culture, AEC language and culture; and 4) increasing in work experience in accounting and related field with continuous improvement.

Accounting Experience (EXP) is the time of accounting work period (year) of independent accounting, accounting department, accounting office, managerial accounting, both internal

audit and external audit, or tax accounting etc., counted by the time after graduation in bachelor degree and register with FAP.

Accountability Attitude (ATTI) is the opinion view of both positive and negative on the commitment in accounting practice such as financial and managerial accounting; internal and external auditing; law and tax accounting; and related field including view of effectiveness performance with professional.

Adaptation Capabilities (ADAPT) is the level of acceptance of new things or challenge something new and good compatibility in new environment, new friends, new partnerships or staffs, or new region or new countries in ASEAN region which including ability to communication, relax and flexibility management, integrate their own knowledge or skills and sharing their experience to others in their life with happiness and not depression.

TYPE is a control variable means job description or number of accounting activities performed by an accountant.

INCOME is a control variable means accountant revenue per years.

Literature Reviews

Thailand 4.0 and Change in TFRS

Thailand 4.0 is a mind-set and a policy of Thai government to be a leader in the region to sustain employment, creates value chain to become more high-income country by using innovation and Technology around this region. Thailand needs development in terms of academics, creativity, innovation, science, digital technology and academic research and development for further improvement of target technology and industry groups especially Digital Start-up Businesses. It changes people lifestyle to needed learning benefit of IT for helping working and earns their income. Additionally, Change in IFRS and TFRS in the present, is one impact on accountant to emphasis on continuous improvement of their knowledge and ability from accounting standard change. Adaptation for learning new innovation and technology of accountants is needed in order to understandability in business transaction and skills to analyze business performance, preparation of financial reporting following GAAP.

Qualitative Characteristic of Conceptual Framework

Conceptual Framework represents a coherent set of concepts used in accounting standards applicable to the financial reporting, exclusively to accounting information produced on an accrual basis (FAP, 2016). The qualitative characteristics of financial reporting can be operationalized of these main such as representational faithfulness and relevance, e.g. their predictive, confirmatory roles. The examples 5 characteristic of cash flow statements (e.g. prudence, neutrality, completeness, faithful representation, and substance over form) which indicate that accounting information is investor reliability (Elliott and Elliott, 2015). The different example of measurement among TFRS for PAEs, NPAEs, and SMEs as shown in Table 1. Prior research reveal that, although the adoption of IFRS has greatly impacted the quality of financial reporting, however, more research studies and training of accountant on TFRS follows IFRS and qualitative characteristic-based study are still scanty (Ekpo, 2016). The implementation of the financial statements cannot be successful without intensive training for accountants of the firms, especially provided a system of accrual accounting and information needed (Maimunah, 2016). Additionally, Thai government has shown his policy for becoming Thailand 4.0 with using IT with innovation and digital economy to force Thailand upgrade and strengthening the economy sustainability and reliability. Thus, accountants will be needed to develop their skills and competencies for competitive advantage in AEC and the global market.

Table 1 the example of measurement among TFRS for PAEs, NPAEs, and SMES

Item	TFRS for PAEs	TFRS for NPAEs	TFRS for SMEs
Measurement of TAS 19	- estimation by using Actuarial Valuation Method - recognition in Other Comprehensive Income	- recognize employee benefit by using best practice in liabilities following TAS 37 - recognition in Profit and Loss Statement	- following TAS 19 of TFRS for PAEs, but compare with simple estimate and concern cost & benefit - recognition in Other Comprehensive Income
TAS 7	- implement by using cash basis	- no implement	- implement following TFRS for SMEs
Concept	- fair value accounting	- Historical Cost Accounting but concern permanent impairment assets	- concern fair value accounting but limitation on cost & benefit concept
Main Users	- Capital Market Users	- Managers	- Managers and Stakeholders

This article describe the readiness in skills of a professional accountant in Thailand 4.0 with the attempts of the government to force Thai accountant to become ASEAN accountant which have more learning skills and ability to new experiences, new social community and culture. We combine IES accounting standard for accounting education No. 3 which describe 5 skills (e.g. intellectual skills; technical and functional skills; personal skills; interpersonal and communication skills; and organization and business management skills) to reach accounting success in the long-run. We using this standard to develop questionnaire for testing their opinion about the readiness for AEC accountants.

Accounting Quality

Accounting quality is the results or outcomes of accountant performance includes the quality of external audits for his or her opinion in financial statements in order to reflect financial statements are accuracy, independence, completeness, and relevance for investors decision-making. Accounting quality also includes audit quality which is the opportunity or chance that auditor will detect and investigate the finding results and report significant error or misstatement in materiality (DeAngelo, 1981). Accounting experiences of accountant and auditor, it was found that differential in accounting experience work has impact on the quality of accounting practice (Pienboocha, 2012). Types of accounting office especially audit firms with different locations has impact on accounting performance (Rattana, 2004). The accounting quality is based on the ability in accounting practice in their duties in order to reach their target with planning and control effectiveness (e.g. accuracy, objectiveness, clearness, conciseness, creation, completeness, and timeliness), (Pattaramontree, 2014). Attitude in accounting practice is one factor that has impact on accountant behavior on their performance indirectly. Persons who accept change and adapt their life to the environment change with a positive attitude will have more increase their performance and more success in accounting profession that who do not accept change with negative attitude. In this research we derive three factors that are accounting experience, accountability attitude, and adaptation capabilities. This article, we derive four hypotheses on success in accounting profession.

H1: Thai Accountant Competencies (TAC) has positive impact on Success in Accounting Profession (SUCCESS) after entering the AEC community and adopt government policy Thailand 4.0

H2: Accounting Experience (EXP) has positive impact on Success in Accounting Profession after entering the AEC community and adopt government policy Thailand 4.0

H3: Accountability Attitude (ATTI) has positive impact on Success in Accounting Profession after entering the AEC community and adopt government policy Thailand 4.0

H4: Level of Adaptation Capabilities (ADAPT) has positive impact on Success in Accounting Profession after entering the AEC community and adopt government policy Thailand 4.0

Methods

Population and sample

Population uses in this study, consists of independent accountants, or office accountant with work experience in accounting field including public, private businesses and accounting office such as big 4 firms and local firms. The sample size uses 400 accountants with completeness (adapt from table of Krejcie & Morgan, 1970). We creates questionnaire by using an online questionnaire since 15 March 2017-17 July 2017.

Data Collection

Content validity, construct validity and reliability test were used for completeness questionnaire before collecting data. The factor loading is between 0.558-0.890 and the level of Cronbach's Alpha Coefficient is between 0.749-0.822, which suitable for testing hypotheses. Additionally, we test for non-response bias using split-half method. The result shows that there is no significant level ($\alpha > 0.05$). Questionnaire includes 4 types: section 1: general information of antecedents; section2: opinion about the preparation level of Thai accounting competencies, accountability attitude, and adaptation capabilities. In section 3, it shows the opinion of success in accounting profession, while section 4 explains other recommendation from antecedents. 5 point Likert Scale is the criteria for measure independent variables (TAC, ATTI, EXP, ADAPT) and dependent variable, and cut off range for 5 levels. Additionally. We used two control variables-type of accounting activities in their performance (TYPE); and income of accountants (INCOME).

Research Equation

In this article, we uses two equation for testing hypotheses (H1-H4)

Eq.1 $\text{Success} = \alpha_0 + \beta_1 \text{TAC} + \beta_2 \text{ATTI} + \beta_3 \text{EXP} + \beta_4 \text{ADAPT} + \beta_5 \text{TYPE} + \beta_6 \text{INCOME} + \varepsilon_i$

In the second equation, we derives READI for 3 components consists of 1) knowledge and skills about accounting profession (ACTC); 2) knowledge and skills about related field (OTCC); and 3) communication skills in English and ASEAN language. Thus, we substitute READI variable for 3 new variables as shown in Eq.2 in order to test that which components is important for SUCCESS after the result in Eq.1 shown that READI is positively significant on SUCCESS.

Eq.2 $\text{Success} = \alpha_0 + \beta_7 \text{ACTC} + \beta_8 \text{OTCC} + \beta_9 \text{COMS} + \beta_{10} \text{ATTI} + \beta_{11} \text{EXP} + \beta_{12} \text{ADAPT} + \beta_{13} \text{TYPE} + \beta_{14} \text{INCOME} + \varepsilon_i$

Statistics used for Research Analysis

We use descriptive statistics such as frequency, percentage, mean, standard deviation, and employ Pearson Correlation and multiple regression analysis for data analysis.

Results and Discussion

Descriptive Statistics

The majority of the antecedents were 269 female or 67.25% and 131 male or 32.75%. The 237 respondents were younger than 30 years old equal 59.25%, 110 persons or 27.50% were between 30-40 years old and over 40 years old equal 53 persons or 13.25%. They graduated in bachelor degree 216 persons or 54%, master degree 150 persons or 37.50%, and upper graduate 34 persons or 8.50%. Most of them have work experience less than 5 years 200

persons or 50%, between 5-10 years 103 persons or 25.75%, more than 15 years 70 persons or 17.50%, and between 11-15 years 27 persons or 6.75%. The ranking of accounting activities shown in Table 2, and Mean and S.D. is shown in Table 3.

Table 2 shown ranking of accounting activities

Activities	Frequency	Ranking
1. Financial accounting: preparing financial statements	249	2
2. Tax accounting: tax planning, filling tax forms and related	257	1
3. Internal Audit Activities	77	7
4. Auditing and Assurance Services	126	4
5. Accounting Information Systems Activities	123	5
6. Data Analysis Activities	155	3
7. Managerial Accounting Activities / Administrative Activities	99	6

Table 3 shown the mean (\bar{X}) and S.D.

Variables	\bar{X}	S.D.	Ranking	Results
Accounting Experience (EXP)	7.5100	6.72300		Average 7.5 years, however, people has more different work experiences in accounting
Thai Accountant competencies (TAC)	3.9129	0.44034		Agreed
1. knowledge and skills about accounting profession (ACTC)	4.3392	0.42648	1	Most Agree
2. knowledge and skills about related field (OTCC)	3.9610	0.46953	2	Agreed
3. communication skills in English and ASEAN language (COMS)	3.4385	0.63358	3	Agreed
Accountability Attitude (ATTI)	4.2623	0.39406		Most Agree
Adaptation Capabilities (ADAPT)	3.7900	0.46631		Agreed
Success in Accounting Profession (SUCCESS)	4.2013	0.45669		Agreed

Inferential Statistics

We employ Pearson Correlation Analysis to explain relationship among variables shown in Table 4. Most of independent variables have positively significant on success in accounting profession ($r_{x,y}$ is between 0.381^{**}-0.739^{**}, sig. at $\alpha < 0.05$). Correlation between ATTI and SUCCESS is the most positive correlation more than 70%. We use Multiple Regression Analysis to confirm factor affecting on success in accounting profession, shown in Table 5. The result shows that all four independent variables (READI, EXP, ATTI, and ADAPT) is positively impact on success in accounting profession with significant level $\alpha < 0.01$. Thus, all hypotheses (H1-H4) are supported. The most influence factors on success in accounting profession is accountability attitude ($\beta_3 = 0.559^{***}$; $t = 11.511^{***}$; $\alpha < 0.001$).

Table 4 shown the Pearson Correlation Analysis

	(SUCCESS)	(TAC)	(ATTI)	(ADAPT)	(EXP)	(TYPE)	(INCOME)
Mean (\bar{X})	4.2013	3.9129	4.2623	3.7900	7.510	2.720	1.980
S.D.	0.45669	0.44034	0.39406	0.46631	6.7230	1.179	0.857
(SUCCESS)							
(TAC)	0.667**						
(ATTI)	0.739**	0.688**					
(ADAPT)	0.613**	0.614**	0.571**				
(EXP)	0.545**	0.406**	0.308**	0.322**			
(TYPE)	0.381**	0.252**	0.158**	0.160**	0.675**		
(INCOME)	0.576**	0.490**	0.525**	0.432**	0.703**	0.512**	

** $\alpha=0.01$ **Table 5** shown the result of Multiple Regression Analysis of SUCCESS and all independent variables

Independent Variable		SUCCESS Eq.1				Rank	Result
H	β	Std. Error	t	Sig			
Constant		0.474**	0.160	2.972**	0.003		
TAC	H1	0.116**	0.044	2.649**	0.008	4	Support H1
EXP	H2	0.017***	0.003	5.505***	0.000	2	Support H2
ATTI	H3	0.559***	0.049	11.511***	0.000	1	Support H3
ADAPT	H4	0.186***	0.036	5.160***	0.000	3	Support H4
TYPE		0.037*	0.015	2.526*	0.012		
INCOME		0.022	0.024	-0.940	0.348		
N		400					
Adjusted R ²		0.694					
F-test		F = 151.609; Sig = 0.000					
Durbin-Watson		1.846					
VIF test		1.758-2.775					

* $\alpha = 0.05$; ** $\alpha = 0.01$; *** $\alpha = 0.001$

From this result, it shows that most of antecedents explain that positive attitude from their honour, reputation from their work with creativity make them proud themselves and help them increase their effectiveness performance, happiness, and success in their work. However, the preparation level of Thai competencies is needed to help accountants to success and earn more income from new opportunities with new experiences. Because of there are positive correlation between ATTI and TAC ($r_{ATTI,TAC} = 0.688^{**}$, sig. at $\alpha < 0.05$). We also use sensitivity analysis by derived TAC for 3 components, ACTC; OTCC; and COMS) and use equation 2 for multiple regression analysis. The result shows that only knowledge and skills about accounting profession (ACTC) has strongly significant positively impact on success in accounting profession ($\beta_7 = 0.170^{***}$; $t = 3.764^{***}$; $\alpha < 0.001$), while knowledge and skills about related field (OTCC) and communication skills in English and ASEAN language (COMS) have no significant impact on success in accounting profession. Additionally, we derive accountant from 7 type activities and use in-depth interviews from expert accounting managers to ask about their accounting work-life. They said that “Accountants have to adapt their work-life in present, most of them have to update and upgrade their accounting knowledge and skill for their performance from accounting standard, accounting software, and communication skills”. However, accountants who work in the office such as financial accounting and tax accountant and others are increasing slowly in change their work-life, compare with managerial accountants or accountants who want to find a new job, or external auditors especially work with Big 4 firms or large local firms. They work in many places

with indoor and outdoor. They can easily use internet and intranet for planning and working through ICLOUD, bring only one notebook or direct order by using mobile phone, connect their customers outside, and work in many place. Additionally, communication and language is needed for increasing their performance and their creativity for find new experiences and reach targets. For example, external auditors use electronic working paper for reporting their opinion in financial statement than using working paper, reduce the space for keeping permanent and non-permanent working paper, and finally, reduce their costs and time for competitive advantage.

Discussion

From these results, most of antecedent opinion reflects that accountants have an agreed level in success in accounting profession, Thai accountant competencies, and accountability adaptation. All of independent variables (TAC, EXP, ATTI, and ADAPT) have strong positively significant on success in accounting profession at sig. level $\alpha < 0.01$. The results consist with the opinion of the professional committee of FAP in International Standard of Education no. 3(IES 3) which defines professional accounting skills that is needed to be prepared, professional experience in accounting and related field, positive or good attitude, and description of accountability accounting activities. It shows five key elements that help accountant work effectively and happy in their work-life. These results also consist as same as prior research such as Poonyawee Puchaphan (2007); Wasamon Thongruk (2011); Boonmunewai and Ussahawanitchakit (2010). However, this research has limitation about survey for Thai accountants' opinion about their abilities to be AEC accountants.

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