Perception of accounting students and alumni of the influence of internships on skill development

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ABSTRACT: This research aims to investigate the perception of accounting students and alumni of the Faculty of Economic and Business Universitas Indonesia (FEB UI) of the influence of internships on skill development. Online questionnaires were distributed to accounting students of FEB UI batch 2012 and alumni batches 2010 and 2011 who are working in public accounting firms. Using an independent sample t-test and the Mann-Whitney test, 308 sets of data were analysed. The result indicates that both accounting students and alumni have positive perceptions on the influence of internships on skill development.

1 INTRODUCTION

The accounting profession is one of the few professions that can compete freely within the scope of the ASEAN Economic Community (AEC) in Indonesia (ASEAN, 2014). This means that all levels of Indonesian society, including students—especially students of accounting—need to be prepared. Under the AEC, employment opportunities are possible for citizens of ASEAN. However, for Indonesians, this can be an opportunity and a challenge.

Although there is strength in terms of quantity, the quality of accountants in Indonesia still needs to be improved (Tarkosunaryo, 2015). According to M. Jusuf Wibisana, the level of competence of public accountants in Indonesia is still low and inadequate. Some companies also complained that even the best graduates from universities in Indonesia still could not answer basic accounting questions during job interviews (Subari, 2016). Moreover, cultural constraints and English skills also become an obstacle for Indonesians when they are competing with accountants from Malaysia, Singapore, the Philippines, and Brunei Darussalam (Budilaksono, 2014).

Departing from the notion that experience is the best teacher, one approach to learning is by a system of practice and real experience, as well as by discovery and exploration, which is best known as experiential learning. One of the methods of experiential learning is through an internship programme (Northern Illinois University, n.d). The internship programme is considered to be one way to improve the readiness of accounting students to face work (Cheong et al., 2014; Cord et al., 2010; Crisostomo, 2015).

Various studies have been conducted to determine the benefits of the programme and the internship experiences of the students (Beard & Morton, 1999; Hymon-Parker, 1998; McCosh, 1957; Pasewark et al., 1989; Rigsby et al., 2013; Scott, 1992; Swift & Russel, 1999; Gault et al., 2000; Tovey, 2001; Yu et al., 2013). Internships can be a learning tool that helps students to better understand and apply the theory acquired in the classroom and put it in to practice at work, as well as a means to explore career options and understand the industrial world. With internship experience, students will possess networks and obtain an advantage over other job applicants. Rigsby et al. (2013) also argue that one of the main benefits of an internship is the increase in job offer opportunities. In addition, the internship programme can also provide benefits by improving communication skills (Beard, 1998; Beck & Halim, 2008; Burnett, 2003; Maelah et al., 2012; Milhail, 2006; Paisey & Paisey, 2010; Wesley & Bickle, 2005), problem solving characteristics (Burnett, 2003), confidence (Mohd Jaffri et al., 2011),

and the networking capabilities of students (Gerken et al., 2012; Mohd Jaffri et al., 2011). It can be concluded that the internship programme provides many benefits for students.

Based on data from the Department of Accounting, the Faculty of Economics and Business, Universitas Indonesia, the number of students who attend an internship programme in public accounting firms increases from year to year. Students have expectations and a positive perception of the benefits of internships, thus helping to provide even more students with an internship programme. But do students and alumni have a positive perception of internship as being beneficial for a career in public accounting firms? There is an absence of evidence showing that alumni have a positive perception of the benefits of internship on the development of their capabilities and their careers in public accounting firms in Indonesia, which prompted this study to determine how the perceptions of students and alumni of the Department of Accounting, the Faculty of Economics and Business, Universitas Indonesia influence internships with regards to the development of competence and capabilities. The study uses research instruments used by Muhamad et al. (2009) and Yu et al. (2013). This study focuses on the education sector, the result of this study is expected to provide feedback to universities especially on the importance of internship program as part of the undergraduate curriculum.

2 LITERATURE REVIEW

2.1 *Perceptions on internship and competence development*

The research conducted by Martin and Wilkerson (2006) on a sample of 132 students of the Master of Science in Administration programme at Wake Forest University shows an increase in knowledge and changes in the behaviour of students after the internship. Students found that the internship experience they had gone through was useful for their academic activities; this, in turn, helps to strengthen their academic understanding of issues they have learned previously, provides additional insight into any new courses they take, as well as improving their understanding of business concepts and accounting. In terms of behaviour, student interns feel the positive effects on their maturity, both personally and as a student, and an increase in confidence in their academic abilities.

Furthermore, the research conducted by Muhamad et al. (2009) on a sample of 243 student interns at Universiti Malaya shows that students' expectations before the internship programme are not achieved after they have completed the internship programme. Students have higher expectations of the effects of an apprenticeship, particularly in improving their understanding of external audit, while their expectations of the influence of an apprenticeship in enhancing their understanding of public sector accounting were met. Similarly, the results of research conducted by Warinda (2013) on a sample of 112 student interns at the University of Zimbabwe shows that the expectations that the students had before undertaking the internship, of its influence in improving their understanding of information systems, had been achieved after they had completed an apprenticeship programme.

The research by Yu et al. (2013) towards alumni who had graduated from college the previous year and who were students at a university in the Midwest from 2000 to 2008 shows that alumni (as compared to students) has a higher perception on the ability of internship in increasing competence in financial reporting, accounting, auditing, management fees, tax and accounting information systems. The research conducted by Crisostomo (2015) shows that a student has a neutral perception on the influence of an internship experience in improving their understanding of tax accounting, but provided increased understanding of accounting and auditing and reporting in aspects that are considered most keenly felt by the students after the apprenticeship.

2.2 *Perceptions on internship and skills/capabilities development*

Muhamad et al. (2009) conclude that the expectations of students before the internship programme, particularly in terms of the development of problem solving ability, communication, interpersonal relations, and also confidence, is higher than their perception of the actual level

of skills acquired after the completion of the internship programme. However, the research conducted by Mohd Jaffri et al. (2011) on 33 business students and 51 students of accounting of Universiti Sultan Zainal Abidin shows that business students perceive that the internship experience that they undergo will help to develop their interpersonal skills, while accounting students perceive that their internship experience will help to boost their confidence. Overall, both groups of students feel that going through an internship experience will help to improve their communication skills.

The research conducted by Warinda (2013) shows that, overall, students of the University of Zimbabwe agreed about the influence of an internship on the development of their soft skills, with communication capability being regarded as the most developed capability after a student internship programme. Research conducted by Crisostomo (2015) is also in line with the research by Mohd Jaffri et al. (2011) and Warinda (2013), with results showing that the students perceive that their internship experience has helped to develop their skills of problem solving, communication and interpersonal relations, and that the development of their communication skill is the aspect considered most keenly felt by the students after internship.

Research on the perceptions of students and alumni on the influence of an apprenticeship towards the development of capabilities is also specifically made by Yu et al. (2013). The results show that students perceived that the internship experience would help to greatly develop their overall ability, except for the ability to master the accounting system and also the use of databases, while the alumni perceived that the internship experience had helped them to develop skills in spread sheets, problem solving and written communication, but had not worked so well with the development of oral communication skills and effectiveness, although it had helped to develop their ability to use their database. It was concluded that the alumni have a perception of skill development that is lower than that of the students, especially for the development of effective oral communication skills, the ability to master the accounting system and the use of the database.

3 RESEARCH METHOD

This study was conducted on all accounting students of the Faculty of Economics and Business, Universitas Indonesia in the fourth year (class of 2012) and alumni of FEB UI accounting students with work experience of one to two years at a public accounting firm in Indonesia (classes of 2011 and 2010). Data collection was conducted by distributing online questionnaires using google forms. The questionnaire was adapted from an instrument of research studies conducted by Muhamad et al. (2009), Yu et al. (2013) and Rigsby et al. (2013) with modifications to adjust to the competencies and skills expected from internship conducted by students of the Accounting Department FEB UI. The questionnaire uses a Likert scale and is processed through a simple descriptive analysis (i.e. by calculating mean of the perception scale).

4 RESULTS AND DISCUSSION

Data was collected from 308 respondents, consisting of 205 students and 103 alumni; 106 students attended an internship in an accounting firm ("KAP"), 73 alumni attended an internship in KAP. Almost 60% of the respondents are female and 40% are male; they ranged in age from 18 to 25, with the majority (41.56%) being 22 years of age. Of the student respondents, 7.32% have a GPA below 3, while all the alumni respondents have a GPA of more than 3.

Table 1 shows that the students found that an internship experience provides the greatest impact in helping to improve their understanding of interpreting and evaluating financial statements. But according to alumni, an internship experience provides the greatest impact in helping to improve their knowledge and understanding of auditing, whether externally or internally, and also helps to improve their knowledge and understanding of financial accounting and reporting. This is consistent with the results of the research conducted by Crisostomo (2015), which showed that the increased understanding of accounting, auditing and reporting are the aspects that are considered to be most influential during an internship programme.

Both students and alumni perceive that an internship experience has very little effect in helping them to improve their knowledge and understanding of taxation. This could have been caused by the fact that the majority of the respondents do not work or have internship experience in the tax department. Of the 148 students, only 31 students have an internship focusing on taxation. Also, out of 82 alumni, there are only nine alumni who have an internship focusing on taxation.

Table 2 shows that the students found that an internship experience helps them to develop effective communication skills. This is in line with the results of Mohd Jaffri et al. (2011), Warinda (2013) and Crisostomo (2015), which show that the development of communication skills is considered to be the most perceived influence by students after the internship programme.

Table 1. Results from questionnaire for internship experience and development of competence (knowledge and competence).

Question item	Detailed question	Response rate	
		Students	Alumni
comp5	My internship experience helped me to improve my knowledge and understanding of auditing (internal or external)	3.80	4.04
comp6	My internship experience helped me to improve my knowledge and understanding of financial accounting and reporting	3.89	4.04
comp7	My internship experience helped me to improve my knowledge and understanding of taxation	3.17	3.41
comp8	My internship experience helped me to improve my knowledge and understanding of information systems	3.51	3.44
comp9	My internship experience helped me to improve my skills in composing a financial statement	3.72	3.83
comp10	My internship experience helped me to improve my skill in understanding and analysing financial statements	3.93	3.82

Table 2. Results from questionnaire for internship experience and the development of ability (skill).

Question item	Detailed question	Response rate	
		Students	Alumni
skill11	My internship experience helped me to develop analytical skills and judgement	4.02	3.96
skill12	My internship experience helped me to develop effective communication skills	4.26	4.30
skill13	My internship experience helped me to develop oral communication skills	4.22	4.24
skill14	My internship experience helped me to develop written communication skills	4.04	3.98
skill15	My internship experience helped me to develop technical spreadsheet skills	4.22	4.40
skill16	My internship experience helped me to develop problemsolving skills	3.93	3.94
skill17	My internship experience helped me to develop interpersonal skills	4.16	4.21
skill18	My internship experience helped me to develop self-confidence	4.14	4.27

On the one hand, in line with the results of Yu et al. (2013), the alumni found that an internship experience helps them to develop technical spreadsheet capabilities. This is because the nature of auditors or public accountants' work is greatly connected to using spreadsheet programmes. Therefore, technical spreadsheet capability has become important. In addition, both students and alumni alike perceived that an internship experience had very little effect in helping them to develop their problem solving ability. This is in contrast with the results of Yu et al. (2013), who state that the alumni found that their internship experience had helped their problem solving abilities. It is also contrary to the research results of Warinda (2013), which state that problem solving ability is the ability most developed after an internship.

5 CONCLUSION

From the results of the descriptive analysis (i.e. through on the perception of students and alumni on the influence of an internship on the development of competencies, capabilities and career opportunities in public accounting firms, it can be concluded that students and alumni both have a positive perception on the effect of an internship towards the development of competence and capability development. A further study can make additional comparisons on the differences in the perception between student respondents and alumni respondents or between those having experience in KAP and those in other types of firm. So what? What is it for? What do you want to achieve in conducting this study?

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