

**Changes in Workplace Expectations and Attitudes Towards the
Accounting Profession for Undergraduate Accounting Students and the
effect it may have on Job Satisfaction**

By

TONY MCMURTRIE, BCom (Hons), MCom, CPA

A thesis submitted in fulfilment of the requirements
for the degree of Doctor of Philosophy

TABLE OF CONTENTS

LIST OF FIGURES	VII
LIST OF TABLES	VIII
ABSTRACT	X
DECLARATION OF ORIGINALITY	XII
ACKNOWLEDGEMENTS	XIII
CHAPTER - 1. INTRODUCTION AND BACKGROUND	1
1.1 RESEARCH BACKGROUND	1
1.2 AIM OF THESIS	3
1.2.1 Objective One – University Impact on Expectations and Attitudes	4
1.2.1.1 Research Questions: Objective One	5
1.2.2 Objective Two – Comparison with workplace reality	7
1.2.2.1 Research Questions: Objective Two	7
1.2.3 Objective Three - Differences in University Sectors	8
1.2.3.1 Research Questions: Objective Three	9
1.2.4 Summary	9
1.3 SIGNIFICANCE AND CONTRIBUTION	9
1.4 METHOD	10
1.4.1 Data Collection	10
1.4.1.1 Survey Development	10
1.4.1.2 Survey Delivery	11
1.4.2 Data Analysis	11
1.4.2.1 Statistical Significance Level	12
1.5 BACKGROUND ISSUES	12
1.5.1 International differences in Accounting Training	12
1.5.1.1 Australia	13
1.5.1.2 United States	14
1.5.1.3 United Kingdom	14
1.5.1.4 Similarities and Differences	15
1.5.2 Australian University System	16
1.5.3 Generational Changes	17
1.6 THESIS STRUCTURE	20

CHAPTER - 2. LITERATURE REVIEW	22
2.1 INTRODUCTION	22
2.2 WITHDRAWAL BEHAVIOUR AND TURNOVER	22
2.2.1 Withdrawal	22
2.2.2 Turnover	24
2.2.3 Turnover and Job Satisfaction	27
2.3 JOB SATISFACTION	29
2.3.1 Job Satisfaction and Turnover	30
2.3.2 Job Satisfaction: Contributing Influences	31
2.3.2.1 Workplace factors	32
2.3.2.2 Individual Factors	35
2.3.2.2.1 Demographic Variables	35
2.3.2.2.1.1 Gender	35
2.3.2.2.1.2 Age	37
2.3.2.2.1.3 Education	37
2.3.3 Expectations	38
2.3.3.1.1 Attitude	42
2.4 SUMMARY AND PERCEIVED GAPS IN THE LITERATURE	43
2.5 CONCLUSION	50
CHAPTER - 3. CONCEPTUAL FRAMEWORK AND HYPOTHESES	52
3.1 INTRODUCTION	52
3.2 EARLY THEORIES	53
3.2.1 Cognitive Dissonance Theory	53
3.2.2 Self Image Theory	54
3.2.3 Un-programmed Decision Making	57
3.2.4 Expectancy Based Theories	59
3.2.4.1 Vroom's Expectancy Theory	59
3.2.4.1.1 Organisational Choice	59
3.2.4.1.2 Job Satisfaction	61
3.2.4.2 Psychological contract	62
3.2.4.3 Unrealised Expectations	63
3.3 MET EXPECTATIONS HYPOTHESIS	66
3.4 CONCEPTUAL MODEL	69
3.4.1 Variables	70
3.4.1.1 Independent Variables	72
3.4.1.1.1 Expectations	72
3.4.1.1.2 Attitude	73
3.4.1.2 Dependent Variables	73
3.4.2 Hypotheses	74
3.4.2.1 Expectations	75
3.4.2.2 Attitude	76
3.4.2.3 Job Satisfaction	77
3.5 PUBLIC ACCOUNTING	78

3.6	DEMOGRAPHIC ISSUES	78
3.6.1	Gender	78
3.6.2	Age	79
3.6.3	Other Influences	79
3.6.4	Educational Institution	81
3.7	CONCLUSION	84
CHAPTER - 4. METHODOLOGY		85
4.1	INTRODUCTION	85
4.2	SURVEY	85
4.2.1	Self Administered Surveys	86
4.2.2	Researcher Administered Survey	87
4.2.2.1	Face-to-Face	87
4.2.2.2	Telephone	89
4.2.3	Time Dimension	90
4.2.4	Choice of Method	90
4.2.5	Questionnaire Preparation	92
4.2.5.1	Initial Drafting	92
4.2.5.1.1	Demographic Information	93
4.2.5.1.2	Expectations of Practice	94
4.2.5.1.3	Attitude	97
4.2.5.2	Measurement Scale	98
4.2.5.3	First Draft	99
4.2.5.4	Focus group	101
4.2.5.5	Pilot study	105
4.3	SAMPLE SET	108
4.4	SURVEY DELIVERY	109
4.5	RESPONSE RATES	112
4.6	ANALYSIS	115
4.6.1	Non Response Bias	115
4.6.2	Factor Analysis	116
4.6.2.1	Results	119
4.6.2.1.1	Items that Loaded on different Factors to Previous Studies	120
4.6.2.2	Reliability Tests	122
4.6.2.2.1	Bartlett's test of sphericity	122
4.6.2.2.2	Keiser-Meyer-Olkin	122
4.6.2.2.3	Cronbach's Alpha	123
4.6.3	Normality	124
4.6.4	Hypothesis Testing	124
4.6.4.1	Mann Whitney Test	125
4.6.4.2	Kruskal-Wallis Test	125
4.6.4.3	Spearman Rank Order Test	126
4.7	CONCLUSION	126

CHAPTER - 5. RESULTS – EXPECTATIONS	128
5.1 INTRODUCTION	128
5.2 EXPECTATIONS AND JOB SATISFACTION	128
5.3 EXPECTATIONS AND YEAR LEVEL	130
5.4 STUDENT/EMPLOYED ACCOUNTANT DIFFERENCES	132
5.5 EXPECTATIONS AND DEMOGRAPHIC FACTORS	136
5.5.1 Gender	136
5.5.2 Age	137
5.6 OTHER INFLUENCING FACTORS	139
5.6.1 Student Employment	139
5.6.2 Parents Employment	141
5.6.3 High School Studies	142
5.6.4 Overall	144
5.7 PUBLIC ACCOUNTING	145
5.8 UNIVERSITY DIFFERENCES	147
5.8.1 Expectations and Year Level – University differences	150
5.8.1.1 Go8 Differences	150
5.8.1.2 ATN Differences	155
5.9 DISCUSSION	159
5.10 CONCLUSION	161
CHAPTER - 6. RESULTS – ATTITUDES	163
6.1 INTRODUCTION	163
6.2 ATTITUDE AND JOB SATISFACTION	163
6.3 ATTITUDES AND YEAR LEVEL	164
6.4 STUDENT/EMPLOYED ACCOUNTANT DIFFERENCES	165
6.5 ATTITUDE AND DEMOGRAPHIC FACTORS	166
6.5.1 Gender	166
6.5.2 Age	166
6.6 OTHER INFLUENCES	168
6.6.1 Student Employment	168
6.6.2 Parents Employment	168
6.6.3 High School Studies	169
6.6.4 Combined Effects	170
6.7 PUBLIC ACCOUNTING	171
6.8 UNIVERSITY DIFFERENCES	173
6.8.1 Overall Differences	174

6.9	ATTITUDES AND YEAR LEVEL – UNIVERSITY DIFFERENCES	175
6.9.1	Go8 Differences	176
6.9.2	ATN Differences	176
6.10	CONCLUSION	179
 CHAPTER - 7. RESULTS – DEMOGRAPHIC, JOB SATISFACTION, TURNOVER		 182
7.1	INTRODUCTION	182
7.2	STUDENT DEMOGRAPHICS	182
7.2.1	Age	183
7.2.2	Gender	185
7.2.3	Exposure to Accounting	186
7.2.3.1	Parents	186
7.2.3.2	Employment	187
7.2.3.3	Schooling	188
7.2.3.4	Multiple Influences	188
7.2.4	Employment Intentions	189
7.3	JOB SATISFACTION/TURNOVER	191
7.3.1	Age	192
7.3.2	Gender	192
7.3.3	Other Influences	193
7.3.4	Intention to become Public Accountants	193
7.4	CONCLUSION	194
 CHAPTER - 8. SUMMARY, IMPLICATIONS AND CONCLUSIONS		 197
8.1	INTRODUCTION	197
8.2	SUMMARY	197
8.3	ISSUES AND IMPLICATIONS	202
8.3.1	Implications for Educators	208
8.3.2	Implications for Employers	210
8.4	CONTRIBUTIONS	212
8.5	LIMITATIONS	216
8.6	FUTURE RESEARCH	218
8.7	CONCLUSION	220

APPENDICES	222
APPENDIX 1	223
APPENDIX 2 – TESTS OF NORMALITY IN PILOT STUDY	228
APPENDIX 3 – FACTOR LOADINGS	230
APPENDIX 4: TESTS OF NORMALITY	231
REFERENCES	233

List of Figures

FIGURE 1: CONCEPTUAL MODEL SUGGESTED BY THE LITERATURE.....	71
FIGURE 2 – AMENDED CONCEPTUAL MODEL	205

List of Tables

TABLE 1: FINDINGS AND SHORTCOMINGS OF KEY INFORMING EXPECTATIONAL STUDIES	46
TABLE 2: FINDINGS AND SHORTCOMINGS OF KEY INFORMING ATTITUDE STUDIES.....	49
TABLE 3- RESPONSE RATES.....	112
TABLE 4 – CORRELATION, EXPECTED/PERCEIVED WORKPLACE CONDITIONS AND JOB SATISFACTION.....	130
TABLE 5- STUDENT EXPECTATION: YEAR LEVEL	132
TABLE 6–STUDENT EXPECTATIONS: ACCOUNTANTS & FINAL YEAR STUDENTS.....	134
TABLE 7 - STUDENT EXPECTATIONS: ACCOUNTANTS PERCEPTIONS AND COMMENCING STUDENTS.....	135
TABLE 8- STUDENT EXPECTATIONS: GENDER.....	137
TABLE 9- STUDENT EXPECTATIONS: AGE	138
TABLE 10- STUDENT EXPECTATIONS: EMPLOYED WHILE STUDYING.....	140
TABLE 11- EXPECTATIONS: EMPLOYED STUDENTS AND EMPLOYED ACCOUNTANTS	141
TABLE 12- STUDENT EXPECTATIONS: PARENTS EMPLOYED IN PUBLIC ACCOUNTING.....	142
TABLE 13- STUDENT EXPECTATIONS: STUDIED ACCOUNTING AT HIGH SCHOOL	143
TABLE 14- STUDENT EXPECTATIONS: ALL INFLUENCES.....	145
TABLE 15- STUDENT EXPECTATIONS: STUDENTS INTENDING TO BECOME PUBLIC ACCOUNTANTS	146
TABLE 16- STUDENT EXPECTATIONS: UNIVERSITY DIFFERENCES.....	148
TABLE 17- STUDENT EXPECTATIONS: UNIVERSITY DIFFERENCES- COMMENCING COHORTS	149
TABLE 18- STUDENT EXPECTATIONS: UNIVERSITY DIFFERENCES – COMPLETING STUDENTS.....	149
TABLE 19- STUDENT EXPECTATION FACTORS: GO8 STUDENTS.....	151
TABLE 20- STUDENT EXPECTATIONS: GO8 COMMENCING STUDENTS AND EMPLOYED ACCOUNTANTS	152
TABLE 21- STUDENT EXPECTATIONS: GO8 COMPLETING STUDENTS AND EMPLOYED ACCOUNTANTS	153
TABLE 22- STUDENT EXPECTATIONS: ALL GO8 STUDENTS AND EMPLOYED ACCOUNTANTS	154
TABLE 23- STUDENT EXPECTATION FACTORS: ATN STUDENTS.....	155
TABLE 24- STUDENT EXPECTATIONS: ATN COMMENCING STUDENTS AND EMPLOYED ACCOUNTANTS	157
TABLE 25- STUDENT EXPECTATIONS: ATN COMPLETING STUDENTS AND EMPLOYED ACCOUNTANTS	158
TABLE 26- STUDENT EXPECTATIONS: ALL ATN STUDENTS AND EMPLOYED ACCOUNTANTS	159
TABLE 27- ATTITUDE: JOB SATISFACTION AND TURNOVER INTENTION – ALL RESPONDENTS.....	164
TABLE 28 - ATTITUDE: COMMENCING AND COMPLETING STUDENTS.....	164
TABLE 29 - ATTITUDE: COMMENCING AND COMPLETING STUDENTS AND EMPLOYED ACCOUNTANTS	165
TABLE 30 - ATTITUDE: GENDER.....	166
TABLE 31- STUDENT ATTITUDES: AGE	167
TABLE 32- ATTITUDE: OTHER INFLUENCES	169
TABLE 33 - ATTITUDE: STUDIED ACCOUNTING AT HIGH SCHOOL (YEAR LEVEL)	170
TABLE 34 - EFFECT OF MULTIPLE INFLUENCES ON ATTITUDE.....	171
TABLE 35 - EFFECT OF EXPOSURE TO ONE INFLUENCE ON ATTITUDE.....	171
TABLE 36 - EFFECT OF EXPOSURE TO MULTIPLE INFLUENCES ON ATTITUDE.....	171
TABLE 37 – INTEND TO BECOME PUBLIC ACCOUNTANTS: ATTITUDE.....	172
TABLE 38 – INTEND TO BECOME PUBLIC ACCOUNTANTS: CHANGE IN ATTITUDE	173
TABLE 39 – INTEND TO BECOME PUBLIC ACCOUNTANTS: COMPLETING STUDENTS” ATTITUDE	173

TABLE 40 – INTEND TO BECOME PUBLIC ACCOUNTANTS: COMMENCING STUDENTS“ ATTITUDE	173
TABLE 41- ATTITUDE: UNIVERSITY DIFFERENCES.....	175
TABLE 42- ATTITUDE: COHORT DIFFERENCES	175
TABLE 43- ATTITUDE: GO8 COHORT DIFFERENCES	176
TABLE 44- ATTITUDE: ATN COHORT DIFFERENCES	176
TABLE 45 –ATTITUDE:, UNIVERSITY COHORTS AND EMPLOYED ACCOUNTANTS.....	177
TABLE 46 –ATTITUDE: COMMENCING COHORTS AND EMPLOYED ACCOUNTANTS	178
TABLE 47 –ATTITUDE: COMPLETING COHORTS AND EMPLOYED ACCOUNTANTS	179
TABLE 48- STUDENT RESPONDENTS“ AGE.....	183
TABLE 49 - MANN WHITNEY MEAN AND SUM OF RANKS, AGE BY UNIVERSITY	184
TABLE 50- MANN WHITNEY MEAN AND SUM OF RANKS, YEAR LEVEL	184
TABLE 51 – GENDER OF RESPONDENTS	185
TABLE 52 – STUDENTS EMPLOYED WHILE STUDYING.....	187
TABLE 53 – MULTIPLE ACCOUNTING INFLUENCES.....	188
TABLE 54 – STUDENT EMPLOYMENT INTENTION (YEAR LEVEL).....	189
TABLE 55 – STUDENT EMPLOYMENT INTENTIONS (UNIVERSITY).....	190
TABLE 56- CORRELATION, JOB SATISFACTION, TURNOVER INTENTION	191

Abstract

This thesis reports the results of a study which examined the effects of university studies on the workplace expectations and attitudes of accounting students to public accounting. Previous research has suggested the expectations and attitudes have a significant effect on the levels of job satisfaction and employee experiences. This research also showed that job satisfaction can be a major influence on the decision to leave an employer. Employee turnover represents a major issue facing public accounting firms. Previous studies have provided a limited understanding of the role that universities play in shaping student expectations and preparing them for the reality of the workplace. This thesis provides additional understanding of these issues.

Drawing on the “met expectations hypothesis” and the “accounting attitude scale,” a series of hypotheses were developed in this thesis. Data were collected through a survey that was administered to commencing and completing accounting student cohorts at two Australian universities, and to accountants recently employed in public accounting firms.

Using factor analysis, previous studies identified three components that explained a significant amount of the variance in expectations studies: (1) comfort, (2) reward, and (3) responsibility. Analyses in this thesis confirmed the presence of these three factors but also identified “the ability to earn a high income” as a fourth factor. Previously, this factor had been captured in the “reward” variable. This thesis suggests that the generational difference between the respondents to the prior research and those to this study is a possible explanation for this observation.

This thesis also confirmed the previously understood relationships between expectations and job satisfaction, and between job satisfaction and turnover intention. Moreover, this

thesis identified several changes in expectations and attitudes of students during their time at university. Demographic factors associated with these changes include the respondents' age, their gender, and the university which they attended. Furthermore, there was a significant statistical difference between students who had studied accounting at high school and those who had not.

Previous research in the United Kingdom suggested differences in attitudes between students studying at "traditional" universities and those studying at "new" universities. Differences between university cohorts were also observed in this thesis, but were due to demographic differences in the universities' student profiles per se rather than the universities themselves.

Overall, the results suggested that younger students enter university with higher expectations and a more positive attitude than their older counterparts. During their time spent at university, student expectations were reduced to the point where there was no difference between the age groups. This was particularly noticeable amongst those students who studied accounting at high school.

While subject to some methodological limitations, this thesis has identified the impact that study has on accounting students and the implications it has for both educators and employers in public accounting firms.

Declaration of Originality

I, Tony McMurtrie certify this work contains no material which has been accepted for the award of any other degree or diploma in any university or other tertiary institution and, to the best of my knowledge and belief, contains no material previously published or written by another person, except where due reference has been made in the text.

I give consent to this copy of my thesis, when deposited in the University Library, being made available for loan and photocopying, subject to the provisions of the Copyright Act 1968.

I also give permission for the digital version of my thesis to be made available on the web, via the University's digital research repository, the Library catalogue, the Australasian Digital Theses Program (ADTP) and also through web search engines, unless permission has been granted by the University to restrict access for a period of time.

.....

Tony McMurtrie

Acknowledgements

This thesis represents the culmination of many years of work. While I will receive the reward that goes with it, it could not have been achieved without the support and encouragement of many people.

This thesis would not have come to fruition without the guidance and support from my supervisors. Thanks must go to Margaret Lightbody and Amal Karunuratna for the invaluable assistance they provided in the early stages of this project, Margaret for helping identify the issues and work out just what I was looking at and Amal for taking a sometimes qualitative researcher and patiently explaining the intricacies of empirical research. Special thanks must go Grant Richardson who stepped in when Margaret left. Grant provided an experienced voice that was invaluable in bringing this project to completion. Notwithstanding the support provided by each of these friends, this thesis would not have been completed without Scott Henderson. Scott sacrificed his retirement to help with this project. He made sense of my incoherent ideas, he cut through my verbosity to make the thesis readable but most of all he gently picked me up when I was down and provided the encouragement when needed. Thanks must also go Scott's wife, Margaret who let me borrow him, you can have him back now.

To my colleagues at the Adelaide University Business School who provided encouragement, support and ideas all along the way, thank you.

Special thanks must go to the people who helped by participating in this project; Fred Bloch and Kate Harris from the University of Adelaide, and Scott Coopeland and Kent Wilson from the University of South Australia who gave me unfettered access to their classes and to the 314 students who completed the survey. Thanks must also go to the HR

managers and accountants at the Big 4 accounting firms in Adelaide without whose support one of the main objectives of this study would have not been achievable.

Special thanks must also go to Roberta Veale who introduced me to the intricacies of Factor Analyses and without whose help this thesis would not have been possible.

Finally my biggest debt of gratitude must go to my family without whose love and support none of this would have been possible, or worthwhile. To the big“ns, you got mentioned last time. To the littl“ns, Philippa and Suzie, daddy“s finished and you got a mention. But especially to Catherine, three times I have promised you this is the last one and finally I will keep my promise. You were right; you did get there before me.

This thesis is dedicated to the memory of my parents, Ralph and Enid who taught me the value of „why“. Despite my „efforts“ at high school they never stopped believing in me and taught me to believe in myself.