

CHAPTER I

INTRODUCTION

1.1 Background

The accounting profession in Indonesia currently includes public accountants, corporate or institutional accountants, government accountants and teaching accountants which based on the four professions are divided into several more specific professions such as financial planners, credit analysts, business analysts, financial analysts, and others. The renewal of the accounting profession develops according to the current era of society 5.0.

The era of society 5.0 is an era where citizens must be able to solve various challenges and social conflicts by utilizing various inventions that were born in the era of the industrial revolution 4.0, such as the internet of things, artificial intelligence, big data, and robots to improve the quality of human life (Mourtzis, 2022). The era of society 5.0 can also be interpreted as a human-centered and technology-based citizen concept (Mourtzis, 2022). Accountants in the era of society 5.0 must be friendly with the technology created in the previous era. Technology related to the use of accounting in the era of the industrial revolution 4.0 is accounting and big data or robot applications. Therefore, in preparing the accounting profession for the era of society 5.0, accountants must be aware of the latest technological developments and be able to adopt this technology to improve overall performance.

With the global transformation the business operations, technical accounting skills and general skills required in the accounting industry have changed. However, the speed at which vocational education providers update and incorporate these

necessary skills is slower than changes in the business environment (Jackson, 2020). This can create a gap between the skills current and future accounting graduate employers need and the skills education providers offer students. The difference in skills acquired from education providers and employer expectations is known as the “expectation gap” (Asonitou, 2019).

The gap in employer expectations can be seen from the phenomenon where the big four find there is a skill gap from accounting graduates, especially in the 2020 and 2021 classes (Gonzalez, 2023). It seems that companies see a skills gap in people who have not met job expectations when the world was shaken by the Covid-19 pandemic. This is evidenced by Deloitte and PwC providing additional training to the youngest British staff after noticing a breakdown in teamwork skills and weaker communication than the previous year's staff (Gonzalez, 2023). In addition, Ian Elliot, PwC UK's chief people officer, said that the youngest staff currently only have virtual experience, so they lack confidence in other people and the corporate environment (Gonzalez, 2023). Even though accounting graduates must have competence, namely professional competence, technical skills, and ethical skills, while graduates currently do not have skills that are efficient in the world of work (Kwarteng, 2022). This issue is also supported by previous research that accounting graduates, specifically from vocational education in New Zealand, in several areas of technical accounting skills are not consistent with employers' expectations, such as auditing and taxation (Edeigba, 2022). Therefore, accounting skills which consist of technical accounting skills and non-technical accounting skills (generic skills) are considered not in accordance with the expectations of employers.

However, upgrading vocational schools that emphasize generic skills along with technical accounting skills will be highly adapted to changing times (Ministry of Education and Culture, 2021). This adaptation is carried out in accordance with the needs of link and match with the business world and the developing world of industry (DUDI) in Indonesia (Ministry of Education and Culture, 2021). This program runs with the hope that with the practical skills of vocational school graduates who have a higher proportion of practical learning compared to theory, they can keep up with the times. In addition, vocational graduates are also equipped with practical work or internships off campus where these graduates already have more experience in the accounting skills required by employers.

By upgrading the learning system of vocational schools in Indonesia, the accounting skills of accounting vocational graduates are consistent with employers' expectations. As we can see, banking as a service sector industry which is positioned as a market by Universities and Institutes has special needs in the process of absorbing fresh graduates for vocational accounting graduates (Prastomo, 2017). So that the banking sector can meet research qualifications in knowing how consistent employer expectations are for accounting skills, both technical accounting skills and non-technical accounting skills (generic skills) from accounting vocational graduates.

1.2 Research Question

- 1.2.1 Is there any gap between employers' expectation and accounting vocational graduates in technical accounting skills?
- 1.2.2 Is there any gap between employers' expectation and accounting vocational graduates in generic skills?

- 1.2.3 Do generic skills affect technical accounting skills of the accounting vocational graduates?

1.3 Objectives of Research

- 1.3.1 Analyze the employer's expectations for the performance of accounting vocational graduates in technical competency.
- 1.3.2 Analyze the employer's expectations for the performance of accounting vocational graduates in generic skills.
- 1.3.3 Analyze how generic skills affect technical accounting skills of accounting vocational graduates

1.4 Research Benefits

To analyze employers' expectations of accounting skills obtained by accounting vocational graduates, and find out whether generic skills have an effect on technical accounting skills.

1.5 Writing Systematic

- 1.5.1 CHAPTER I: Introduction. This chapter describes the background of the research, the formulation of the problem, the aims and benefits of the research and the systematics of writing the research.
- 1.5.2 CHAPTER II: Literature Review. This chapter consists of a theoretical basis that is useful for researchers in explaining research findings, and a review of previous research that is useful for adding to the knowledge of researchers in research.

- 1.5.3 CHAPTER III: Research Methods. This chapter consists of the research design, data and data collection methods, an overview of the research object, as well as data processing and analysis techniques.
- 1.5.4 CHAPTER IV: Research Finding and Discussion. This chapter contains information about the gap between employers and company employees who come from accounting vocational schools.
- 1.5.5 CHAPTER V: Closing. This chapter contains Conclusions, Suggestions, and Limitations of the research.

