

The influence of the ASEAN economic community on the future of the management accounting profession

ASEAN
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Abstract

Purpose – The purpose of this paper is to explore the perceptions of Indonesian management accountants (MAs) regarding the Association of South East Asian Nations (ASEAN) – ASEAN economic community (AEC), an integration initiative in Southeast Asia, and its impact on their profession. More specifically, this study presents the perceptions on Indonesian MAs' capabilities for facing challenges and opportunities in the AEC era, as well as identifies skills needed and training or development programmes that could support the achievement of qualification standards.

Design/methodology/approach – A survey was distributed and administered by using a convenience sampling method, resulting in 191 valid responses. The respondents' answers were then analysed quantitatively using the descriptive and regression analysis.

Findings – It was revealed that the top skills needed in the AEC era, as identified by respondents, are soft skills, technical accounting capabilities and language skills. Language capabilities and soft skills were deemed as the most lacking, and training in these areas is considered important. Skill and knowledge upgrades are needed to reap the benefits of the opportunities offered by AEC to Indonesian businesses, especially among professional accountants who will join a bigger market not limited by borders.

Research limitations/implications – Findings from this study can guide executives and national leaders in developing the capacity and capability of Indonesian MAs to face competition in the ASEAN region.

Originality/value – Although research on the AEC has been conducted in previous studies, analysis of the impact on the MA cohort has not been much explored, which creates the research gap this study wishes to fill.

Keywords ASEAN economic community, Management accountant, Profession

Paper type Research paper

1. Introduction

Association of Southeast Asian Nations (ASEAN) commemorated its 50th anniversary on 27 August 2017, but a strong singular identity has yet to emerge among its approximate 625 million citizens (Salim, 2016), especially under the ASEAN economic community (AEC), which was established at the end of 2015. Experts and observers have therefore suggested that the ASEAN focus specifically on involving people and engaging civil society groups rather than just conducting activities that are merely ceremonial (Jetschke and Rüländ, 2009; Jones, 2016; Pero, 2019). Moreover, ASEAN continues to face problems in translating into reality the concepts of a people-centred community, as set out in the ASEAN vision 2020-2025. The AEC represents a significant milestone for regional economic integration and is expected to boost the region's GDP by 5 per cent by 2030 (Chia, 2014; Chia, 2017). ASEAN's economy is the seventh largest in the world, with a combined GDP of \$2.4tn in 2013 and



could reach the fourth largest by 2050 if current growth trends continue (Hv *et al.*, 2014). The path for the ASEAN vision 2020-2025 has been established to ensure the continuation of the integration process over the next ten years by adopting the Kuala Lumpur Declaration on “SEAN 2025: Forging Ahead Together” that sets targets to be met by 2025.

Many people have doubted Indonesia’s ability to become a key player in the recently commenced regional common market. Indonesia is considered at risk of merely functioning as a consumer and market for goods and services from other ASEAN countries. This is based on the continued lack of awareness among the Indonesian public regarding the integration process, coupled with the relatively low quality of the country’s workforce. A survey conducted by the Indonesian Institute of Sciences revealed that only 25 per cent Indonesian people know and understand about AEC and only 17.40 per cent of them aware of employment opportunities in other ASEAN countries (Aritonang and Razak, 2016).

Thus, despite the AEC’s official launch on 31 December 2015, the integration of Southeast Asia’s economies into a single market and production base is not yet completed but rather remains an on-going process. In terms of labour mobility, the target of creating a free flow of skilled labour has not been achieved even though the fear of an influx of foreign workers has been widespread previously. At the beginning of this integration period, workers in each country also entered a “wait and see” period, for example, in gathering information about available overseas labour markets. ASEAN members also face the task of preparing workers to be more skilled before the AEC comes into full effect. The intense public concern in this area thus exemplifies Agyemang and Lehman’s (2013) assertion that the flow of people is more problematic because it is often considered a threat to national sovereignty and identity and is different from the acceptance of the flow of capital and products. Such fears can persist despite the advantages of high-skilled immigration for recipient countries, such as advancing technology and knowledge production, which is essential to national economies (Poullaos, 2004; Kerr *et al.*, 2016).

Efforts to enhance skilled labour mobility have been conducted through mutual recognition arrangements (MRAs) for eight professions (engineers, nurses, architects, geospatial surveyors, accountants, medical and dental practitioners and tourism professionals) (Mendoza and Sugiyarto, 2017). This study focusses on the accounting profession to investigate the perceived skills and capabilities in the AEC era. Human resources management in the accounting profession is an important area of study due to its dynamic nature towards external pressures. The issue is investigated through a survey of professionals in various positions ranging from accounting staff to director, using the 191 valid survey responses for further analysis. The main objective of this study is to explore the perceptions of Indonesian management accountants (MAs) regarding the AEC and its impact on their profession. To achieve this objective, the questionnaire contained several questions revolving around:

- Q1. Perceptions of the AEC.
- Q2. Perceptions of the AEC’s influences on the Indonesian management accounting profession.
- Q3. Skill readiness and skills needed for the AEC.

All of these themes are intertwined to answer the main research question of this study: “How do Indonesian MAs view the AEC and its impact on the accounting profession?”

Many studies have investigated the impact of economic integration, such as that under the European Union on the accounting profession (Walton, 2000; Joyce, 2014; Ciechan-Kujawa, 2015). However, little research has studied the impact of ASEAN integration on the

accounting profession because this is relatively a new trajectory, bringing change in the socio-economic, political and cultural spheres (Das, 2015). This created a gap in the literature that this study aims to fill. Answering this question will allow this study to contribute to the discussion of globalisation and economic integration and the impacts on competitiveness and human resources skills and management. Integration reflects the change in the Southeast Asia context towards a more market-oriented economy. Integration into the global economic mainstream requires highly qualified people because a skilled and well-educated workforce is considered an economy's source of competitive advantage. Besides the theoretical motivation, this study also has a practical rationale in informing executives and national leaders, as well as higher education and training providers, in developing the capacity and capability of Indonesian MAs to face the challenging competition present in the ASEAN region.

The results of this study confirm that Indonesia has a low-quality workforce (Rakhmat and Askar, 2016), a low ratio of certified MAs to firms, and highly restrictive regulations on foreign labor designed to address local unemployment. Additionally, there are references to Indonesian workers' reluctance to work overseas. These results show that there is tension due to the economic integration, as local MAs might feel threatened by foreign MAs (because locals are less skilled), but the former are protected by the regulations for now. These specific findings in the Indonesian context can be used to extend what is currently known about the impact of common economic zones and/or mutual recognition agreements on accounting professionals.

The next section will present the theoretical perspectives and literature review, followed by the research methods. Results and discussions of the findings are presented separately before reaching the conclusions at the end of this paper.

2. Theoretical perspective

2.1 Human capital theory

International migration involves a selection process in which educated people, as predicted by the human capital theory, have a greater propensity to migrate as long as adequate information is available about foreign labor markets and their costs are lower (Mora and Taylor, 2006). Globalisation increases people's awareness of opportunities in other countries, and educated people, including the MA cohort, tend to take advantage of such opportunities (Widgren, 2002).

Human capital theory suggests that individuals and society derive economic benefits from investments in people, i.e. "human capital". Education consistently emerges as the primary investment in human capital for empirical analysis (Sweetland, 1996; Marginson, 2019). According to this theory, the education level is positively correlated with income. The human capital theory also specifies a particular mechanism for this: education increases skills, and the acquired skills can in turn increase productivity, resulting in being rewarded through higher earnings (Becker, 1993). Both formal education and on-the-job training are said to make workers more productive. Companies benefit from both employees' improved performance and higher productivity (Doppelt, 2019).

The human capital theory offers a microeconomic model of individual choice (Massey *et al.*, 1993), which shows that decisions made by individual rational actors to migrate are based on a cost-benefit calculation. It is predicted that people choose to migrate to a place where they can be most productive, but they also must undertake certain investments, including the material travelling costs, the maintenance costs for moving and looking for work, the effort used in learning a new language and culture, the difficulty to adapt to a new labor market and the psychological costs related to forging new relationship. These factors

show that migration is not only an economic decision but also intertwined with culture, networks and language (Nijkamp *et al.*, 2018). Because we asked respondents the multiple factors they will consider for migration under AEC, this theory fits the objective of this study and hence become the theoretical lens to analyse the results.

The human capital theory is also used as it focusses on the supply-side explanation for the employability of MAs in the AEC era. The theory stated that upward progress is a function of characteristics, such as education, ability (in terms of skills and knowledge) and individual preferences (Glover *et al.*, 2000). Hence, using this theoretical lens, we expect that the lack of progress of Indonesian MAs might be attributed to certain factors, such as the lack of marketable skills, inferior ability, inferior education and lack of the requisite personal characteristics.

Investment in human capital will generate value in terms of increased productivity, knowledge, skills and talents and hence determine career outcomes. Knowledge as a form of human capital investment can be divided into explicit and tacit knowledge (Polanyi, 1958). In Polanyi's model, personal knowing as tacit knowledge is intuition, the capacity to do something that was first learned as explicit knowledge formally in school or courses (Polanyi, 1983). In the tacit dimension, a skilful performance can be achieved by observing a set of rules not known to the person following them. Hence, tacit knowledge is subjective know-how and insights accumulated by individuals from experience and a learning process. In contrast, explicit knowledge is easy to communicate and is often codified in documents or in the form of procedures and rules. Polanyi's theory of knowledge management is used in this research to frame the identification of explicit knowledge as well as soft skills (tacit knowledge) perceived by respondents to be of importance in the AEC era.

As discussed by Becker (1993), generations of earlier economists (starting with Adam Smith in 1776) have debated whether human skills can be created, or if they are "socially constructed". Friedman and Kuznets (1945) developed elements of the modern theory of human capital, computed rates of return to specific types of occupational training and introduced the distinction between general and specific human capital. On-the-job training can provide general human capital (i.e. skills and knowledge transferable to other firm settings) or specific human capital (i.e. skills and knowledge only useful in a particular firm) (Becker, 1993). The era of globalisation or economic integration needs investment in general skills or human capital. Firm-specific human capital can support a company's competitive advantage (Campbell *et al.*, 2012), whereas general human capital poses a mobility threat. In this sense, the development of firm-specific human capital can be used as a "defensive strategy" for employees choosing to stay rather than seeking a work opportunity in other ASEAN countries.

2.2 Management accountants' skill and globalisation

Research on the duties and changing roles of MAs involves assessment of techniques and systems in management accounting and other forces that shape the profession (such as globalisation). Yazdifar and Tsamenyi (2005) investigated the influence of pressure from parent companies on the adoption of new management accounting practices in subsidiary organisations. They found very few significant differences between the two organisations, which can be explained using institutional theory. MAs in dependent organisations, in this case, the subsidiaries, were found to emphasise interpreting/presenting the management accounts in accordance with the formats required by the parent company. This is different from MAs in independent companies; in this study, the parent organisations did not face such pressure to conform. Another difference was identified by Carnegie and Napier (2010), who found that stereotypes of accountants changed in a negative direction after the Enron

case, which shows threats to the profession's legitimacy. Another societal expectation of the role was investigated by [Ratnatunga et al. \(2015\)](#) in the Australian context. They found that different stakeholder groups have relatively consistent expectations of Australian management accounting professionals. These individuals are expected to have skills in cost management, corporate social responsibility, carbon accounting, risk management, business analysis, corporate governance and asset valuations. The study then considered links to immigration policy because the demand for MAs exceeded the supply of management accounting professional talents in Australia.

[Gallhofer et al. \(2011\)](#) offer a glimpse of the accountant's perspective in the Syria context. It was found that Syrian accountants perceived globalisation as having negative as well as positive dimensions. The negative side is related to the imperialistic perception of globalisation that brings about challenges in terms of competition between international and local firms for workforces, enforced adoption of international accounting standards and changed requirements for training to achieve the global standard of integration. The positive side of globalisation is linked to its ability to bring about better lives and professions. [Khlif et al. \(2019\)](#) also found the ambivalent positive and negative attitudes towards globalisation among accounting professionals in the Tunisian context. Another research conducted by [Bloomfield et al. \(2017\)](#) found an increase in international labour migration in the accounting profession after European Union initiatives to harmonise accounting and auditing standards. These findings imply that the diversity of rules becomes an economic barrier to cross-border labour mobility. Accordingly, harmonisation can have a meaningful impact on transnational migration.

Previous studies mentioned above mostly represent the effect of globalisation on MAs and their perceptions of globalisation. None of the prior research investigates the intention to take advantage of globalisation by making migration decisions. This creates a research gap we intend to fulfil in this research. Investigating the intention is important as migration can give benefits for accounting professionals in the ASEAN region beyond international experience, such as increasing the cultural bonding with professionals in other member countries. Moreover, this study also tries to map the directions and intentions of MAs towards their profession in terms of regional integration. More specifically, this study attempts to assess whether accountants have optimism or pessimism in facing the AEC era and determine the impact on the developing skills and knowledge of Indonesian accountants. This study is relevant as Indonesia data show that the number of professional accountants remains low. Data from the Ministry of Finance's Accountants and Appraisers Supervisory Center in 2014, a year before the launch of AEC, revealed that Indonesia still needs more professional accountants ([Bond, 2015](#)). The data further show that in 2014, there were fewer than 16,000 professional accountants, compared to more than 226,000 companies in Indonesia that require accounting services. This indicates that many opportunities exist for Indonesian accountants domestically as well as regionally. To capitalise on the opportunities provided by the AEC, as well to meet domestic demand, quality education is a crucial factor in determining whether Indonesian accountants will be able to compete with their ASEAN counterparts.

2.3 Association of South East Asian Nations as a research context

ASEAN is an intergovernmental organisation with the primary objective of promoting economic growth and regional stability among its members (<https://asean.org>). Currently, ten countries are member: Indonesia, Malaysia, Philippines, Singapore, Thailand, Brunei, Laos, Myanmar, Cambodia and Vietnam. ASEAN was established on 8 August 1967 in Bangkok, Thailand, by five Southeast Asian nations, namely, Indonesia, Malaysia,

Philippines, Singapore and Thailand. The organisation was established during the polarised atmosphere of the Cold War and the alliance aimed to work together to promote regional stability.

Regional cooperation was further extended with the formation of the ASEAN Plus Three forum in 1997, which included China, South Korea and Japan. East Asia Summits then began taking place in 2005 and have since expanded to include India, Australia, New Zealand, Russia and the USA. ASEAN aims to promote collaboration and cooperation among member states, as well as advance the interests of the region as a whole, including in economic and trade growth aspects. A free trade agreement has been negotiated among member states and with other countries such as China, as well as to a facility to ease travel in the region for citizens of member countries.

In 2015, the AEC was established, a significant milestone in the organisation's regional economic integration agenda. The AEC envisions the region as a single market with free flow of goods, services, investments and skilled labor, as well as more open movement of capital across the region. Despite their unique and distinct cultures, histories and languages, the ten ASEAN member states share the same agenda regarding jobs and prosperity. The region also strives to provide investment in infrastructure and human capital development to ensure the realisation of its full potential ([World Economic Forum, 2017](#)).

3. Research method

In line with the main research question of this study: "How do Indonesian MAs view the AEC and its impact on the accounting profession?", the questionnaire was developed by the author to reflect three main issues to answer the research questions:

RQ1. Perceptions about AEC.

RQ2. Perceptions on the AEC's influences on the Indonesia management accounting profession.

RQ3. Skill readiness and skills needed for the AEC.

The author also developed the questionnaire based on the human capital theory and typology of knowledge as explained in the theoretical perspective section. A survey instrument was selected as the research method to enable the collection of various opinions from different levels of accountants within companies (from staff level to director). The questionnaire had been pre-tested among 20 academics to increase its understandability and the suitability of the questions prior to the actual survey. Modifications were then made based on suggestions and recommendations from the pre-test.

The survey questionnaire was distributed to accountants using the convenience sampling method. Prior to using the convenience sampling method, random sampling has been conducted by contacting 200 manufacturing companies listed in Indonesia Stock Exchange, sending the online questionnaires through email and asking the corporate secretary to distribute them to MAs and top management. One week after sending them, we contacted the companies as a reminder and sent a reminder again after one month. Unfortunately, no responses were received using this method. The convenience sampling method was then selected by identifying several institutions and corporations that were more likely to cooperate in distributing the questionnaires.

The questionnaire was then distributed online using the channel of Universitas Indonesia (UI)'s alumnae and social media platform. Two professional accounting organisations (Institute of Indonesian Accountants and Chartered Institute of MAs) were approached to distribute it to accountants who participated in their training and courses.

Several companies having business agreement with UI were also contacted to enable the distribution of questionnaires to their accountants. The final sample is 191 valid responses used in this research; the actual response rate is unknown as the distribution was made online. The small number of responses in this study is considered adequate compared to similar studies, for example, 399 in Benny and Abdullah (2011); 351 responses in Suttipun (2014); and 49 in Hasan *et al.* (2016). Most responses were gathered through paper/direct distribution and only 27 (14 per cent) came from online. This is somewhat surprising as it was expected that respondents would be more inclined to respond using the latter mode.

The questionnaire contents based on these three issues are divided into several sections as depicted in Table I; details of the questionnaire can be found in Appendix.

Section 1 of the questionnaire collected demographic and background information. It requested general information on respondents to confirm that the survey covered a range of different respondents. In Section 2, respondents were asked about their knowledge and perceptions of AEC, including their intention to work in other ASEAN countries and whether they feel threatened by foreign accountants. Section 3 aims to explore the AEC's impact on the management accounting profession by gauging perceptions of the required ideal capabilities, which will be compared with Section 4 reflecting existing conditions to determine the skill readiness and skills needed for the AEC. Section 6 consists of questions addressing the required support from companies and professional organisations to meet the required standard of accountants' capabilities.

Almost all questions in the questionnaire are open-ended, except one question, which used a Likert scale to measure respondents' perceptions regarding the readiness of the MA in Indonesia to work in the AEC era. The scale ranged from 1 (so unprepared) to 6 (very ready) and we coded them 1-6. Because only one question used a Likert scale, reliability and validity tests cannot be conducted quantitatively by using a statistical software. The tests were performed qualitatively by asking the opinion of two senior researchers and pre-test participants on the appropriateness of the close and open-ended questions. The approach taken is nonetheless deemed appropriate considering the main objective of this study, which is to explore respondents' perceptions through open-ended questions rather than testing the perceptions through specific constructs.

Main research question	Related issues	Questionnaire sections
How do Indonesian management accountants view the AEC and its impact on the accounting profession?	Perceptions about AEC	Section 1: Demographic and Background Information Section 2: General knowledge and perceptions of the ASEAN Economic Community
	Perceptions of the influences of the AEC on the Indonesia management accounting profession Skill readiness and needed for the AEC	Section 3: Perceptions of required capabilities to be possessed by management accountants in the ASEAN Economic Community era Section 4: Existing conditions or capabilities of Indonesia's management accountants Section 5: Supports needed from companies and professional organisations

Table I.
Questionnaire development

Not all respondents answered every question in the questionnaire, which might be due to various reasons: they did not understand the question, did not know the answer or were not willing to answer. Sekaran and Bougie (2016) suggested that if a substantial number of questions (around 25 per cent of items in the questionnaire) are left unanswered, then it is better to exclude the incomplete questionnaire from the data set for analysis. In this study, all responses received from 191 respondents had less than 25 per cent incomplete responses, and hence, all responses are included in the analysis.

We statistically explore the determinants of readiness level by analysing the data for all respondents using a regression model as follows:

$$\begin{aligned} \text{RedL}_i = & \alpha + \beta_1 \text{Gender}_i + \beta_2 \text{Age}_i + \beta_3 \text{Position}_i + \beta_4 \text{WorkExp}_i + \beta_5 \text{CoType}_i \\ & + \beta_6 \text{IndType}_i + \beta_7 \text{KnwAEC}_i + \beta_8 \text{TkBnfit}_i + \beta_9 \text{ForAcct}_i \\ & + \beta_{10} \text{Certif}_i + \beta_{11} \text{SuffTrn}_i + \varepsilon \end{aligned}$$

The operationalisation of variables and their expected signs on the association of each variable to the readiness level are depicted in Table II.

4. Results

The profile of respondents is depicted in the following table. From Table III, it can be seen that the majority of respondents (191 samples) are male, under 45 years old, and have a position as accounting staff or manager. Most of them have more than five years of working experience and are currently working in local companies.

Following Deegan and Rankin (1997) and De Villiers and Van Staden (2010), early and late responses are compared to investigate possible response bias, with late respondents used as a proxy for non-respondents. Comparisons were made using demographic information relating to the category of respondents' position to determine if a systematic difference exists. No significant difference was found between early and late responses apart from the responses from the director. Late responses from the director are understandable given the limited time they possess and thus are not seen as reflecting less inclination to answer the questionnaire, particularly because the answers they provided are relatively more complete and detailed which might represent their long experiences in the field.

Responses received for the open-ended questions are quite informative and meaningful even though some respondents provided brief answers. Examples of the informative answers can be found in answers to the question: "Considering the weaknesses, do you think companies in Indonesia will prefer to recruit foreign accountants from other ASEAN countries?" The brief responses received are as follows:

- Yes, because Indonesian companies prefer foreign accountants.
- Yes, because they are skilful in the fields needed.
- Yes, because of the capability in communication.
- No, because the procedures will be definitely more complicated, more expensive, etc.
- No, because empowering domestic employees is better.
- No, because of cultural considerations.

Variables	Definition	Measurement	Expected sign (association)
<i>Dependent variable</i>			
RedL _i	Readiness level to work in the AEC era	Likert scale 1-6 (so unprepared – very ready)	
<i>Independent variables</i>			
Gender _i	Participants' gender	0 for female, 1 for male	Positive: male management accountants are predicted to have a higher readiness level
Age _i	Participants' age	Age (continuous number)	Positive: mature management accountants are predicted to have a higher readiness level
Position _i	Position at work	0 for staff, 1 for manager/controller, 2 for director	Positive: management accountants with higher work positions are predicted to have a higher readiness level
WorkExp _i	Work experience	Number of working years	Positive: management accountants with longer work experience are predicted to have a higher readiness level
CoType _i	Company/institution type	0 for local, 1 for multinational	Positive: management accountants working in multinational companies are predicted to have a higher readiness level
IndType _i	Industry type	0 for a financial institution, 1 for a non-financial institution	Positive: management accountants working in non-financial institutions are predicted to have a higher readiness level as regulation in this industry type is relatively not different between countries compared to financial industry; hence motivates employee mobility
KnwAEC _i	Knowledge about AEC	0 for no knowledge, 1 otherwise	Positive: management accountants with adequate knowledge of AEC are predicted to have a higher readiness level
TkBnft _i	Intention to take benefit of AEC	0 for no intention to take the benefit, 1 otherwise	Positive: management accountants with the intention to take benefit are predicted to have higher readiness level
ForAcct _i	Perceptions of foreign accountants	0 if foreign accountants are perceived not to take domestic jobs, 1 otherwise	Positive: management accountants who perceived that foreign accountants would take domestic jobs are predicted to have higher readiness level
Certif _i	Certification possessed	0 for no certification, 1 otherwise	Positive: management accountants with certification are predicted to have a higher readiness level
SuffTrn _i	Perceptions of the sufficiency of training	0 if training is perceived to be not adequate, 1 otherwise	Positive: management accountants with proper training are predicted to have a higher readiness level

Table II.
Variable operationalisations

4.1 General knowledge and perceptions about the Association of South East Asian Nations – Economic Community

The majority of respondents (84 per cent) claimed knowledge of AEC, which might be attributed to the availability of information about the start of economic integration. Most respondents (74 per cent) have the intention to take benefits of AEC by working in other

ASEAN countries, as depicted in Table IV. As for the remaining 26 per cent, one of the reasons for not having such intention is due to the difficulties for their family to live in other ASEAN countries. Various factors considered by respondents represent the “cost-benefit analysis” in making a decision as predicted by the human capital theory.

Most respondents (54 per cent) perceived that foreign accountants are better compared with Indonesian accountants in terms of English capability, soft skills and accounting techniques. Additionally, 77 per cent of respondents believe that in the AEC era, more foreign accountants will work in Indonesia for various reasons as described in Table V. One respondent said that it really depends on the field and corresponding country, and individual costs would be one factor in the decision. A respondent who works as a CFO in a multinational company provided his own experience regarding this matter. The comments, which are presented below, show that the decision to hire local or non-local accountants cannot be based only on the capabilities and skills perceived as important by the majority of

Gender (%)	Age (%)	Position (%)	Working experience (years) (%)	Company status (%)
Male: 55	20-30: 44	Accounting staff: 51	<5 years: 32	Multinational: 27
Female: 45	31-45: 44	Manager/controller: 46	5-10 years: 33	Local: 73
	>45: 12	Director: 3	>10 years: 35	

Table III.

Respondents' profile* **Note:** *Percentages are calculated from total respondents

Reasons (Respondents can choose more than 1)

Yes (74%)	62% – I want to have working experiences in other ASEAN countries 51% – I want to have bigger salaries and other remuneration packages 6% – Other reasons: to know other people and culture, to learn the problem-solving mechanism in other companies, self-development, to give proof on the quality of Indonesian human resources
No (26%)	53% – I am already happy with my job in the current company 13% – It will be difficult for my family to live in other ASEAN countries 2% – Other reasons: better to become a host in my own country

Table IV.

Will you take benefit from the AEC by working in ASEAN countries in the future?*

Note: *Percentages are calculated from total respondents followed by the number of respondents in each category of the answer (Yes/No)

Reasons

Yes (77%)	58% – Multinational or joint venture companies will be inclined to recruit them 37% – Foreign accountants have better technical and soft skills, including in communicating in English 5% – Other reasons: more business opportunities in Indonesia; lower living cost in Indonesia
No (23%)	The salary level in Indonesia is not competitive

Table V.

Will there be more foreign accountants working in Indonesia in the AEC era?*

Note: *Percentages are calculated from total respondents followed by the number of respondents in each category of the answer (Yes/No)

respondents. The CFO respondent mentioned three determinants for the decision: skills, cost of hiring and work field. For each category, the respondent provided the ranks of the countries in terms of the best qualified (skill) MAs, the most well-paid MAs (cost of hiring) and the best work field of each country's workers.

It really depends on the field and corresponding country. And the individual cost would also take part in the consideration. Regarding my own experience, I can say in term of skill:

- Singapore
- Indonesia
- Malaysia
- Philippines
- Other ASEAN countries

whereas in term of cost of hiring:

- Singapore
- Malaysia
- Indonesia
- Philippines
- Other ASEAN countries

and in term of the field:

- Capital financing: Singapore
- Trading and manufacturing: Indonesia
- Professional services: Malaysia
- People management: Philippines.

The majority of respondents (68 per cent) do not fear an influx of foreign employees and do not feel their career is threatened by incoming accountants from other ASEAN countries facilitated by AEC. As depicted in [Table VI](#), high confidence in their capabilities is the main source of the perception.

Reasons	
No (68%)	65% – I am confident enough with my capabilities and skills 33% – Nothing to be afraid of. There were already many foreigners who work in Indonesia 7% – Other reasons: Become a motivation to upgrade skills to face the competition; not all companies will employ foreign accountants
Yes (32%)	47% – Foreign accountants can someday take my position 46% – My company/organisation will demand more capabilities which I might not be able to satisfy 7% – Other reasons: Accountants from Philippine are more knowledgeable but willing to take lower remuneration still experience a lack of understanding on IFRS; MNCs will prefer foreign accountants

Note: *Percentages are calculated from total respondents followed by the number of respondents in each category of the answer (Yes/No)

Table VI.
Will your career be more vulnerable or threaten in the AEC era?*

Another explanation for this open-minded attitude may come from the protection still provided by local regulations and may reflect challenges to regulation harmonisation that ASEAN countries face in implementing the free flow of skilled labour through MRA. The MRA is still subject to domestic rules and regulations, many of which are highly restrictive. For example, in Indonesia, foreign workers are only allowed to hold positions that cannot be filled by nationals (Huelser and Heal, 2014). In Cambodia, Thailand, Myanmar and Laos, it is mandatory for hiring companies to ensure the transfer of knowledge to local employees and that foreign employees will eventually be replaced by locals (Chemsripong, 2016). This means that foreign labor still needs to understand the regulations in a target country before applying to work there, even though the MRA has already been established.

4.2 Perceptions of required capabilities versus existing conditions

According to respondents, the three top skills perceived as essential for MAs to possess in the AEC are soft skills (20 per cent of all responses), technical accounting capabilities (18 per cent) and language skills (English and languages of other ASEAN countries, 12 per cent), as can be seen in Figure 1. This reflects perceptions of the required capabilities in the AEC era.

However, respondents' perceptions of existing conditions indicate that language capabilities (19 per cent of overall responses) and soft skills (16 per cent) are considered as the skills most lacking among Indonesian MAs, along with capabilities in information technology (10 per cent). The importance of soft skills and capabilities in information technology is not new; this was also indicated by Burns et al. (2004), but these skills are becoming increasingly important in the era of regional integration and the fourth industrial revolution (Burns et al., 2004; Gupte, 2020).

From the human capital theory perspective, the different categories of skill and knowledge addressed in the survey are linked to tacit and explicit knowledge; and the majority of respondents put soft skills and language skills which are tacit knowledge as the essential top skills for MAs to face the AEC's challenges. The intangible knowledge that is mostly derived from culture and experience can increase individual as well as organisational/group level performance (Hadjimichael and Tsoukas, 2019) and can promote innovation (Pérez-Luño, Alegre and Valle-Cabrera, 2019).

These findings can potentially offer useful insight for curriculum development in management accounting education and training in Indonesia to facilitate the development of relevant skills identified above. Burns et al. (2004) suggested an academic pedagogy

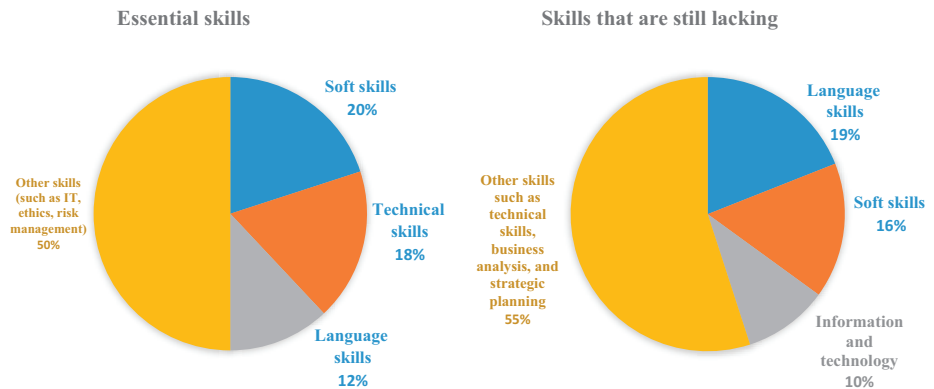


Figure 1. Three top skills perceived to be essential in AEC era vs skills that are still lacking

reformation by incorporating more teaching methods such as simulation/business games/case studies, on-site projects and group work and presentations as these methods could be used to develop the skills identified as important for MAs. Soft skills, technical skills and English and languages of other ASEAN countries, together with cultural sensitivity and understanding of local employment practices, are considered to be increasingly important knowledge for Indonesian MAs in the AEC era.

Another deficiency is certification, with 60 per cent of respondents lacking any certification; just 30 per cent have Chartered Accountants, and only 10 per cent hold a Certified Professional Management Accountant (Figure 2). Attaining professional certification would not only support MAs in doing their job well, but more importantly, it would provide credibility and a competitive edge in AEC markets (Bond, 2015).

Even though there are still weaknesses in skills and certifications, 52 per cent of respondents feel certain that these will not spur companies to recruit foreign accountants from other ASEAN countries. The weaknesses can be improved, and foreign accountants will demand higher salaries and thus be more costly for companies.

4.3 Supports needed from companies and professional organisations

Consistent with the finding that Indonesian MAs lack soft skills, 64 per cent of respondents chose communication and presentation skills as the most important areas of training for improving their capabilities. Another type of training needed is related to technical skills, such as cost management, environmental management accounting, business planning, risk management and training to pass the certification exam.

For the delivery mode of the training, most respondents (63 per cent) prefer “normal” (in class, face to face) training compared with online or e-training unless the latter can be made interactive. This can be considered by companies or professional organisations in designing an effective mode to deliver training when there is limited time available for MAs to attend in-class training. Most respondents (58 per cent) also thought that their companies/institutions had provided adequate support (in terms of funding and formal approval) to attend a training and development programme. Consistent with Boadu *et al.* (2018), on-the-job training and development and off-the-job training and development programs are believed to have an important role in improving general and firm-specific human capital. Updating the skills, ability and knowledge of the workforce can boost creativity and innovation in organisations to support competitive advantage (Campbell *et al.*, 2012). In relation to the AEC, the development of firm-specific human capital can be used as a “defensive strategy” for employees choosing to stay in current organisations rather than pursuing work opportunities in other ASEAN countries.

Some respondents who thought that their companies/institutions did not provide sufficient training or support for continuous improvement gave the following information:

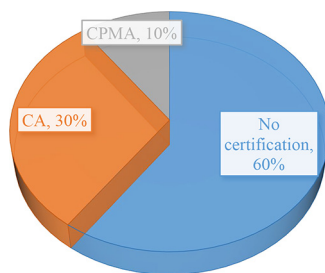


Figure 2.
Percentage of
respondents who
have professional
certification

Deteriorating economic conditions make my company reduce the training budget, increase workload and limit the permits to attend a training. The concern over human resources as an asset is very lacking in my company.

Training is only provided for the work we do or as needed by the company.

Only top-level staff is sponsored by my company to attend specific training.

The type of training sponsored by my company sometimes is not related to my work or background.

Sometimes we attend training with one goal only: to get a certificate, hence forget the essence of the training.

Leaders in our company have not placed management accountants as important positions to be provided the relevant training.

Perceptions that no benefits gained to justify the cost.

Overall, Indonesian MAs feel that they are ready to work in the AEC era, with 50 per cent of respondents giving a readiness score of 4 out of 6. The distribution of respondents' responses to the readiness level score is depicted in [Table VII](#).

Further analysis of respondents who perceived that they are ready to cope with the AEC's challenges (provided a score of 4-6) revealed the following characteristics. As can be seen in [Table VIII](#), the dominant characteristics of the "ready accountants" include being male, having adequate knowledge of the AEC, having the intention to take advantage of the

Table VII.
Perceptions of
readiness level

Readiness level	% of respondents
1 – So unprepared	0
2	8
3	25
4	50
5	14
6 – Very ready	3

Table VIII.
Characteristics of
'ready for AEC'
respondents (score
4-6)

Characteristics	% of respondents providing score 4-6
Gender	Male – 62
Age	More than 30 years old – 59
Position	Manager and director – 56
Work experience	Less than 10 years – 66
Company/institution type	Local – 73
Industry type	Nonfinancial institution – 74
Knowledge about AEC	Adequate knowledge – 78
Intention to take benefit of AEC	Have intention – 70
Perceptions of foreign accountants	Foreign accountants will take domestic jobs – 66
In possession of a certificate	At least 1 certification – 54
Perceptions of the sufficiency of training	Adequate training – 67

AEC and having certification and sufficient training. These characteristics represent the investment they have already made, especially investment in education, which has been indicated by the human capital theory as an essential element to develop human skills and capabilities.

Results of a cross-sectional regression to explore the determinants of readiness level are given in Table IX.

The results show that only gender and intention to take advantage of AEC are significantly associated with readiness level (significant at 1 and 5 per cent, respectively). Contrary to the prediction, intention to benefit from AEC membership shows a negative association with readiness level, meaning that MAs who do not intend to take advantage of the AEC are more ready to face the related challenges. This can be interpreted as indicating that Indonesian MAs might apply a “defensive” strategy: even though they do not have the intention to benefit from the AEC by working in other Southeast Asia countries, they are ready to compete with foreign accountants in the domestic job market by increasing their skills and competencies to remain competitive. Considering their current skills weaknesses, Indonesian accounting professionals should upgrade their skills by taking courses, training or certification relevant to their career. Besides technical competence, boosting proficiency in reporting and communication in English can be a strong complement to their overall skill set. These soft skills are needed to stay competitive even though the local accountants are not planning to work abroad because there is a possibility that more foreigners will work in Indonesia.

5. Discussion

This research explores the perceptions of Indonesian MAs on their ability to compete in the new milieu and thus fully benefit from the AEC. Most respondents are inclined to take benefits of AEC by working in other ASEAN countries and do not feel that foreign accountants will become a threat to their career even though they also acknowledge that foreign accountants have better technical and soft skills. The source of high confidence might come from the belief that the government’s regulations are still there to protect domestic accountants. Considering that globalisation and economic integration will keep

	Unstandardised coefficients		Standardised	<i>t</i>	Sig.
	<i>B</i>	Std. error	coefficients Beta		
(Constant)	3.369	0.434		7.771	0
Gender _{<i>i</i>}	0.419	0.16	0.223	2.615	0.005***
Age _{<i>i</i>}	0.012	0.012	0.092	0.988	0.163
Position _{<i>i</i>}	-0.052	0.151	-0.031	-0.343	0.366
WorkExp _{<i>i</i>}	-0.007	0.012	-0.046	-0.558	0.289
CoType _{<i>i</i>}	0.193	0.166	0.091	1.157	0.125
IndType _{<i>i</i>}	-0.066	0.167	-0.032	-0.396	0.347
KnwAEC _{<i>i</i>}	0.192	0.2	0.077	0.957	0.17
TkBnft _{<i>i</i>}	-0.283	0.166	-0.138	-1.707	0.045**
ForAcct _{<i>i</i>}	0.144	0.149	0.078	0.969	0.167
Certif _{<i>i</i>}	-0.124	0.155	-0.065	-0.801	0.212
SuffTrn _{<i>i</i>}	-0.187	0.15	-0.1	-1.242	0.108
<i>R</i> ²		0.122		<i>F</i> _{test}	1.789
Adjusted <i>R</i> ²		0.054		Sig.	0.048

Notes: **Significant at $\alpha = 5\%$; ***significant at $\alpha = 1\%$

Table IX.
Regression results:
Determinants of the
readiness level

developing in the future, Indonesia MAs need to rely on their own strength rather than on the government to compete in the domestic market. This can be done by investing in upskilling efforts to increase their capabilities in soft skills, technical accounting, language skills and information and technology. This effort must also be supported by companies and professional organisations as training providers. Companies should support their accountants by providing permission and financial support to attend professional training and get professional certifications. As for competition in other countries, besides increasing their capabilities in soft skills and technical skills, Indonesian MAs also need to learn the culture of other ASEAN countries. Internationally recognised certifications will also be an advantage to compete in other ASEAN countries.

The result obtained from the regression approach in this study, namely, a preference for a “defensive strategy”, is quite similar to that in other ASEAN countries such as the Philippines. According to the Employers’ Confederation of the Philippines, the economic integration in Southeast Asia is not expected to improve Filipinos’ access to overseas job markets within the region (Domingo, 2016). To work in other ASEAN countries, Indonesian accountants must be first recruited for an open job available in a particular country in the region, then wait to see if they will be issued a work permit or visa. This means there is no pure freedom of movement. The hesitance of member countries to freely open domestic job markets is understandable, considering the workforce quality in most ASEAN countries. Unemployment is still a significant issue, including in Indonesia. Moreover, people in Southeast Asia will usually be reluctant to leave home to work in a foreign country.

Another consideration for a defensive strategy relates to applying for work visas. In most ASEAN countries, the application process is lengthy, and there is no unified policy because the requirements vary from country to country. This restricts the ability of non-nationals to gain access to employment in many sectors. Even though there are no invasion fears yet due to protection provided by regulation, it is suggested that the “grace” period be used to develop Indonesian human capital in the management accounting area; otherwise, the sector will be negatively impacted by the competition from workers of other ASEAN nations.

Results from the statistical analysis presented in this study can be explained by the existence of comfort zones in current careers and family relationships. These are two dominant factors behind Indonesian MAs’ reluctance to work in other ASEAN countries. The “defensive strategy” must be complemented by increasing knowledge and skills to be able to compete with foreign accountants in the domestic job market. As suggested by human capital theory, individual accountants need to invest their time and effort to improve their skills, especially soft skills, which are classified as a “tacit knowledge” in Polanyi’s theory of knowledge management (1958, 1983). Because workers from each ASEAN country are expected to operate as members of a single labour market, it is predicted that competition could intensify in the future. Job seekers will have to compete at both domestic and regional levels. This means they are required to equip themselves with the required work and language skills demanded by the integrated job market. This is especially true for workers who intend to work outside their own country.

Participants’ responses to the open-ended question related to the reason for the inadequacy of training revealed the problem of lack of support from their companies or institutions in terms of budget and permission to attend certain training. This poses a challenge for training providers in terms of delivering training that is accessible for accountants with limited budgets and time, such as opportunities to access training in an online mode.

Another problem is related to certification among Indonesian MAs because adequate certification is paramount to facilitate their ability to benefit from AEC membership. Many types of skilled labor, including accountants, do not meet international competency standards and are often uncertified. Even with certification, one participant warned that sometimes employees pursue it simply to fulfil career requirements rather than improve their human resource quality. Sinaga (2016) recommended that this might be the proper time to shift from the assessment and development of workers relying solely on paper (such as certificates) to skill-based assessment. However, even for individuals with certifications and sufficient technical skills, many still lack soft skills, such as managerial, interpersonal and English language skills. These skills are essential to compete with workers from other countries. Opening domestic job markets to foreign professionals may further increase unemployment among skilled and educated workers, despite the potential benefits these workers bring to some industries. The fact that Indonesia is ranked by the Institute of Management Development, an academic business institution in the UK, as 41st out of 61 countries in terms of human resources development, especially skilled labour (Rakhmat and Askar, 2016) shows that Indonesia lags behind other ASEAN countries, such as Singapore, Malaysia and Thailand. The shortage of skilled workers in Indonesia is likely to be filled by foreign workers, which will have a negative impact on local workers' wages in Indonesia. This will increase unemployment figures in the long term and hamper local human resources development in Indonesia. This can lead further to social and political instability in the country.

As Faisal (2016) puts it, "in this context, the slow progress of ASEAN integration and the hindered mobility of labour could be a blessing in disguise[...]" (pp. 7) because it will provide more time for ASEAN countries to improve their workforce quality before free labour mobility materialises in the region. Indonesia also can take advantage of this sluggish process to quickly prepare the management accounting workforce to be more responsive to the competitive pressures of working in an increasingly dynamic region in which regional economic integration will keep moving.

The findings of this study also have implications for the higher education sector. It is expected that cooperation, rather than competition, will be more appropriate in the AEC era. For example, collaboration among higher education institutions increases the quality of human resources, which will influence the AEC competitiveness. In terms of management accounting, traditional accounting techniques must expand in order for professional accountants to remain effective given that business planning and performance management are expected to become more forward- and outward-looking (ACCA, 2016). This can be translated into cooperation among universities to set an accounting syllabus that prescribes the minimum skills and knowledge that MAs in the AEC era should possess. This is also expected to reduce the quality gap among Indonesian universities as suppliers of future MAs.

6. Conclusions

This study has aimed to capture Indonesian MAs' awareness of the AEC and its impact on the management accounting profession in Indonesia. More specifically it considered the skills and skill upgrading needed to face the challenges posed by the AEC. The findings show that the majority of respondents (84 per cent) have knowledge of AEC. However, there are still a minority of respondents (16 per cent) who remained unaware that they were on the threshold of economic integration; hence, they remained ignorant of the potential challenges and opportunities. Other Indonesian MAs perceive their skills are not as good as those of foreign accountants, and few have internationally recognised professional certifications.

Nonetheless, they believe they can compete domestically (which is likely due to regulations that constrain foreign accountants). Indonesian MAs are likely to face challenges in finding positions in other countries due to their skill level, regulations on foreign workers and slow work visa processing. Several accountants also expressed the intention to work in other ASEAN countries.

Although the status quo will remain until foreign competition forces change, improvements in soft skills are still needed and more Indonesian accounting professionals should attain certifications (especially internationally recognised certifications). The improvements are important not only to prepare for any loosening of the regulations that protect domestic accountants but also because the increase in knowledge and skills will benefit domestic accountants when facing other challenges in the future. The improvements will also benefit companies/institutions in terms of having capable human resources, one of the intellectual capitals that can improve companies' performance.

These findings have practical implications for Indonesian MAs to improve their capabilities and compete with foreign accountants either in the domestic or ASEAN markets. These findings can also be used by companies and professional organisations, such as CIMA, Ikatan Akuntan Indonesia – Indonesia Accountant Association or Ikatan Akuntan Manajemen Indonesia – Indonesia Management Accountants Association in devising appropriate training and development programmes to enhance the capabilities of Indonesian management accountants. Although the respondents questioned for this study are management accountants, the results are also expected to contribute to shaping accounting education provision in Indonesia to better prepare accounting students to be the country's future human resources. This will involve equipping them with the necessary knowledge and skills, i.e. those identified in this study as the ideal attributes of a MA, and address those found to be the most lacking in the current state of the country's industry.

The findings from this study can contribute to the discussion on globalisation or economic integration and its impact on human resources. The results have implications for human resources management, as suggested by the human capital theory to develop expertise, skills and personal credibility. The top three skills identified in this study (soft skills, technical accounting capabilities and language skills) are indeed not unique for benefitting the workforce upon accession to the AEC. Regardless of the establishment of AEC, those skills are necessary and applicable to the management accounting profession in general. This can be interpreted as indicating that the types of skills remain "classical".

Although the findings of this study might be quite similar with previous studies, especially for the need of upskilling [for example, [Gallhofer et al. \(2011\)](#) and [Yanto et al. \(2018\)](#)], another theoretical lens such as post-colonial theory can be used to consider the problematic political variables in regional integration. [Gallhofer et al. \(2011\)](#) took this theoretical lens in investigating the perceptions of Syrian accountants of globalisation and found that the interviewees perceived it as a new form of imperialism. In our case, although, Indonesian accountants in general think that foreign accountants are better in terms of knowledge and skill, they are confident enough with their career and do not feel threatened with the potential influx of foreign accountants in the future as a consequence of the AEC. We did not investigate further the reason behind this, but future research can use post-colonial theory to explain whether this Indonesian confidence comes from the regulations put in place to protect local accountants or whether it is rooted in "being in the same boat" and sharing a similar history and culture with other ASEAN countries. Hence from this perspective, the AEC would not be viewed as a new imperialism linked to Anglo-American political economy.

This study does not investigate the impact of accounting and auditing harmonisation as an external driver of labour mobility. Future studies can investigate this issue after the AEC operated for an extended period of time to substantiate whether significant improvements in accounting education and human resources management have resulted from the economic integration. Currently, the influx of foreign accountants is still restricted to protect Indonesian professionals; however, in the future, the regulation might be changed. Further studies can identify opportunities and threats arising from any legislative changes due to the AEC (such as deregulation of the accounting profession and new AEC directives) and explain the impact of these changes on the skill competitiveness of Indonesian accountants. Finally, this study reveals the need for support from professional bodies to improve the skills and knowledge of individual practitioners. The professional organisations can then demonstrate their legitimate authority by providing relevant accounting policy to the government and ensuring workable rules for practitioners. Future research can analyse the impact of codification of professional standards on the working practices and skills enhancement of accountants.

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Appendix. Survey questionnaire

Section 1: Demographic and background information

Please fill in the blank or tick the relevant answer in the box for each of the questions given below.

1. Your gender: Male Female
2. Your age:years old
3. Your job position:
4. How long have you been working?
5. What is the type of your company/organisation? (You can choose more than one answer)
 - Multinational
 - Local
 - Listed in Indonesia Stock Exchange
 - Professional organisation (such as the Institute of Indonesia Chartered Accountants--IAI)
 - Other:
6. What industry is your company/organisation?
 - Education
 - Agriculture
 - Mining
 - Basic industry and chemicals
 - Trade, service, and investment
 - Consumer goods
 - Property and real estate
 - Infrastructure, utilities, and transportation
 - Banking and Finance
 - Miscellaneous industries
7. The number of employees:
 - < 100
 - 101-500
 - 501-2.000
 - 2.001-10.000
 - > 10.000

Section 2: General knowledge and perceptions about the ASEAN Economic Community (AEC)

1. Do you know that the AEC era will start in December 2015?
 - Yes
 - No, because:
2. AEC era provides an opportunity for free movement of skilled labour, including accountants. Will you take benefit of this opportunity by working in ASEAN countries in the future?
 - Yes, because: (you can choose more than one answer)
 - I want to have working experiences in other ASEAN countries
 - I want to have bigger salaries and other remuneration packages
 - Other reasons:
 - No, because (you can choose more than one answer)
 - I am already happy with my job in the current company
 - It will be difficult for my family to live in other ASEAN countries
 - Other reasons:
3. Do you think foreign accountants are better than Indonesian?
 - Yes, in what aspect? (You can circle more than one answer)
 - a. Soft skills (including communication skills)
 - b. Accounting technical skills
 - c. English language
 - d. Other:
 - No, because:
4. Do you think in the AEC era there will be more foreign accountants work in Indonesia?
 - Yes, because: (You can choose more than one)
 - Multinational or joint venture companies will be inclined to recruit them
 - Foreign accountants have better technical and soft skills, including communicating in English
 - Other reasons:
 - No, because:
 - The salary level in Indonesia is not competitive
 - Living in Indonesia will not be comfortable for them
 - Other reasons:
5. Overall, do you feel your career will be more vulnerable or threaten in the AEC era?
 - Yes, because:
 - Foreign accountants can someday take my position
 - My company/organisation will demand more capabilities which I might not be able to satisfy
 - Other reasons:
 - No, because:
 - Nothing to be afraid of. There were already many foreigners work in Indonesia
 - I am confident enough with my capabilities and skills
 - Other reasons:

(continued)

Section 3: Perceptions of required capabilities to be possessed by management accountants in the ASEAN Economic Community (AEC) era

What essential capabilities do you think will be needed by management accountants in the AEC era?
Please rank in the box the TOP TEN skills and abilities you think will be required in the AEC era. Please give the rank in the order of their importance:

1 being the most important,
2 the next most important,
and so on.

Rank	Skills/Capabilities
<input type="checkbox"/>	Soft skills: communication, leadership, teamwork, generation/creation of value, etc.
<input type="checkbox"/>	Planning: scenario/strategic planning, budgeting
<input type="checkbox"/>	Business skill: business performance evaluation, entrepreneurial, etc.
<input type="checkbox"/>	Technical expertise: accounting techniques, taxation, cost/financial control, reporting
<input type="checkbox"/>	Risk management
<input type="checkbox"/>	Human capital investment analysis (identify the value of training, leadership development, etc., in financial terms)
<input type="checkbox"/>	Knowledge about ASEAN Economic Community and culture of ASEAN member
<input type="checkbox"/>	Information technology
<input type="checkbox"/>	Ethical competency
<input type="checkbox"/>	Language skill: English and other ASEAN language

If you have other capabilities you think are important and required for management accountants in the AEC era but are not included in the list, please write them down on the space below.

Section 4: Existing conditions or capabilities of Indonesia's management accountants

1. What capabilities do you think Indonesia's management accountants are still lacking and hence become the weaknesses?

Please rank in the box the TOP TEN weaknesses by providing ranks with:
1 is the most lacking skill,
2 the next most lacking skill,
and so on.

Rank	Skills/Capabilities
<input type="checkbox"/>	Soft skills: communication, leadership, teamwork, generation/creation of value, etc.
<input type="checkbox"/>	Planning: scenario/strategic planning, budgeting
<input type="checkbox"/>	Business skills: business performance evaluation, entrepreneurial, etc.
<input type="checkbox"/>	Technical expertise: accounting techniques, taxation, cost/financial control, reporting
<input type="checkbox"/>	Risk management
<input type="checkbox"/>	Human capital investment analysis (identify the value of training, leadership development, etc., in financial terms)
<input type="checkbox"/>	Knowledge about ASEAN Economic Community and culture of ASEAN member
<input type="checkbox"/>	Information technology
<input type="checkbox"/>	Ethical competency
<input type="checkbox"/>	Language skills: English and other ASEAN language

If you have other capabilities you think Indonesia's management accountants are still lacking but are not included in the list, please write them down on the space below.

2. Considering the weaknesses, do you think companies in Indonesia will prefer to recruit foreign accountants from other ASEAN countries?
 Yes, because:
 No, because:
3. Training that you have attended: (You can choose more than one)
 English course/training
 Accounting standards (IFRS/PSAK)
 Managerial training
 Other training:
4. Certifications that you have: (You can choose more than one)
 Chartered Accountants
 Certified Professional Management Accountant
 Chartered Management Accountant
 Chartered Financial Analyst
 Other certifications:

5. Please circle the appropriate level you think appropriate that indicates the readiness level of Indonesia's management accountants to work in the AEC era.

So unprepared Very ready
 1 2 3 4 5 6

(continued)

Section 5: Supports needed from Companies and Professional Organisations

1. What trainings do you think should be provided by companies and professional organisations to improve the capabilities of Indonesia's management accountants?

You can choose more than one answer.

- Training on communication/presentation skills
- Business planning
- Risk management
- Environmental management accounting
- Costs management
- Training to pass certification examinations
- English language training
- Other training:

2. Considering the limited time possessed by Indonesia's management accountants, do you think online or e-training will be more feasible for accountants?

- Yes, online or e-training is more appropriate
- No, unless it is an interactive one
- Other opinions:

3. Do you think your organisation/company have provided adequate training for management accountants or provided support for management accountants to take training and development programs (such as funding support, time allowance, etc.)?

- Yes
- No, because:

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