
The Role of Accounting Education in Promoting Entrepreneurship in Libya

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Abstract

This study aims to identify the impact of accounting education in Libyan universities in promoting entrepreneurship. The questionnaire was the main source of data for this study. The questionnaire was prepared and distributed to employees in different sectors in Libyan market (Banking, manufacturing, services.... etc.) and the sample size was 120 employees. This study resulted that there was a deficiency in the accounting educational system in Libyan universities, which results in weakening the entrepreneurship. In addition, the analyzing data showed that there is a gap between accounting education and the financial information that entrepreneurs need in making decisions from the employees' perspective. Moreover, accounting curricula do not cover all the topics that help the students develop their abilities that qualify the accounting students, also there were lacks of updates books and periodical and scientific references in the library. Up coming studies should concentrate on the curricula and the study systems in Libyan universities.

Keywords: Accounting, Accounting Education and Entrepreneurship.

1. Introduction

Nowadays, many business schools have included entrepreneurship in their curriculum, which aims at fostering entrepreneurial enterprises (Fayolle & Gailly, 2015). Entrepreneurship is one of the most essential topics in modern civilization and for economic progress (Tiberius, Weyland & Mahto, 2023). In addition, many international firms that have influence and control in the global economy started as small entrepreneurial firms, which included innovation and creativity in their products or ways of providing their products. For example, Amazon Inc. appeared with a creative idea, by ordering products through the Internet and delivering them to homes and it is now one of the largest international firms.

Economic reforms require a stable financial system, as well as qualified staff capable of applying reforms and they could create and innovate (Tiberius, Weyland and Mahto, 2023). Moreover, one of the most important steps for developing countries to catch up with developed countries, is human development in all fields, especially the accounting field, because it is the engine for all financial operations within financial firms.

Akande (2011) and K.O & V.N (2013) stated that in the modern era prompts the firm to move to entrepreneurship, because this time requires creativity and innovation. The owners for

entrepreneurial firms need qualified staff in the accounting field with high skills and efficiency to provide them with all needed information (Akande, 2011).

The changes in the political situation, technological developments, market conditions and other dynamic forces in Libya have changed the administrative systems and entrepreneurial ideas. In addition, the fluctuations that have occurred in the region (North Africa region) in an unprecedented way, led to the emergence of new challenges in the region and the country, all of that led to a critical juncture in terms of economic development. For the country to be able to advance and make an economic renaissance in the country. The country has to develop its way to improve performance and support entrepreneurship. Akande (2011) insisted of qualified accounting staff must possess high skills as well as capabilities that help them in applying and conducting the financial and commercial operations of the entrepreneurial firms. The entrepreneurial firm also needs a strong source of accounting information as well as an effective periodic report in order to provide entrepreneurs with the necessary information to move their firms to the right direction. Therefore, they study is going to identify the accounting education in Libyan universities in supporting entrepreneurship.

2. Literature Review

2.1 Entrepreneurship

Entrepreneurship is not a new term, but it has renewed through time and always highlights the ideas and perceptions of creators and places. The term entrepreneurship generally indicates the management of projects in an innovative manner and the creation of a distinguished business and product that finds demand in the market. Entrepreneurial activity is an essential engine for strong economic growth and this can be only achieved with the availability of a creative environment to be done. Therefore, entrepreneurs have the skills and ideas to make powerful mechanisms to improve performance and productivity. (Mubarak, 2009)

Al-Shammari and Al-Moberek (2016) defined that an entrepreneur is a person who has the will and ability to transform a new idea or invention into a successful innovation. Thus, the presence of leading forces in the markets impacts the quality of products and creative business models. Thus, entrepreneurs have a significant role in industrial development and their ability to lead economic growth in the short and long term in society.

2.2 Accounting Education

Nowadays, most of the countries in the world are interested in investing all their potentials and capabilities in education in order to achieve progress and prosperity in their societies in all fields. Educational institutions around the world have strived to develop all their educational programs to keep up with the market requirements. In addition, educational institutions seek to make qualified staff and provide them with the necessary skills for the labor markets. Moreover, it is very important to link education and professional practice as it has a role in the success and progress in the profession.

Accounting education has a strong role in economic development in countries. Therefore, qualified staff of the accounting major should receive high attention and special qualification that help them to perform their jobs effectively. Therefore, universities should develop educational

curricula that make the students with the times in order to keep them with the market, as well as develop qualified accounting staff.

In order to make successful firms, they must possess qualified accounting staff that are able to make all needed changes. Therefore, universities should develop their study plans and specialization outputs in order to align their curricula with the requirements of labor markets and international accounting education standards.

However, the existed standards and bases for accounting education is an urgent necessity to provide important practice. Therefore, accounting education must meet the requirements for developing cognitive skills, such as the ability to prepare all reports that are used in decision-making and support the ability to identify and solve complex problems.

2.3 Accounting Education and Entrepreneurship

Accounting is well known as the backbone of business. In order to be a successful firm, it must possess highly skilled staff which allow the firm to speak the deep language of commerce and provide effective and timely information for management to take what is appropriate for it.

The skills that an accountant possesses have a significant impact on the quality of the provided data to the management. In addition, accounting provides more information than financial statements. Moreover, accounting stimulates decision-making and performance evaluation and provides reports on the firm in terms of financial performance, other alternative opportunities, and the activities of competitors (Akande, 2011). However, highly skilled accountants support the entrepreneur to make effective and timely decisions about the firm and they are a powerful source of information for entrepreneurs.

2.4 Practical Studies

Tiberius, Weyland & Mahto (2023) studied the effects and many normative concepts exist, little is known about the actual teaching of entrepreneurship. To address this research gap, it was analyzed the best 50 entrepreneurship programs, according to the 2018 Financial Times ranking. The objectives, learning contents, teaching strategies, and evaluation techniques were all investigated as the four main components of a graduate entrepreneurship curriculum. In conclusion, the curricula are mostly focused on business and management, with a relatively minor amount on entrepreneurship itself. In general, the learning objectives for entrepreneurship education are the same as those for business and management education.

Ishmaila and Tarly (2013) investigated the suitability of accounting education curriculum and the demands of the labor market from the point of view of faculty members and graduates of accounting departments in Libyan universities. The study resulted Libyan universities' accounting programs do not adequately prepare students for the demands of the labor market. In addition, there are several elements that would widen the gap between accounting education and the requirements of the labor market, which are the neglect of accounting curricula, efficient use of computers in accounting and the lack of a period of practical training coinciding with theoretical study within the accounting education program.

In 2013, Husin and Ibrahim examined the impact of accounting services on small and medium firms on the east coast of Indonesia intellectually, using resource theory and agency theory. It tested the differences in the factors of the quality of accounting services in small and medium firms. The sample population was the industrial firms and the sample size was 250 firms from these three states, Kelantan, Terengganu and Pahang. This paper concluded that an intellectual structure contributes to the policy of developing business for small and medium-sized firms.

K.O and V.N (2013) examined the role of accounting in entrepreneurship education for self-reliance and sustainable development in Nigeria. The data were collected through a questionnaire and it was distributed to a group of entrepreneurs in the city of Owerri. The study concluded that accounting skills have a significant and effective role in the development of entrepreneurship and the success of entrepreneurial businesses.

Akande (2011) studied the impact of accounting skills as a performance factor in entrepreneurial small businesses. This study was in Nigeria and the main data source was the questionnaire, which was distributed to small business owners in Ogun state. The study concluded that the owners who have accounting skills are successful in their businesses and achieve a high level of performance.

2.5 Problem of the Research

The most important contemporary issue related to the economy of any country is education, especially accounting education. Accounting education is considered one of the most important elements related to the infrastructure of business in the country and its effects on entrepreneurship.

The region has witnessed a significant expansion in the field of accounting education as well as in the number of accounting graduates, but it has been noticed since the beginning of the establishment of Libyan universities until nowadays that there have been no significant changes in the performance of accountants as well as in the curricula (Al-Ruwaiti, 2007; Mousa, 2013).

Due to the events that Libya has gone through, as well as the impact of these events on education in Libya. Based on the previous issues, the problem of the study looks at the effects of accounting education in promoting entrepreneurship. Therefore, the study seeks to answer the following question: **Is there a role for accounting education in Libyan universities in promoting entrepreneurship?**

2.6 Objective of the Study

The main objective of this study is to investigate the content and role of accounting education in entrepreneurship, and the impact of accounting education on the development and supporting entrepreneurs in Libya.

2.7 Importance of the Study

The importance of this study was to identify the role of accounting education in promoting entrepreneurship in Libya because accounting education has a big concern to provide qualified

staff to support and flourish entrepreneurial businesses. The study also worked on the fact that the ability of accounting education to support and promote entrepreneurial businesses in Libya. Focusing on the concept of entrepreneurship because it has important in reaching high economic and social development.

2.8 Study Hypothesis

H0: there is no role of accounting education in promoting entrepreneurship in Libya.

H1: there is role of accounting education in promoting entrepreneurship in Libya.

3. Method

3.1 Research Design and Data Collection Techniques

This study uses descriptive research method, which aims to describe and test theories (Harrison, 2023; Tiberius, Weyland and Mahto, 2023). The data for this study were obtained in 2023. This study uses a questionnaire to obtain data from employees of Libyan firms. The sampling technique used in this study is simple random sampling, which is a probability sampling design in which all elements are taken into account in the population and each element has an equal opportunity.

The study population consists of employees in different Libyan firms at different levels. The size of the sample was 120 employees.

3.2 Data Analysis Technique

This study seeks to identify the facts behind entrepreneurship in Libya, which it was sought to explain the current situation and determine the relationship between accounting education and entrepreneurship in Libya. The questionnaire was used as the main source of data. The questionnaire was designed in a way that emphasizes the basic principles and rules of accounting education in promoting entrepreneurship in Libya. Moreover, the data were processed using the well-known statistical analysis program SPSS (IBM 25).

4. Results

This part of the study was going to discuss the results of the data and link them with the main study question. A Five Likert Scale was used on the statements included in the questionnaire and the answers start from strongly disagree, disagree, neutral, agree and strongly agree. Each option was given a weight so that strongly agree = 5, agree = 4, neutral = 3, disagree = 2 and strongly disagree = 1.

4.1 Cronbach's Alpha test

Cronbach's Alpha test was performed, which is one of the most common tests used to measure the statistical reliability of the data. It is also a tool for assessing the internal consistency (mean correlation) of the statements in the questionnaire. Nunnally and Bernstein (1994) confirmed that the result of Cronbach's Alpha test is acceptable if it is equal to 0.7 or more. The higher the alpha level, the more reliable the test is.

The result of Cronbach's Alpha test was 0.885, that indicates the data under analysis has high reliability and proves that the internal consistency between the statements is at a high.

4.2 General Information Analysis

This part analyzed the characteristics of the study participants as in Table No. (1).

Table (1) General Information about Participants

Statement	N	Percentage
1. Field		
Accounting	75	62.50%
Management	45	37.50%
2. Sector		
Banking	54	45%
Industrial	24	20%
Commercial	33	27.50%
.Gov	9	7.50%
3. Sex		
Male	102	85%
Female	18	15%
4. Education		
B.S	92	76.70%
M.S	25	20.80%
Ph.D	3	2.50%
5. Experience		
5-0	29	24.20%
6-10	32	26.70%
11-15	30	25%
More 15	29	24.20%

In the Table No. (1) shows that the majority of participants were from the banking sector, as well as accountants. Also, it shows that the majority have experience in the field of business, as 49.2% have high experience (11 years and above) and 26.7% have medium experience (6-10 years).

4.3 Descriptive Analysis

This part shows the results of analyzing the statements according to the descriptive statistical test, which displays the degree of acceptance or rejection of the participants for the statements presented (acceptance > 3 > rejection). Table No. (2) shows the results of the descriptive statistics of the statements related to accounting education in Libya.

Table (2) Descriptive Analysis

N	Statement	Percentage		Mean	Std.
		Agree	Disagree		
1	There are no connection programs between universities and business firms to improve and develop the professional competence of accountants to support entrepreneurship	97.5%	2.5%	0.975	0.157
2	The accounting education programs do not include simultaneous practical training with academic study to support entrepreneurship	88.3	11.7	0.883	0.322
3	The accounting curricula are not designed to prepare the student to use computers efficiently in accounting to support entrepreneurship.	93.3	6.7	0.933	0.250
4	Lack of teaching communication skills and writing reports within accounting courses to support entrepreneurship.	92.5%	7.5%	0.925	0.264
5	Universities do not use the quality approach to develop accounting curricula and narrow the gap between accounting education and the needs of entrepreneurs.	92.5%	7.5%	0.925	0.264
6	There is no interest in presenting the practical problems that business firms are exposed to and how to address them in the accounting curricula to support entrepreneurship.	97.5%	2.5%	0.975	0.157
7	Lack of books and materials for the objectives of accounting education to support entrepreneurship.	97.5%	2.5%	0.975	0.157
8	The accounting curricula do not provide issues related to the stock market and local and international business indexes to support entrepreneurship.	100.0%	0.0%	1.000	0.000
9	The faculty members do not use modern tools to improve the benefits and experience of the student in accounting courses to support entrepreneurship.	94.2%	5.8%	0.942	0.235
10	The curriculum is not developed enough to provide students with accounting knowledge of entrepreneurs' needs.	81.7%	18.3%	0.817	0.389

11	Accounting curricula do not include topics related to developments in the international accounting profession and auditing to support entrepreneurship.	99.2%	0.8%	0.992	0.091
12	Accounting curricula do not include new branches in the accounting profession, such as forensic accounting to support entrepreneurship.	99.2%	0.8%	0.992	0.091
13	The accounting curricula do not contain issues related to financial planning and forecasting for firms to support entrepreneurship.	97.5%	2.5%	0.975	0.157
14	Accounting curricula focus on theoretical material and do not focus on practical applications to support entrepreneurship.	95.0%	5.0%	0.950	0.219
15	Accounting curricula do not develop the scientific and technical capabilities of the students to support entrepreneurship.	90.0%	10.0%	0.900	0.301
16	Accounting curricula do not develop abilities in logical thinking and critical analysis of students to support entrepreneurship.	95.8%	4.2%	0.958	0.201

As shown in Table No. (2), the averages of the statements indicate that most participants agree that accounting education does not meet the minimum level of the requirements to prepare the qualified accounting staff to provide the appropriate information that the entrepreneurs need. Thus, accounting education in Libyan universities has no impact on supporting and promoting entrepreneurship. The following statement “The accounting curricula do not provide issues related to the stock market and local and international business indexes” has the highest level of agreement from participants, which it shows there is no connection between the current accounting curricula and the real business. Table No. (2) also shows that the standard deviations for each statement are very low, as all results are less than one. This indicates that the responses of the participants are similar.

5. Conclusion

This study described the current situation in Libyan universities and it concluded that there is no effect of accounting education in Libyan universities in promoting entrepreneurship from the perspective of employees in different Libyan firms. Based on the statistical analysis and some notes written by the participants, we can summarize the shortcomings of the accounting education system in Libya in these points:

1. The accounting curricula do not cover all the topics that qualify the accounting students. In addition, the lack of coordination between the different departments in the faculty of economics, which cause of the repetition of some topics in the different departments.

2. The lack of modern methods in teaching in the Libyan universities, as well as their failure to follow educational quality standards.
3. Lack of interest in international standards in accounting. In addition, the accounting curricula do not include topics that help the students develop their abilities in logical thinking and analysis, especially in the contemporary financial issues.
4. The lack of books, periodical and scientific references in the library of Libyan universities, whether hard copies or electronic copies.
5. The lack of cooperation between universities and commercial firms within the framework of developing the knowledge and skills of graduates and raising the professional competence of accountants through some practical training before graduation.

Based on the study's results, it is failed to reject the null hypothesis, which there is no role for accounting education on the entrepreneurship in Libya.

6. Recommendation

Based on the results of the study, these are the necessary recommendations to promote the level of accounting education which can support the entrepreneurship in Libya.

1. Accounting curricula should be improved in a way that is consistent with the requirements of practical reality and with what entrepreneurs need to advance their commercial activities.
2. Accounting department should collaborate with other departments in the faculties to avoid repetition in the topics in the faculty.
3. Accounting education must include practical training programs that coincide with theoretical studies and cases to raise the efficiency of communication skills among students, as well as writing financial reports.

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