

Public Accounting Firms Views on Characteristics of its' Potential Employees

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Abstract

Accounting graduates must equip themselves with numbers of characteristics as required by their potential employers. This study identifies the characteristics sought in new accounting employees by public accounting firms. Questionnaires were distributed to employers of Public Accounting Firms and UiTM graduating accounting students. The result shows that students are in agreement with employers' opinions regarding the importance of work quality and work attitude. However, there is a difference on the importance of skills such as ability to work in team, looking for ways to improve job performance, presentation skills and planning skills. Students seem to undervalue the importance of these skills as compared to employers. In future, it would be interesting to incorporate a wider range of graduating accounting students and employers groups.

Keywords: Employability, Skills, Accounting Firms, Accounting Graduates.

1.0 Introduction

The global economic crisis has resulted in decreased opportunities in the job market. Workers, especially new graduates realised that finding jobs are very difficult. Employers on the other hand are facing an influx of potential employees. The inequality between demand and supply also affected accounting graduates. With less job opening in the industry, more accounting graduates turn to Public Accounting Firm to seek employment. Accounting graduates tend to think they have greater chance of being employed in Public Accounting Firm compared to the industry. This is probably because industries usually necessitate stringent requirements such as relevant work experience compared to Public Accounting firms, especially small firms. This can be seen from job advertisements in daily newspapers and companies' websites.

Insight into what qualities Public Accounting Firms seek in potential employees is very important especially for accounting students and also for accounting educators and university administrators. The differences in view should be identified and actions should be taken in order to make accounting graduates aware of and possess the characteristics required from them. Here, the role of accounting educators is very important to guide accounting graduates to increase their chances of being employed. A study carried out by McMillan et al. (cited by Cook and Finch, 1994) reported that both recruiters and students view accounting educators as the most credible source of information in the recruiting process.

According to Ahadiat and Smith (1995), employers are inclined to employ students who can work well with others, have good communication skill and have strong leadership skills. Thus, accounting graduates should be exposed to a broader-based education in order to make them better prepared for the profession's new role in the current business environment. Strong soft skills are demanded as accountants are expected to be able to apply judgement, analysis and critical thinking in line with International Financial Reporting Standards (IFRS), rather than merely complying with the rules (Leone, 2008).

Bruns (1999) noted that today's job market requires students to demonstrate skills that go beyond the boundaries of technical skills that are taught in the classroom. These skills include: interpersonal skills, analytical problem solving, conflict resolution, teamwork, integrity, application of technology, data manipulation and communication, leadership, social interaction, negotiation, self management, and resource management. Messmer (1997) found interpersonal skills, communication skills and working in teams as important. Ismail et al. (2000) found initiative, teamwork, computer literacy, problem solving and ability to perform assigned task as important. These researchers have identified quite similar characteristics. The only difference is that in the number of qualities discussed, some studies produced more comprehensive qualities as compared to the others.

A more recent study by Violette and Chene (2008) indicate three outstanding characteristics that employers' look for in new employees; they are leadership potential, strong interpersonal communications skills, and enthusiasm and motivation towards the profession. Kermis and Kermis (2009) concluded that technical skill alone is inadequate to be successful in accounting career. Although technical skills are the foundation in building accounting career, soft skills are equally needed to ensure outstanding career performance as well as facilitating fast-track development of accounting career (Hemens, 2006). Some of the previous studies have shown

that there are discrepancies in views between public accounting firms, educators and students regarding qualities that accounting firms seek from their potential employees. Kirsch et al. (1993) found that students expected employers to emphasize on communication skills whereas employers viewed the ability to aggressively seek responsibilities as the most important skills. However both agreed on the relative importance of interpersonal skills, ability to perform routine task, conceptual understanding and professionalism.

Likewise, the study done by Floyd and Gordon (1998) also discovered the existence of perceptual gap between employers and students. In the study, they revealed that employers valued initiative, interpersonal skills, maturity, willingness to relocate, GPA and institutional reputation more highly than students. In contrast, students rated personal appearances, membership in professional bodies and references as more important. Students also valued too highly on enthusiasms and appearance while employers preferred initiative, assertiveness, and loyalty as compared to those attributes. Nevertheless, consistencies exist on the importance of oral communication skills and motivation of the students toward the job.

The above literatures look at skills and different parties' perspectives on the characteristics required from accounting graduates. To add to the existing literature, this study examined the followings: i) characteristics perceived to be important by Public Accounting Firm, ii) characteristics perceived to be important by UiTM graduating accounting students, and iii) the relative differences between perception of employers and UiTM graduating accounting students.

2.0 Research Method

2.1 Sample

There are two samples populations which consist of recruitment officers of Public Accounting Firms and final semester students of Bachelor of Accountancy in Malaysia.

A sample of 62 recruitment officers comes from 62 Public Accounting Firms. They were chosen purposively, in view of their established relationship with the faculty internship programme. Another group of sample comes from 95 final semester students of Bachelor in Accountancy. They come from University Teknologi MARA (UiTM) east coast branch campuses, namely Dungun, Jengka and Machang UiTM branch campuses. The campuses were chosen because of their locations, hence assisting the researchers in the management of time and cost.

2.2 Instruments

The questionnaire has been self developed by adapting the characteristics identified by the work of Baker and McGregor (2000), De Zoort et. al. (1997), Ahadiat and Smith (1994) and the characteristics addressed by National Higher Education Strategic Plan (2007) and Accounting Education Change Commissions (1990). The preparation of the questionnaire has taken into account the need to balance between comprehensiveness of entry-level employee characteristics and length of time needed by the respondents in answering the questionnaire. The questionnaire was pilot tested on five academicians and five students from the Faculty of Accountancy, UiTM Terengganu. It was also pilot tested on five recruitment officers of Public Accounting Firms.

The same questionnaire was used for both participants groups – the Public accounting firms and the students. The slightly difference was only in the first section of questionnaire which contained questions on demographic profile for both groups of respondents. The second section of the questionnaire contained 31 significant employment characteristics related to personal attitude, interpersonal skills, communication skills, responsibility, organizational ability, technical skills (information technology), and technical knowledge in the accounting field. The questionnaire used a five-point scale anchored with “not important at all”(1) and “very important” (5). A “not applicable” response option was also available.

2.3 Data Collection

Each firm was mailed one set of questionnaire with a cover letter and a self-addressed stamped return envelope. The mail was addressed to a recruiting officer. Out of 62, only 30 firms responded, producing a response rate of 48%. As for the students, the contact person from each east coast branch campuses was sent the questionnaires by post. Each student was given one set of questionnaire and the data were collected during regular scheduled class periods. A total of 95 students participated in the survey. The questionnaires were then collected and returned by the contact persons to the researchers by post.

3.0 Results and Discussion

3.1 Demographic Profile of Public Accounting Firm

A total of 30 employers responded, 56.7% male and 43.3% female. Majority of the respondents were within the age range of 30-35 (33.3%). Most of them were managers (43.3%). Majority of the respondents (43.3%) had been working within the period of 6 to 10 years and most of the firms had 10 to 25 employees. Regarding services offered by the firms, most of the firms offered accounting, auditing, and taxation services.

3.2 Demographic Profile of Graduating Accounting Students

The graduating accounting students include 14.7% male and 85.3% female students. Majority of the respondents (97.9%) are within the age range of 18 to 25. A total of 50.6% respondents had less than 6 months working experience, 40.3% respondents, on the other hand, were found to have 6 to 12 months of working experience, and only one respondent possessed more than one year working experience. In relation to intention to work in Accounting Firms, majority of the respondents (89.5%) intended to start their job in any Public Accounting Firms.

3.3 Characteristics Perceived to be Important by Public Accounting Firm

In order to assess employers' and students' perceptions of the importance of specific characteristics, individual factor means were calculated. These factor means were then ranked in order of descending significance so as to assess the relative importance of specific characteristics.

Table 1 lists the summary of the means of the Public Accounting Firms' perceptions on the importance of various characteristics. Except for two characteristics, others had mean values of more than 4, indicating 'important' in the questionnaire's scale. There are eight items with a

mean value of more than 4.5. The top eight items chosen by employers were 'ability to work in team, work quality, work attitude, looking for ways to improve job performance, presentation skills, planning skills, financial accounting knowledge and punctuality'.

The study showed that the employers chose the ability to work in team as the most important quality students must be equipped with. Three characteristics, which were work quality, work attitude, and punctuality, were classified under 'responsibility' in the questionnaire used. These results suggested that 'responsibility' was perceived as the most important trait for new accounting employees. These results supported Kirsh et al. (1993) that found employers preferred employees with an ability to aggressively seek responsibilities.

Oral and written communication skills provide interesting finding. A lot of previous studies for example Kirsch et al. (1993), Faruk and Mark (1999) and Violette and Chene (2008) show oral and written communication as one of the top skills required from new accounting employees. However this study produces different findings. Oral and written communication skills were ranked at number 13 and 22 respectively by employers. The least two important items chosen by employers, with mean values of less than 4 were the ability to assimilate new technology and research skills. The result shows that employers did not think these two skills were important skills required in the process of hiring new employees.

3.4 Characteristics Perceived to be Important by Graduating Accounting Students

Table 1 also lists the summary of the means of the Graduating Accounting Students' perceptions on the importance of various characteristics. The top 10 items chosen by students were 'work quality, work attitude, punctuality, auditing, work attendance, creative thinking, financial accounting, computer knowledge, ability to work in team and oral communication skills'.

The result indicates that the students overvalue all these ten characteristics as compared to the employers. All the ten items were assigned with higher mean value by the students as compared to the mean value assigned by the employers. The least two important items chosen by students were 'dependability and enthusiasm' with mean value of 4.2 and 4.26 respectively.

3.5 Comparison on Important Characteristics

Referring to the first research objectives, the top eight items chosen by employers were 'ability to work in team, work quality, work attitude, looking for ways to improve job performance, presentation skills, planning skills, financial accounting knowledge and punctuality'. Looking at the ranking column in Table 2, we can see that students ranked these characteristics as number 9, 1, 2, 11, 12, 18, 7 and 3 respectively. Fortunately, both parties were in agreement that work quality and work attitude were the most important characteristics required in the process of hiring new employees. However, there are differences in perceptions on characteristics such as 'ability to work in team, looking for ways to improve job performance, presentation skills and planning skills'. Ability to work in a team was ranked at number one by the employers, however it was not considered as one of the top characteristics by the students (ranked at number nine). Planning skills was ranked at number six by the employers; likewise it was not considered as one of the top characteristics by the students and was ranked at number 18.

4.0 Conclusion

Public accounting firms require their new accounting employees to be responsible and able to work in a team. Comparing both parties, the study found out that students are in agreement with employers' opinions regarding responsibility such as work quality and work attitude. However, differences can be found in their perceptions regarding ability to work in team, looking for ways to improve job performance, presentation skills and planning skills. This study found students undervalue the importance of these skills.

The implication of the findings is that effort must be made to reduce the gap between employers and accounting students' perceptions. This is important to ensure accounting graduates are armed with the correct information and skills to facilitate them in securing employment. Educators should play an active role in influencing students to possess the right characteristics and qualities as required by the employers. University administrators can encourage and facilitate students' exposure to potential employers through activities such as job fairs and on-campus presentations. Most important probably is to introduce or maintain practical training in accounting courses. It allowed students to "get a taste" of actual employment while completing their academic studies which will enhance their employment opportunities upon graduation. As a further development of research in this area, it would be interesting to incorporate a wider range of graduating students. The respondents from employers group also can be expanded to other sectors, such as manufacturing, banking, and government.

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Table 1: Summary of the Means of the Employers and Graduating Accounting Students' Perceptions on the Importance of Various Characteristics

	Public Accounting Firm		Students	
	Mean	Rank	Mean	Rank
Ability to work in team	4.86	1	4.66	9
Work quality	4.83	2	4.81	1
Work attitude	4.67	3	4.74	2
Looking for ways to improve job performance	4.63	4	4.64	11
Presentation skills	4.57	5	4.63	12
Planning skills	4.57	6	4.52	18
Financial accounting	4.53	7	4.68	7
Punctuality	4.53	8	4.73	3
Auditing	4.47	9	4.71	4
Dependability	4.47	10	4.2	31
Leadership	4.41	11	4.61	13
Work attendance	4.40	12	4.69	5
Oral communication skills	4.40	13	4.66	10
Taxation	4.40	14	4.57	15
Administrative skills	4.37	15	4.40	23
Acceptance of constructive criticism	4.37	16	4.34	27
Human Relation	4.34	17	4.59	14
Accounting standards and acts	4.33	18	4.36	26
Management accounting	4.33	19	4.45	20
Personal appearance	4.30	20	4.51	19
Enthusiasm	4.30	21	4.26	30
Written communication skills	4.23	22	4.53	16
Creative thinking	4.23	23	4.69	6
Delegation	4.14	24	4.53	17
Working knowledge of computer	4.13	25	4.68	8

Corporate governance	4.13	26	4.33	28
Accounting software package	4.07	27	4.37	25
Work quantity	4.07	28	4.43	21
Project management	4.00	29	4.39	24
Ability to assimilate new technology	3.90	30	4.42	22
Research skills	3.83	31	4.29	29

Table 2: The Relative Differences between Perception of Employers and UiTM Graduating Accounting Students.

	Employers	Students	
	Rank(a)	Rank(b)	Rank (a – b)
Ability to work in team	1	9	-8
Work quality	2	1	1
Work attitude	3	2	1
Looking for ways to improve job performance	4	11	-7
Presentation skills	5	12	-7
Planning skills	6	18	-12
Financial accounting	7	7	-
Punctuality	8	3	5