

THE QUALIFICATIONS OF ACCOUNTING PROFESSION AS REQUIRED BY EMPLOYER

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ABSTRACT

The main purpose of the study is to know the qualifications that employers require for accounting professions. Fifty three accounting related job vacancy advertisements were selected from The Nation and Bangkok Post newspapers from January 16 to 31, 2013. A content analysis technique was used in analyzing the data with intercoder reliability of 87 percent. Five major categories of qualification emerged from the data they are demographic, knowledge, skills, attitudes, and other. Demographic are nationality, gender, age, education, and year of experience. Five important knowledge emerged: accounting, accounting software, taxation, auditing, and business law. Important knowledge in accounting are accounting process, accounting standards, management report, international accounting, and cost accounting. Important skills required are computer skills, interpersonal skills, English language skills, communication skills, leadership skills, and analytical skills. Important attitude are goal-oriented, self-motivated, and independent.

KEYWORDS: Accounting Profession, Attitude, Demographics, Knowledge, Skills

INTRODUCTION

The demand for master in accounting graduates in the Asia-Pacific region increased from 38 percent in 2011 to 54 percent in 2012 according to the study made by the Graduate Management Admission Council (GMAC, 2012). The increase was also experienced by US companies the demand was increased from 23 percent in 2011 to 28 percent in 2012. However at the same time as the study of Kermis & Kermis (2012) found that for the first time in ten years the Certified Public Accounting (CPA) firms began to lay off experienced accountant. Traditionally there used to be shortfall of supply in the accounting employment. It seems that the need of accounting profession qualifications is changing. Some big accounting firms start recruiting graduates from other disciplines for accounting graduates lack professional communication skills (Tindale, Evans, Cable & Mead, 2005). Accounting students seem not able to write clearly to express their understanding of accounting theory (Fleet, 2003). As the study of Kermis & Kermis (2012) on accounting students that made use of lab experience found that technical skills in accounting are necessary but not sufficient. An accountant needed to have other traits such as professional motivation, emotional intelligence, soft skill development, career skills and time management skills. These skills resulted in having a satisfying experience in their study and ultimately their career.

A survey was done to several accounting firms as well as professionals from other organizations to rank skills importance for forensic accounting profession. They found that skill ranked highest was analytical skills followed closely by basic accounting skills, problem solving skills, and data analysis skills (McMullen & Sanchez, 2012). As for management accountant the qualities required were professional principles, hard work, intelligent, analytical and forward thinking, innovative, dynamic, and people-oriented are strongly valued (Kim, 2012). For public accountants and non-public accountants, seven skills were ranked equally important: word processing software, creativity in problem solving, Windows, awareness of ethical issues, internet research, presentation software, and database software (Cory & Pruske, 2012). Generic skills such as thinking skills (logical and analytical reasoning, problem solving, and

intellectual curiosity); communication skills; teamwork skills; capacities to identify, access, and manage knowledge and information; and personal attribute (imagination, creativity, and intellectual) were important too. There was increased demand from employer organizations for graduate to possess generic skills (Hager, Holland, & Beckett, 2002). In terms of satisfaction as accountant the following traits were found to be important to possess (Levy et al., 2011): team work, conscientiousness, emotional stability, extraversion, and openness. However accounting students least enjoy a higher personal satisfaction than business administration students or economics students (Mojtahedzade, Tabari & Badr, 2007). From 34 accounting-related skills that were introduced by Albrecht and Sack (as cited in Cory & Pruske, 2012) found 24 skills related to computer skills. This shows the important of accountant to be familiar with computer related skills (McCourt-Larres & Oyelere, 1999). Al-Khadash & Al-Beshtawi (2009) found that accounting students taking computer course would impact their attitude, they would have positive attitude toward computer.

Studies had been done to identify the traits and skills needed to be a successful and satisfied accountant however those studies are based on the perceptions. Study need to be done that is based on the actual needs. This study is based on the accounting and financial related professions actual needs taken from job vacancy advertisements. The main purpose of this study is to identify the qualifications needed for accounting related professions. The result of the study may be used by university in developing their accounting and finance curriculum and for accounting students to know the knowledge, traits and skills needed by employers.

METHOD

This is a qualitative-quantitative research. It is qualitative since data are taken from written materials or texts. The texts are the job vacancies advertisements posted in newspaper and internet. The sample was taken from the The Nation and the Bangkok Post newspaper of Thailand, and the job vacancies advertisement of Thailand posted in internet from January 16 to 31, 2013. There were 53 advertisements from 50 different companies collected. No similar advertisements from the same companies were taken. It was possible to have two or more different advertisements from the same company.

Data was analyzed qualitatively using content analysis method. The procedure started by collecting all of the job vacancy advertisements that were related to accounting profession during that period from the three sources as indicated above. We define accounting profession as profession that require the knowledge of accounting, among them but not limited to them only are accountants, accounting manager, business controller, corporate wealth management, cost accountant, cost accounting manager, finance manager, and financial controller. The next step was to identify the themes from each advertisement. The themes then were grouped into several categories based on their similarity.

This study makes use of quantitative approach too. The categories derived from the qualitative analysis then was tabulated and presented in graphs. The statistical techniques used are frequency and percentage. To guarantee for the consistency of the analysis, another researcher was asked to identify the themes. Intercoder reliability then was computed using Cohen's kappa (k) formula. The intercoder reliability was found to be 0.87 which is considered as substantially reliable (Hruschka et al., 2004).

FINDING

The study intended to know the required qualifications of accounting professions as indicated in the job vacancy advertisements. Five main categories emerged from the data they are demographics, knowledge, skills, attitude, and other. The most frequent category emerged is the skills in accounting (41%) followed by demographics characteristics (27%),

attitude (16%), knowledge of accounting (14%), and other qualification (2%). Knowledge of accounting seems not as frequently mentioned in the qualification as skills in accounting and demographics characteristics. Attitude of accountant was even more frequently mentioned than knowledge of accounting. Developing skills in accounting seems to be important and must get special attention by both accounting students and accounting schools.

DEMOGRAPHICS

Five categories of demographic characteristics emerged as shown in Figure 1. They are nationality, gender, age, education, and work experience. In regards to nationality, only few explicitly required Thai nationality the rest did not indicate specific nationality as one of the qualification. There were more female specifically indicated as the required qualification than male however majority of the companies did not matter to accept either female or male. Regarding age, most companies did not specify age as the requirement. Those companies that required age mostly were age under thirty years of old and between thirty and forty-five years of old. Educational requirement was at least bachelor degree, very few required master degree. In terms of work experiences, most companies did not specify the required work experiences. Some required five years of experience and other three years of experience or eight years of experience. The required work experience is ranged from one year to ten or more years of experience.

Knowledge

There are several knowledge required by accounting profession. From the data collected, ten categories of knowledge were identified. They are accounting, auditing, taxation, accounting software, business law, human resource management, retail/consignment business, operation & supply chain, project management, and strategic management. Typical statements appeared in the advertisement includes:

Knowledge of financial accounting. (UOB, Jan. 180)

Working knowledge of Thai and International accounting standards. (Asia Excellent Limited, Jan. 21)

Working knowledge of Thai and International auditing standards. (RSM advisory, Jan 21)

Comprehensive knowledge of taxation law. (Golden Traders Thailand, Jan. 16)

Good working knowledge of accounting application software. (Nexus, Jan. 21)

Progressive career history in roles of increasing responsibility within finance & accounting, project management, financial systems implementations and process improvement project. (Adecco, Jan. 28).

Strategic planning. (Kasetthip, Jan. 23)

The most frequent knowledge mentioned was knowledge in accounting followed by knowledge in accounting software and knowledge in taxation.

In regards to knowledge in accounting, there are eight categories emerged from the data. They are knowledge of accounting standard, accounting process, international accounting, financial statement analysis, management report, cost accounting, payroll, and reconciliation. Typical statements are:

Good knowledge in general accounting of US GAAP and local GAAP. (Avery Dennison, Jan. 28)

Able to process financial data and produce monthly reports. (CPD International Co., Jan. 16)

Working knowledge of Thai and international accounting standards. (RSM Advisory, Jan. 21)

Prepare management reports, analyze financial status, accounting standard costs, setup and implement accounting. (Lazboy, Jan. 18)

Previous experience with manufacturing cost accounting & analysis, inventory costing analysis, management accounting, financial forecasting & reporting. (Technical Resources Consultants Ltd., Mazars Thailand, Jan. 25)

Experience in payroll. (Asia Excellent Limited, Jan. 21)

Excellent reconciliation skills. (Asia-Pacific Airlines, Jan. 16)

Within the accounting knowledge, the most frequent qualification mentioned is the knowledge of accounting process as shown in Figure 2 followed by understanding of accounting standard and ability to produce management report. The next are knowledge of international accounting and cost accounting. Knowledge of financial statement analysis, payroll, and reconciliation were mentioned too.

Accounting process is the process of preparing financial reports starting from documents till financial statements. There are three aspects of accounting process that were indicated: Designing, preparing, and handling accounting process. As indicated in the advertisements (underline is added to refer the categories),

Good in accounting process design. (ThyssenKrupp, Jan. 29)

Familiarity with preparation of financial statements including proper presentation and footnote (KTI Consultants, Jan. 30)

Able to handle full set of accounts,... (Golden Traders Thailand, Jan. 16)

Regarding knowledge of accounting standards, three accounting standard were mentioned: Local (Thai) GAAP (Generally Accepted Accounting Principles), U.S. GAAP, and IFRS (International Financial Reporting Standard) accounting standards. As indicated,

Good knowledge in general accounting of U.S. GAAP and local GAAP. (Avery Dennison, Jan. 28)

Knowledge on IFRS accounting standards. (AA Talent Co. Ltd., Jan 29)

Another important knowledge in accounting are setting up, implementing, and preparing accounting report for management (management report) including financial forecasting. As indicated,

Prepare management report, ... setup and implement accounting. (Lazboy, Jan. 18)

Previous experience with ... management accounting, financial forecasting & report. (Technical Resources Consultants Ltd., Mazars Thailand, Jan. 25)

Skills

Eight skills emerged from the data: Language skills, computer skills, interpersonal skills, leadership skills, analytical skills, multi-task skills, due diligence skills, and training skills. Typical statements are,

Must possess good command of English language in both verbal & written. (IBM, Jan 18)

Computer literacy with MS Office, Excel is a must. (Geodis Wilson Thai Ltd., Jan. 16)

Good interpersonal skills. (IFS Capital Public Company, Jan. 21)

Good communication skills. (Manpower Inc., Jan. 29)

Strong leadership. (The Racha, Jan. 22)

Strong analytical and reasoning abilities, with numeric aptitude. (KTI Consultants, Jan. 30)

Ability to manage multiple tasks. (Zensho Co., Ltd., Jan. 18)

Within the skills required, computer skills is the most frequent mentioned in the advertisements follow by interpersonal skills and English language skills as shown in Figure 2. The other quite frequently mentioned skills required are analytical skills, leadership skills, and communication skills. The ability to operate MS Office particularly Excel is quite frequently mentioned.

Attitude

Ten kinds of required attitude emerged from data. They are detail-oriented, responsible, hardworking, trustworthy, organized, independent, positive attitude, result-oriented, motivated, and flexible. Typical statements are,

Excellent attention to detail and result-oriented. (The Racha, Jan. 22)

Self-driven and highly-motivated. (United Overseas Bank, Jan. 18)

Independent working with team spirit. (Nathalin Co., Ltd., Jan. 29)

Possess a positive attitude. (Linfox Logistics, Ltd., Jan. 30)

Within the attitude required, the most frequent attitude mentioned is result oriented follow by self-motivated, flexible, positive attitude, and well-organized as seen in Figure 2.

Other Qualification

Most of the other qualifications required for accounting related professions is having a CPA (Certified Public Accountant) followed by willing to travel. However, other qualifications is the least required qualification among other four categories emerged, see Figure 1. Typical statements are,

Member of Federal Accounting Profession in Thailand. (UOB, Jan. 18)

CPA qualification preferred. (Asia Excellent Limited, Jan. 21)

Able to travel between sites when required. (Avery Dennison, Ltd., Jan. 28)

DISCUSSIONS AND CONCLUSIONS

The required demographic characteristics of accounting professionals (nationality, gender, age, work experience) seem not so important. The only demographic characteristic that is important is education wherein employers require at least bachelor degree in accounting or in business. In terms of knowledge, skills, and attitudes there are three important knowledge (accounting, computer, and taxation); five important accounting knowledge (accounting process or financial accounting, accounting standards, management report or managerial accounting, international accounting, and cost accounting); three important skills (computer, English, and interpersonal); and three important attitudes (result-oriented, motivated, and independent).

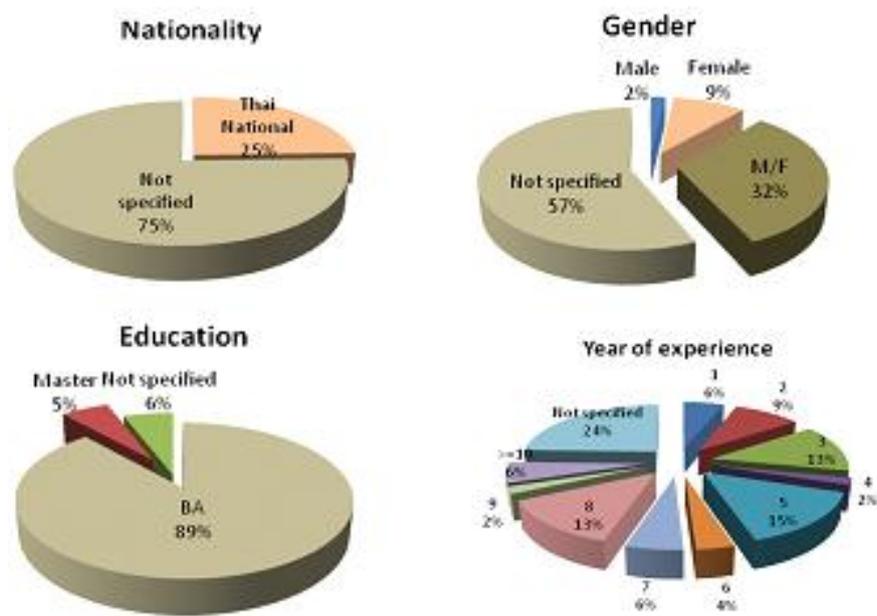
Accounting had been known as a process of preparing financial report about past performance that is mainly for external uses and accountability. The externals are auditors, board members, stockholders, government, lenders, and investors. There seems to have a shift of focus in accounting report from external reports that are mainly about the past to internal management reports that is more on forward-looking. It is indicated by the finding that shows knowledge in

management reports are very much required next after knowledge in accounting process. A study by KPMG as reported by Frank Byrt (2013) also found a need of making corporate reports more forward-looking then mainly past performances.

Accounting has shifted from manual to computerize. It is important to pay attention on the way accounting is be taught in tertiary level, more emphasize should be given on the knowledge of accounting software and on computer skills (McCourt-Larres & Oyelere, 1999). As the study of Cory & Pruske (2012) found that public as well as non-public accountant need the ability to operate word processing, windows, internet, presentation software, and database software. These features are available in MS Office. Having skills in operating MS Office could cover almost all of those computer skills. Al-Khadash& Al-Beshtawi (2009) found that as accounting students taking computer course they would develop more positive attitude toward computer.

For accounting professionals living in non-speaking English countries, ability to speak English is important besides computer skills. Another important skillis interpersonal skills. It seems that accounting professional is shifting from individual-oriented person to interpersonal-oriented person. The finding of this study is supported by the study of Kim (2012) which indicated that people-oriented skills were strongly value, especially for management accountant. Another study uses the term team work to indicate the ability to work with other people as the requirement in accounting professions (Hager, Holland, & Beckett, 2002; and Levy at al., 2011).However contradict with the study of Bridgstock (2009) that says the important of self-management and in building career building skills to increase employability. Another skills emerge from this study are communication skills, leadership skills, and analytical skills though they are not as frequent mentioned as computer skills, English language skills, or interpersonal skills.It is consistent with several other studies that indicated the important of analytical skills as one of the skills required for accountants (McMullen & Sanchez, 2012; Hager, Holland, & Beckett, 2002). Also the important of communication skills (Tindale, et al. 2005) particularly written communication skills (Gillis, 1990; Fleet, 2003).

The required ability for accounting professionals is shifting from mainly having knowledge in accounting to having certain attitudes. Result-oriented, self-motivated, and willingness to work independently are the most frequent attitudes required. This is consistent with the study of Kermis & Kermis (2012) which found that professional motivation is one of the important traitthat arerequired by accountant. A person with self-motivated and ability to work independent should lead to result-oriented.



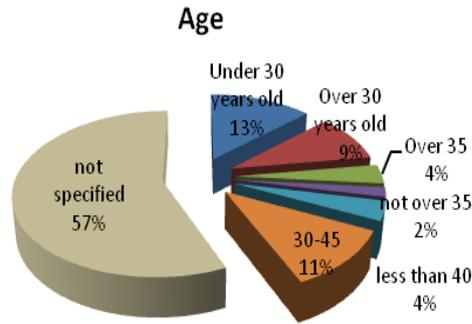


Figure 1: The Demographic Characteristics Required by the Accounting Professions

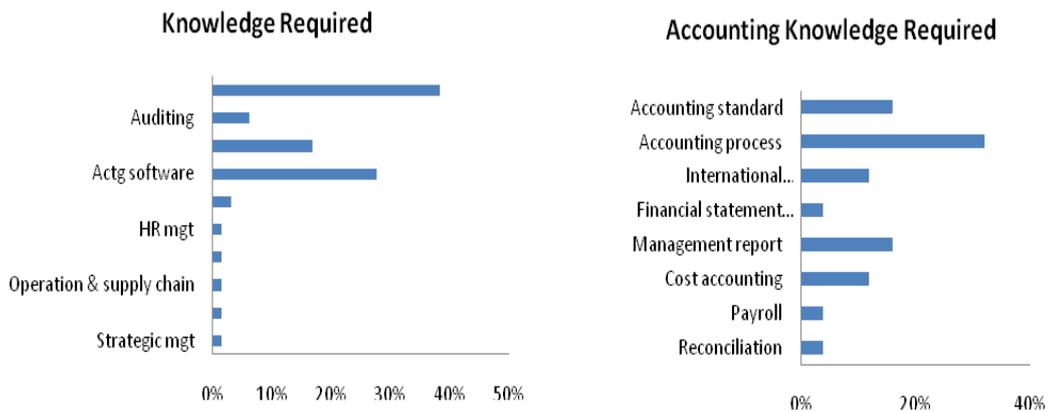


Figure 2: Categories Emerged from Data

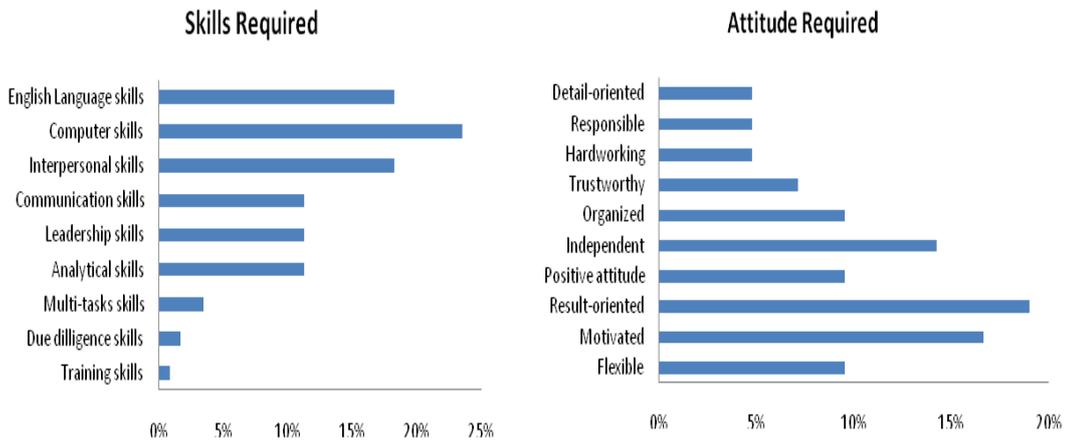


Figure 3: Knowledge Required for Accounting Profession

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