

Skills Requirements of the Professional Accountant in a Changing Work Environment

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Abstract:

Background: The accounting profession plays an important role in every business organisation. Traditionally, the role of the accountant has often been limited to the provision of financial information. Over the years, this role of the accountant has been perceived as limited in scope. It has been argued that the role of accountants can also be managerial in character. This reflects the strategic importance of the profession in modern organizations. Most scholars acknowledge that the role of the accountants has changed. In this changing nature of things, accountants must acquire other skills to assert their relevance in the modern business organisation. The thrust of this study was to assess the skills required of accountants to be able to function effectively in their changing work role.

Materials and Methods: The study employed a secondary research methodology involving the use of only secondary data. Specifically, the study reviewed prior studies on skills requirements of accountants based on a defined set of criteria. Google and Google scholar search engines were used to search for journal articles in the process.

Results: Results of the study generally suggest that the accounting profession is changing from mere recording function to entail issues which are managerial in nature suggesting its strategic relevance. Findings also reveal that besides the accounting skills requirements of technical and functional skills, Accountants also need personal skills, intellectual and analytical skills, IT skills, communication skills, organizational and business management skills.

Conclusion: The study concludes that the role of the accountant is changing in contemporary times. Besides the possession of technical accounting skills, accountants must also possess other soft skills to be able to assert their relevance in modern business organizations.

Key Words: Skills requirements, accountants, changing work environment

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I. INTRODUCTION

The past decades have witnessed increasing attention of the scholarly community on the changing role and functions of management accountants and accountants in general. As far back as 1987, Johnson and Kaplan had drawn the attention of the accounting community on the gradual loss of the relevance of accountants to the management of organisations and other users of information. Traditionally, the role of the accountant in an organisation was perceived as a provider of financial information to users instead of a decision-maker. This traditional role of accountants in the academic literature has often been referred to as the book-keeper model which puts primacy on the production of periodic financial measures (Mouritsen, 1996; Friedman & Lyne, 1997; Järvenpää, 2001; Lambert & Sponem, 2012). The book-keeper model has also been referred to by various names by different scholars such as “watchdog” (Granlund & Lukka, 1998), and “number cruncher” (Vaivio & Kokko, 2006).

Baines and Langfield-Smith (2003) perceive this traditional role of accountants as limited in scope and are of the view that managers of organisations require some management accounting information to enhance their decision making and to be able to monitor the success of their strategies and thus this reflects the strategic role of the accountant. Currently, the argument is that changes occurring within the external environment of

organisations call for changes in the organization's management accounting systems (Waweru et al, 2004). In this changing environment, factors such as advances in information technology, economic swings, new management strategies and a new focus on quality and customer service have often been cited as the drivers of change in the functions of the accounting profession (Innes & Mitchell, 1990; Kaplan & Norton, 1996; Burns & Vaivio, 2001; Waweru; Hoque & Uliana, 2004). Odia and Oke (2018) subscribe to this notion by arguing that technology, globalization and competition constitute the main drivers of change in the role of accountants. Järvenpää (2001) similarly posits that the prevalent global competition and emerging customer needs necessitate that the role of the accountants should be approached from a business-oriented perspective. Bryne and Pierce (2007) affirm that the need to achieve cost competitiveness by organisations further highlights the prominent role of the accountant due to their potential to know cost control analysis. A survey of the literature demonstrates that the strategic role of accountants in organisations has been further emphasized. Barbara (1996) notes that the modern role of the accountant has been regarded as business analyst, strategy formulator, internal consultant or adviser (or 'business partner'), change agent, information provider (or knowledge worker' the 'hub' of data), leader of and/or participator in cross-functional teams inter-alia.

To be able to do this, accountants must possess a host of other skills besides the usual technical skills. There is a strand of the literature that relates to the discourse on the skills required of accountants in the changing nature of the profession. It is argued that accountants must also possess soft skills to be well placed to function effectively and contribute to the achievement of organizational goals (Holtzman 2004). From this backdrop, this paper seeks to examine the skills required of accountants in a changing work environment. The next section of the study outlines the methodology of the study. After this, the study presents the findings emerging and also outlines conclusions and policy recommendations. The study culminates with suggestions for future research.

II. RESEARCH METHODOLOGY

Generally, the study employs a secondary research methodology. Under secondary research methodology, the researcher relies on only secondary data throughout the research process. The researcher in secondary research synthesizes data that comes of existing scholarship. Secondary research methodology represents the first step in any systematic inquiry. Secondary research is particularly useful in uncovering an existing level of research on a research phenomenon knowledge of which can be used to suggest the direction of future research. Also, secondary research potentially reveals gaps in knowledge on a research subject matter which can form the bases for systematic investigation. Smith et al. (2011) argue that secondary data is methodology is emerging as a useful research approach due to increases in technological advances where a vast amount of data already collected and archived can be accessed for further inquiries. Consequently, the use of existing data for research and for that matter secondary analysis is becoming a commonplace. Though secondary data is flexible and can be approached from different ways, it is still an empirical exercise and systematic method also characterized by a systematic method with procedural and evaluative steps, just as in collecting and evaluating primary data. David and Sutton (2004) also observe that secondary research methodology provides an avenue for the replication, re-analysis and re-interpretation of existing research. It provides researchers with opportunities to engage in work to test new ideas, theories, frameworks, and models of research design. This is particularly important because research findings become more credible if they appear in many studies.

These benefits of secondary research notwithstanding, there have been some criticisms against it. Thorne (1994) for instance contends that secondary research methodology can generate valid findings only when is done by experienced researchers. Bickman and Rog (1998) on their part assert that there can be inaccurate data with secondary research methodology because the researcher using it does not have control over how data was collected. The researcher in this study therefore was cautious of these potential limitations and measures were accordingly taken to address them. These comprised the use of only studies that employed deliberate steps to enhance their rigour. These were confirmed by finding out if the authors reported them. With regards to sources to sources of data, the study utilized Google and Google search engines. The data sources specifically comprised peer-reviewed journal articles, professional literature and the internet. The process involved in putting the word "skills" of accountants in a modern business environment into the search engine. After it popped up, the content of its abstract was examined to ascertain its topical relevance to the research subject matter. With regards to the eligibility of inclusion, only empirical studies were used. This ensured that the study produced empirical knowledge which according to Pawson (2006) is very cardinal to any evidence- based intervention. To draw on many studies, there was no limitation with regards to the year of publication or conduct of a study. This was necessary given the general paucity of empirical research on the skills requirements of accountants in a changing work environment.

III. FINDINGS

In this section of the paper, we report the findings on the skills required of accountants as reported by articles of various authors reviewed. Fouche and Kgapola, (2016) in their study in South Africa sought to examine the skills required of accountants and how they could plan their career path. Employing a cross-sectional survey, the authors found that accountants must possess skills in these domains: Intellectual skills (decision-making and problem-solving); Technical and functional skills (strategy skills); Personal skills (anticipating and adapting to change, ethical considerations, prioritising, seeing the bigger picture, self-management, striving to add value, taking initiative and time management); Interpersonal and communication skills (interacting with diverse people, leading effective meetings, listening and reading effectively, managing and supervising others, negotiation, verbal communication and presentation, written communication) and Business management skills (aligning own and entity goals, being decisive, collaboration and partnering, delegating, leadership, organising, professional judgement and strategy and project planning/management). Low et al.(2016) in a related study sought to explore the skills which employers require from professional accountants. Adopting a qualitative research approach with interviews as the research instrument of data collection, findings suggest that employers increasingly expect accountants to possess other skills like problem-solving and presentation skills in addition to the technical accounting skills.

In their survey of graduates, Lange et al. (2006) report that graduates perceive communication- and analytical-based skills as the most important qualities required for a successful accounting career. Digabriele (2008) in his study employing mean scores as data analytical technique found that the skills mostly rated high and expected of professional accountants include critical thinking, deductive analysis, and written communication. Tan and Fawzi (2017) who proceeding on the assumption that employability skills are very crucial in today's competitive job market sought to examine the employability skills of accountants as advertised in newspapers in Australia and New Zealand. Results of their study indicated that the most considered skills by employers encompass the ability to collaborate with colleagues, present, discuss and defend views, and having a positive attitude. Their study also revealed that being a team player with a positive attitude and good communication skills appeared to be the most valued behavioural skill required by employers. Based on these findings, the authors conclude that currently there appears a marked shift in the work of accountants evolving from being 'backroom number crunchers' to engaged business professionals.

A related study also comes from Lange, Jackling, and Gut (2006) who also examined graduate employability skills from a general perspective without focusing on only skills requirements of Accountants. Findings suggest that personal, interpersonal, and intellectual capabilities are the topmost skills required by employers. In another study, Johnson and Johnson (1995) examined graduate employability skills expected of accountants. Findings of their study suggest that graduates need to possess other skills aside technical skills to become employable. Findings of their study specifically revealed that the most sought after skills are communication skills and interpersonal skills. Findings, Also, shows that employers also look out for skills namely knowledge of software packages such as spreadsheet software, Microsoft Excel, Windows and word processing software are also in high demand. Kavanagh and Drennan (2008) report the results of their study which show that there exist differences in the degree of importance attached to individual skills for different groups of graduates/students, and educators and employers. Findings revealed that some employers look out of the ability of the employee to execute independent work whereas others attach much priority to teamwork and communication skills. Lange et al. (2006) following their study on graduate employability skills revealed that there exist a big gap in interpersonal skills, oral expression and computing/information technology skills. Rackliffe and Ragland (2016) report similar findings in their study on technological skills arguing that pointed out that there is a possible disconnect between Excel skills needed in practice and those developed in accounting education.

Wells et al.'s (2009) study indicate a gap exists between expectations of graduates and what university course programmes are providing in New Zealand universities. The greatest gap identified by graduates, employers and academics was the development of team skills. Bui and Porter (2010) adopting the qualitative research approach relying on interviews specifically found that employers considered communication skills to be essential as well as presentation skills. All employers interviewed in Bui and Porter's study considered teamwork skills essential for accounting graduates and emphasised the importance of accounting students engaging in work experience during studies to develop such skills. Bui and Porter did however find some differences between firms of different size in terms of the expectation of accounting graduates. For instance, medium-sized firms appeared to have high expectations of graduate capabilities and expected them to take on senior roles within one year. The 'Big 4' firms were interested in research skills being well developed in accounting graduates. Similarly, employer interviews in Jackling and de Lange's (2009) study showed that team skills were most frequently mentioned as desirable skills in graduates. Other skills emphasized by employers were leadership potential, verbal communication and interpersonal skills. A study by Lange (2009) identified a gap in graduate perceptions of skills acquired in their university studies and employer expectations of the skill

set of accounting graduates. Velasco (2012) argues that the perception by graduates that employers value higher grades when employing students is a misconception since the study indicates that employers value, "more aspects related with personality and other personal qualities of young graduates". The study further shows that "soft skills" are more important in the selection process and higher grades are valued more in the public sector. Similarly, Bouyer (2011) in outlining the expectations of Big 4 firms in terms of graduate recruitment, indicated that employers favour accounting graduates with a global mindset i.e. able to work in diverse teams including being able to interact with people from different cultural backgrounds. In the ALTC Accounting for the Future project, the changing graduate skill requirements were investigated (Hancock et al., 2010). Through interviews with 47 employers, the broad skill categories more frequently referred to by interviewees were: communication and presentation; teamwork and good interpersonal skills; self-management; initiative and enterprise; problem-solving; technological competence and planning and organizing skills. Klibi and Oussii (2013) report the outcome of their study which demonstrated that employers predominantly seek graduates who possess a diverse range of non-technical skills. Findings also suggest that accounting students perceive that it is rather technical skills which determine their abilities to pursue a career in the accounting profession. Findings further show that personal skills (personal and moral autonomy, dynamism), interpersonal skills (teamwork, communication, leadership), intellectual skills (critical thinking, the time management and pressure) and IT skills (the selection and the use of appropriate software) are mostly sought by employers.

A critical look at the findings emerging from these studies confirms that accountants are required to demonstrate a diverse set of skills besides the technical accounting skills. From the review, the findings reported indicating that these varieties of skills expected of accountants include analytical skills, business management skills including planning, communication skills, IT skills, and teamwork skills. Communication skills in particular are frequently reported by many of the studies reviewed which in essence highlight its relative importance when one talks of the skills requirements of accountants in contemporary times. As evident in the review, communication skills were reported by Fouche and Kgapola, (2016), Lange et al. (2006), Digabriele (2008), Tan and Fawzi (2017), Lange, Jackling, and Gut (2006) Johnson and Johnson (1995). Kavanagh and Drennan (2008) Lange et al. (2006). These studies also emphasize on personal skills including being analytically minded, ability to solve problems and ability to plan and anticipate changes in the business environment. Teamwork skills are also frequently reported by most of the studies reviewed. These studies include Klibi and Oussii (2013), Johnson and Johnson (1995), Bouyer (2011), Fouche and Kgapola, (2016) and Tan and Fawzi (2017). The studies reviewed also underscore the need for accountants to show IT proficiency which entails knowledge of various software that can be utilized to support business operations. Studies reporting IT skills include Johnson and Johnson (1995), Kavanagh and Drennan (2008), and Rackliffe and Ragland (2016). Taken together, these findings suggest the need for the development of soft skills by accountants. Personal characteristics, therefore, become cardinal. It might be said that ability to plan and anticipate, solve a problem, being analytical inter-alia are all a matter of personality factors which require recognition to develop them.

Again, a synthesis of findings reported by various studies suggests that accounting as a profession has witnessed a massive transformation in its role. It can be inferred that the role of the accountant has now assumed a wider scope to entail other functions including advisory and consulting services. It is quite evident that now accountants are seen as people who can complement other aspects of the functioning of organizations. To be able to do this Accountants must hone a miscellany of skills such as personal, intellectual, communication, and analytical skills in addition to technical and numeracy skills which are traditionally exhibited by professional Accountant. Communication skills, for instance, could imply that accountants would be required to work with others by sharing their vision, collaborate in several domains and promote awareness of saying accounting teams on relevant matters which all require communication skills. Communication and interpersonal competencies may become even more important than they already are. Growing demand for professional accountants who can combine these with business awareness and technical knowledge is a factor in this. As business now becomes more global in nature, there will be more audit and assurance work at the international level as it is already witnessed in shared-service centres. In this regard, professional accountants should possess strong communication skills to function effectively in a multicultural environment. This in practice calls for the establishment of strong teams who at the same time strong language skills and cultural and ethnic diversity. In a related way, besides the interpretation and explanation of numbers which require technical and numeracy skills, accountants will be required to provide insight and information; help organizations to achieve short-term goals and longer-term objectives; think and behave more strategically and become more involved in decision-making than before

With the ever-changing nature of the business landscape, more skills will be required of accountants. At both the internal and the external level, accountants will be called upon to provide not only thorough information but also forward-looking information and period reporting. When taken together, these will combine with others, further eliminating the barriers between functional silos, internal and external reporting, financial and non-financial performance. Professional accountants as a result must broaden their set of skills and capacity to address the needs of diverse stakeholders. The expectation will be that accountants must think

outside of the numbers and approach their role from a strategic business stance. The review also suggests that IT skills are becoming a key requirement of the accounting profession. Over time, IT will complement greater outsourcing of services and their return to in-house control. It can therefore be inferred soundly that knowledge of new models for business, funding sources, payments, services and products will be crucial for all professional accountants. Accountants must become proficient in the use of emerging technologies. In the areas of smart software and analytics, for example, competency of the accountant will ensure that there is better and closer-to-real-time reporting than today; support the transition from retrospective to predictive analysis and highlight the interconnectedness of financial and non-financial performance. The same can be said of video and social media which can generally improve collaboration, disclosure, presentation and stakeholder engagement.

It might be said that in this changing role of accountants, there could be variations in the skills required. For example, it is possible that technologically intensive firms largely work with technological tools and hence requires technologically savvy accountants. However, the public sector may put primacy on communication and compliance skills due to the greater expectations and demands required by stakeholders of various kinds in the public sector. This will mean that accountants must be able to communicate and comply with regulatory standards. The accountant for example may be called upon to explain financial information to investors or their representatives who are generally interested in the return on their investments. Likewise, the accountant could interact with providers and suppliers who also aim to collect their money at maturity as a result of the delivery of goods, performance of work or services. Further, the accountant should also interact with financial creditors who also seek reimbursement at the maturity of loans and related interests.

IV. CONCLUSION AND RECOMMENDATIONS

In this paper, we set out to generally examine the skills requirements of accountants in a changing work environment. To this end, we employed a secondary research methodology to unravel the skills required by accountants as reported by various studies. We conclude that the role of the accounting profession has now broadened in scope to include managerial dimensions. We also conclude that Accountants in general require a diverse set of skills to assert their salience in modern organisations. These skills cover technical skills, intellectual skills, communication skills, business management skills, analytical skills, IT skills, and business management skills.

The results of the study have some implications for policy and practice which requires elaboration. As a general recommendation, it is suggested that top senior management in business organisations should begin to recognize the potential role of the accounting profession in the management of affairs. This represents the starting point from which the full role of Accountants can be explored. Specifically, business organisations must aim to transform their accounting and finance offices through the adoption of the latest technology. Also, it will be useful to expand the scope of accounting and finance to cover a wider range of management information, generating new insights and business solutions and again provide and empower finance and accounting professionals with new competencies and growth mindsets to help your organisation create and preserve value. Higher educational institutions should also ensure that accountant instructional content meets societal and industry needs. Granted this, results of the study should be useful to stakeholders who are interested in accounting education. Specifically, educational institutions like universities should be interested in revising curricular that teaches the emergent skills required of Accountants. The curricular must move beyond the numerical content and nature of current accounting education. Professional bodies like the ACCA and CA must also revise their models in a way that engenders these skills set of Accounting students or professionals. Students of accounting are also encouraged to learn other professional courses which potentially enhance the varied skills set required of Accountants

Suggestions for further research

The study employed a secondary research methodology. Though the results of the study provide useful insights into the skills required of accountants, it is recommended that future studies should be grounded on empirical grounds. It may for example be useful to explore the perceptions of accountants on their changing role to determine the extent to which they recognize and embrace this reality. Similarly, studies into how accounting is currently playing or not playing any strategic role in business organizations should be explored. Further, it will be important to explore the factors which influence the extent to which business organizations perceive accountants as key actors in the strategic management of their businesses.

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