



Soft Accounting Skills between Employers' Expectations and Students' Reality after COVID-19 Pandemic

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Abstract

Business environment, the requirements of the accounting profession, in addition to the demand and supply of accountants, are the main parameters that influence accounting education (Zraa et al., 2011). These factors determine what subjects should be introduced to accounting students to meet the quick changes in the labor market. Globalization and innovations in Information Technology made it essential that university accounting graduates must be fluent in technical knowledge (hard skills) beside non-technical (soft skills). Having technical knowledge alone is not enough for preparing graduates for their future career. Employers now look for employees equipped with a combination of soft and hard skills. After COVID-19 pandemic, the challenges and competition in labor market would increase and it would be harder for accounting graduates to get a job. An employee who is technically qualified and armed with necessary soft skills, including communication and thinking skills, is more useful for the company by introducing better quality services (Bancino and Zevalkink, 2007). As a result, it was suggested that accounting students are expected to combine hard and soft skills to prepare them for better multitask in today's modern labor market expectations especially during the crises.

Keywords: Soft Accounting Skills; Employers' Expectations; Accounting Students' Qualifications; Accounting Education; Impact of COVID-19 on Labor Market

1. Introduction

Having practical experience through acting as real professional accountants, in addition to the knowledge gained through professional accounting education programs during university study and after graduation, is very important before accounting students can start their profession in the labor market as professional accountants (see also IES 3, Professional Skills and General Education). The requirement for practical experience, including soft accounting skills, may differ from one body to another, because of the variety of circumstances surrounding professional accountancy bodies throughout the world, the balance between practical experience and academic study or studying for professional qualifications may vary from one qualification to another. International Federation of Accountants found that member bodies needed to adapt their practical experience requirements to meet their own needs and requirements, the requirements of the relevant regulatory authorities, as well as public expectations that professional accountants are qualified enough (Yu et al., 2013). It is also important for accounting education to regularly evaluate whether the students are learning essential skills to be ready for the profession or not. Labor market environment is highly demanding for graduates who are able to deal with current market needs and the continuous changing scenarios (Zureigat, 2015). In addition to the recent crisis of COVID-19, dynamic business conditions, global competition, changing markets, advances in technology, and increasing complexity caused increasing demand for highly skilled accountant graduates armed with the latest business knowledge (Kennedy and Dull).

COVID-19 pandemic had a severe impact on labor market, employers, employees, and also graduates. There is a need for highly skilled employees and graduated to deal with the effect of COVID-19 pandemic helping a quick recovery for the labor market. Job losses came in waves coincidentally with increasing levels and government restrictions and public health guidelines. It is thought that the jobs which were lost before the mandatory closure announcement may be slower to regain employment (Byrne et al., 2020). It is too early to evaluate the economic damage of the pandemic on the international economy, but there is no doubt that negative impacts will be huge beyond the lock down phase (Magill and McPeake, 2020). In consideration of these challenges, regulators can play a main role by helping to deal with the expectations of investors, markets, and other stakeholders in a way that reflects the unusual circumstances of the crisis. This needs a direct cooperation between investors, corporates, and various constituents of the accountancy profession to proactively identify and gets a clear clue of crisis-related issues and impacts (IFAC, 2020)

2. Materials and Methods

Review of prior articles and researches related to the soft accounting skills and the gap between employers' expectations and students' reality especially after COVID-19 pandemic. Main studies reviewed are: (Kavanagh et al., Stakeholders' perspectives of the skills and attributes for accounting graduates, 2009), (Byerlein and Timpson, 2017), (International Labour Organization, 2020), (Low et al., 2013), (Byrne et al., 2020), and others.

2.1. Objectives

This article depends on related prior studies to identify:

1. Labor market challenges after COVID-19.
2. Definition of soft accountancy skills.
3. Employers' expectations for accounting students to get a job.
4. Accounting students' readiness to fill the expectations.
5. Key ways to improve soft skills for accounting students after COVID-19.

In the end of this article, I hope to introduce some views of the newly COVID-19 pandemic and its impact on labor market, identify what do the labor market need for the recovery process and what should accounting students possess to be employable. I discuss the role of accounting soft skills as a suitable solution to reduce the gap between employers' expectations and the accounting students' reality.

3. Results and Discussion

3.1. Labor market challenges after COVID-19

Border closures, travel bans, and quarantine measures have led to:

- Many employers cannot go to their work places or carry out their jobs.
- Consumers around the world are unable or do not want to purchase goods and services.
- Negative effects on incomes, particularly for informal and casually employed workers.
- Expectations for the economy and the quantity and quality of employment are rapidly becoming worse.
- Because of the current phase of uncertainty and fear, corporations would often delay investments, purchases of goods, and the hiring of workers.

While updated forecasts vary considerably, and understand the situation, they all refer to a wide negative impact on the international economy, at least in the first half of 2020 (UNCTAD, 2020).

The world witnessed many crises along ages; these crises often had a negative effect on labor market demand for employment. During COVID-19 pandemic it is expected that underemployment and unemployment would increase on a large scale is also expected that unemployment would increase on a large scale. As what happened in the previous crises (e.g., the world financial crisis) that effect on labor demand would lead to a clear downward adjustment to wages and working hours. Hence, self-employment and informal employment could be default options for graduates and employers to maintain income and to survive till the crisis end; they do not typically react to economic downturns. As a result, informal employment and self-employment tend to increase during COVID-19 crisis and probably after it. However, the current limitations on the movement of people and goods may restrict this type of coping mechanism (International Labor Organization, 2020).

3.2. Definition of soft accounting skills

Soft skills are personal attributes, social skills, and communication ability which enhance interpersonal relationships and interactions with the others (Kelman, 2005). Soft skills emphasis accounting graduates' ability to collaborate with the internal and external workplace stakeholders including customers, workplace stakeholders, coworkers, and management. According to (Oxford Dictionary, 2020) soft skills are defined as personal qualities that qualify someone to communicate well with the others; soft skills also include team work, enthusiasm, and emotional intelligence. Beard et al., 2008, explained that soft skills are concerned about the way the people behave towards each other's and how they interact. They mentioned some soft skills, communication, and leadership abilities, team-work skills, and motivating team members. Similarly, Boyce et al. (2001) said: "Soft skills are a range of general education skills that are not domain- or practice-specific, and include communication and interpersonal skills, problem solving skills, analytical skills, critical skills, and judgment skills" (Boyce et al., 2001).

Development in accounting education either in universities or institutions is highly appreciated to keep up with the business demand. This development would enhance students' abilities to fill in the expectations of the labor market. Many universities started to introduce Experiential Learning Activities (ELAs) into their accounting courses to develop their educational programs (Deloitte, 2020).

Several examples of soft skills should be available in accounting students to be qualified to get employed according to employers' expectation, these examples are mentioned by Robles (2013), as included in Table 1.

3.3. Employers' expectations from accounting graduates to get a job after COVID-19

Millions of graduates around the world are unemployed or underemployed, although many employers cannot fill the jobs they have. Kavanagh et al. (2009) identified soft skills required by employers to work

Table 1: Examples of soft skills

Soft skills	Examples
Communication	Presenting, oral, writing, listening, and speaking capability.
Courtesy	Manners, gracious, respectful, and business etiquette.
Flexibility	Adaptability, lifelong learner, accepts new things, teachable, and willing to change.
Integrity	Honest, does what is right and personal values.
Interpersonal skills	Nice, friendly, has sense of humor, patient, social skills.
Positive attitude	Optimistic, encouraging, confident.
Professionalism	Business like.
Responsibility	Accountable, reliable, self-disciplined.
Teamwork	Cooperative, agreeable, gets along with others, supportive, and helpful.
Work ethics	Hard working, loyal, willing to work, initiative, good attendance.

as an accountant, these skills are: “Communication presentation, self-management, team work, and good interpersonal skills.” After the analysis of interview transcripts, they discovered the importance of non-technical skills in areas of recruitment, training, and ongoing workplace skills. Communication, in many forms, in addition to team work, interpersonal skills, and self-management were highly demanded in graduates and also made a difference in employers’ progress within the workplace. These skills were often considered as tools of discrimination in recruitment when faced with the choice of applicants of roughly equal academic merit.

Through a study done by Kavanagh et al. (2009) on different Australian Stakeholders to define hard and soft skills (technical and non-technical) and identify their expectations from graduates along their career, they insisted that they need highly skilled graduates to get employed. Most stakeholders suggested that students’ soft skills needed to develop during their academic study. Some of them suggested a communication between the universities and employers to develop students’ soft skills and improve their training. Anyway, whose responsibility was, the employers need and choose accounting students who show strength in the area of non-technical skills.

For employment, employers are found to prefer Accounting students who had soft accounting skills (also known as non-technical skills) additional to the basic technical skills than students who only had technical accounting skills (also known as hard skills). They looked for general understanding, competence, and willingness and a capacity to learn, but were content to undertake much of the technical training them. The discussion about whose role it was to develop both technical and non-technical skills was most obviously the responsibility of the universities (Kavanagh et al., 2009).

The study of Ulster University in Northern Ireland showed that any interventions in labor market should pay attention to those who were unemployed before the crisis during the recovery period. It also should be recognized that the newly unemployed graduates are more work ready than long-term employed, and active labor market (interventions) should be tailored appropriately (Magill and McPeake, 2020).

3.4. Accounting students’ readiness to meet the expectations

Most often, students’ reality does not meet the expectations of employers. Low et al., 2013, suggested that accounting education must enhance students’ understanding of the principles and concepts underlying accounting and business practices.

All knowledge, skills, qualities, and understanding that should be developed by students during their study in the university are known as students’ qualifications. These qualifications determine their employability by employers. De La Harp and David (2012) agreed that soft skills are a critical outcome of a modern university education, and accounting graduates need to be capable of demonstrating the necessary skills when seeking graduate employment. Students had to be skilled with independence and lifelong learning to overcome the challenges in their way of success. These challenges might be lack of knowledge, lack of motivation, inadequate time and resources, group mentality, or unwilling to change (Hurst, 2018). Overtime, traditional education and development programs aim at preparing students for labor market through enhancing their skills such as personal presentation, time management, and personal attendance, these skills are found to increase their employability.

Byerlein and Timpson (2017) argued that the accounting profession is no longer related to just reporting data. Employers expect more complex role from the accounting graduates to apply judgment and solve problem in a wide range during their profession. Graduates might lack the required skills because the university accounting education is restricted by standards by using the accreditation. These standards need to be changes to give more flexibility to the accounting education for more development and student preparation.

Hatane et al. (2020) insisted that the learning environment should enrich students’ perceptions to understand the labor market needs through active and independent learning. Accounting students would be able to face the challenges and crises and they could put themselves in the right positions when they were prepared well. It is essential to strengthen students’ skills and enhance their knowledge as a part of the educational process considering the rapid development of technology and knowledge. Attitude

and learning environment will influence students' perception through creating active and independent learning. Good perception makes students, ready to face the era challenge, and able to choose the right career for themselves. Students also need to have passion toward their study and always looking for more learning, they should continue their learning process even after graduation, and this is called lifelong learning. Accounting students have to be ready to deal with any urgent situations and strong competition in the labor market.

Accounting students need to learn and practice skills that would enable them to be more efficient and flexible in their professional development and toward lifelong learning (Cord et al., 2010). Ha et al. (2010) suggested that it would be more helpful to include a wide range of courses being designed specially to enhance soft skills for students. These technical courses would then provide opportunities for students to apply and improve those skills. This approach would equip the graduates with a solid base in both technical and non-technical skills (soft skills) that would make them ready to work and further develop in the workplace.

Hence, learning environment needs continuous updates to satisfy the students' need of the suitable learning system. A good learning environment must facilitate and support students' learning process. Identifying assets of each university is also advisable to discover its strength and weakness of learning environment to identify the defect in the educational process and know how to develop and where to develop (Hatane et al., 2020).

3.5. Key ways to improve soft skills for accounting students

Through their survey on accounting undergraduates' students, Malaysian Ministry of Higher Education concluded that accounting student needs to improve their soft skills as practice during their study in university or higher institutions. That online survey, known as the Malaysian Soft Skill Scale (My 3s), included seven types of soft skills are, communication, thinking, teamwork, problem-solving, lifelong learning and information management, morality, entrepreneurship, ethics and professionalism, and leadership skills (Yunus et al., 2005; Ministry of Higher Education, 2012).

In another Malaysian study, Bancino and Zevalkink (2007) found that the development of Malaysian environment needs accounting graduates highly qualified with soft skills beside their solid technical skills to improve the employability in the labor market. That study also found that the industrial training for accounting program developed specially three soft skills included communication skills, leadership and teamwork, and self-management. Although some scholars believe that expecting graduates to possess all the skills needed by employers are unrealistic, industrial training component of the accounting program could help the students to improve their soft skills before they graduate (Bacino and Zevalkink, 2007).

In recent years, many firms have started to find out the relationship between employees' soft skills and the overall success of the organization. Hence, the American Institute of Certified Public Accountants' Project Vision 2011 recently advised that all accounting graduates should possess "soft skills" as a main qualification to be efficient as accountants. They mentioned "communication and leadership skills" and "strategic and critical thinking skills" as vital soft skills. Accountants today should be capable of providing quality advice for strategic decision making through data linkage. The university courses should provide real-world learning experiences for the students to emphasis their professional capabilities in teamwork as, as a way of improvement. This enhances the importance of the balance between university and workplace environments for preparing and developing professional capabilities (Wells et al., 2009).

On the other hand, it was found that the workplace was better than the university to develop soft accounting skills. In workplace place accounting graduates develop their skills through real interaction with clients and workmates, real problems and exposed to the difficulties of accounting profession. They interact with various kinds of people, making instant decisions, and solving actual business problems. Hence, soft skills were naturally developed and improved through work experience (Ismail, 2013). Sithole (2015) said that the expectations for graduates would differ dramatically across different employer groups, reinforcing the view that the required skills to make a graduate work-ready would depend upon the employment role.

Because of the importance of soft skills for accounting graduate's employment and measuring the efficiency in the accounting career, the soft skills should be obviously represented in higher education policy. In Australia, for example, universities had suggested requirements that graduate complete a "generally accepted" set of attributes typically embedded within degree courses across each university. Naidoo et al. (2011) said that the university-wide policy demonstrates the desire of universities to improve the development of graduate capabilities that include lifelong learning, technical training, oral, written and interpersonal skills, as well as exposure to organizational skills and technology generally known as generic skills (Naidoo et al., 2011).

Investing in development of accounting education was found to be the best way for stakeholders to sustain competitiveness in the economy to face the crises and the globalization. The quality and quantity of accounting education measures the competitiveness of the system during the crises. Developed education can be a good weapon to fight the crisis. The accounting education's role in sustaining competitiveness in the globalized economy can be emphasized in the strategies to combat the crisis (UNESCO Bangkok, 2020).

4. Conclusion

Minimizing the gap between employers' expectations and students' reality is the way to recovery of the labor market. Through viewing related researches, I found that accountancy soft skills are thought to be more valuable for the accounting students to deal with the challenges of the labor market especially after the crisis of COVID-19. Many employers preferred graduates who can deal with urgent situations and have the ability of problem solving and communication in workplace, other soft skills are required according to their positions and tasks in workplace, also different employers have different expectations. Accounting students should get skilled well to deal with changes in employers' expectations; these expectations are found as parameters depending on urgent situations in labor market, crises, technology, and tough competition (Deloitte, 2020).

We can learn lessons from previous economic crises (e.g., the global financial crisis). A focus on employment, including self-employment, is essential to facilitate the recovery of the labor market during and after the pandemic. Policies that support skills development and entrepreneurship cushion the impact of unemployment (International Labor Market Organization, 2020). There must be communications and information exchanges among employers, educators, and accounting students to face the expectations of the labor market for a quick recovery from the negative impact of COVID-19 pandemic on the international economy. Higher education must prepare accounting students to deal with changing and expectations in labor market. In addition to basic skills, students should be educated in a different way from the current learning knowledge and skills.

4.1. Recommendation

More studies are needed to determine how accounting soft skills could be developed for students in the university as well as in workplace. Furthermore, it is important to make an investigation of recent graduates employed in the corporate sector to ascertain whether the competencies of these graduates can meet the expectations of their employers or not. Corporate sector needs to communicate with accounting educators to gather their efforts to address the graduates' skills and improve their employability qualifications. Hence, more researches are needed to understand system alignment, learning outcomes, and youth workforce readiness for recovery after COVID-19 pandemic. Taking diverse youth voices in future research in consideration, particularly from the most marginalized youth, cannot be neglected (Deloitte, 2020).

Finally, the expectations of employers in relation to high-performing or successful graduates would enrich the feedback on professional capability development in accounting education (Wells et al., 2009). Constrained competition may be better motivation because it would provide more and different solutions to companies to overcome the crisis effect (Benston et al., 2006). Employers could self-select the standards they apply based on their individual costs and benefits, where the choice itself

is revealing. Eventually, the market rather than a global standard setter would sort out which standards are more useful than others.

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