



Industry Report

What do Financial and Accounting Employers Want?



Foreword

Employers hire for attitude, skills and knowledge

What we wanted to find out from this survey was the importance placed on accounting or other relevant degrees to entry level accountancy and finance recruitment. Does it make sense for a student to saddle themselves with substantial debt at university and what do they gain out of it? I suspect that although university life may be fun and will allow some individuals to mature, a traditional undergraduate degree might not be everyone's first option.

So I am delighted to see that the importance we place on professional courses is shared in the finance industry as a whole. The importance of being professionally qualified to the future advancement of any accounting professional cannot be overstated. Without such a qualification there is normally a limit to progression in any financial organisation.

GAAPweb: From Part Qualified to CFO

Our aim in participating in this research was to understand the key requirements employers have when recruiting entry level candidates. We know that 80 % of GAAPweb candidates hold a professional qualification but wanted to understand 'is this what recruiters are looking for?' The research highlights that qualifications are of



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These qualifications will not suddenly catapult individuals to CFO roles, but more hurdles will have to be faced without them.

If employability and advancement are the key considerations, it may be far better for the student to eschew university and focus immediately on professional qualifications. This way the student can gain employment at an early stage and match knowledge learnt in the classroom with appropriate work experience.

We could not have come to these and other conclusions without the considerable assistance of GAAPweb in developing this survey. I would like to thank them and I look forward to co-operating again to ask other pertinent questions of the accounting industry and their training needs.



course important to recruiters but there are many other factors that candidates should be aware of.

We continue to work with institutions such as London School of Business and Finance to help candidates enter the job market and build their career in finance and accountancy.

In May 2014, the London School of Business & Finance (LSBF) and GAAPweb conducted an online survey to find out what financial and accountancy employers look for in candidates when recruiting for entry level positions. LSBF and GAAPweb gathered information from 149 senior managers in the financial industry, as well as from human resources departments and recruitment consultants specialising in the sector. The findings provide a clear insight into the fundamental importance that professional qualifications such as AAT, CIMA and ACCA play in the sector. The survey also revealed the most sought-after technical and soft skills that employers are looking for in their entry-level candidates.

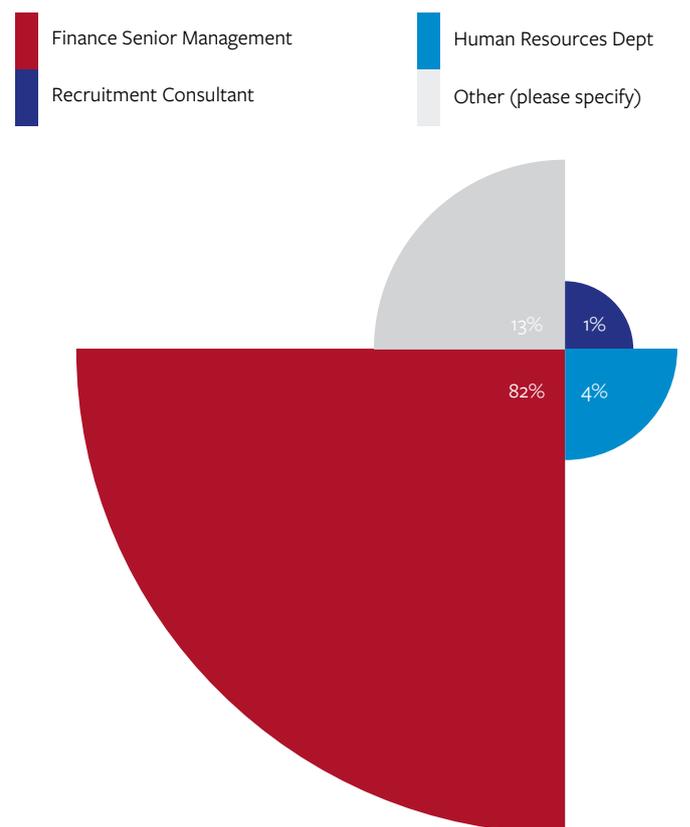
In a competitive industry such as accountancy, having the right skill set is just the first step towards a demanding but potentially rewarding career. While the path towards career success is clear for many young accountants, the options available when it comes to qualifications and training programmes can confuse many of those looking to enter the profession. With that in mind, LSBF and GAAPweb are providing information to simplify matters for budding accountants who might find it difficult to choose the most appropriate qualifications, specialisations or professional training options. This survey's goal was to identify what employers want from entry level candidates and the career paths or courses of study that will make it easier for young professionals looking to progress.

With the recent and substantial rise in university tuition fees, students are increasingly questioning the importance of a degree to their future career, weighing up the costs and benefits of making such a commitment. At the same time, the popularity of professional qualifications such as AAT, ACCA and CIMA seems to reflect the fact that students might be more open to different pathways through which they can enter the profession. So the question is: does a student benefit from gaining a degree if wishing to operate in

the accounting industry? Or would it be more cost effective to study for professional exams immediately after leaving school? The fundamental issue is that further study might still be required after gaining a degree, as the professional qualification is the core requirement for any senior accounting position.

In order to answer these questions, LSBF and GAAPweb sent an online survey to a segment of GAAPweb's clients. A total of 149 individuals responded to the survey, the majority being senior finance managers (81.8%). Recruitment consultants and financial firms' human resources department represent 5.3% of the surveyed sample. Other participants included development bankers, chief administrative officers, financial governance managers and finance and HR directors. Although it was a relatively small sample, the selection of the right participants was essential to ensuring that results were representative of the views of decision-makers in the recruitment process.

Respondents Profile: Please select the option that best describes your role



Key Findings

The survey results indicate some fundamental truths surrounding the accounting profession that, in the current educational climate, might change the landscape of the accountancy training industry. Although university degrees are still highly regarded by employers, the survey found that professional qualifications such as AAT, CIMA and ACCA were considered “as important” as undergraduate degrees. Another key fact that emerged is the critical importance of previous work experience. The results show that having previous exposure to the professional world and to the work environment is still a competitive advantage for candidates at all levels.

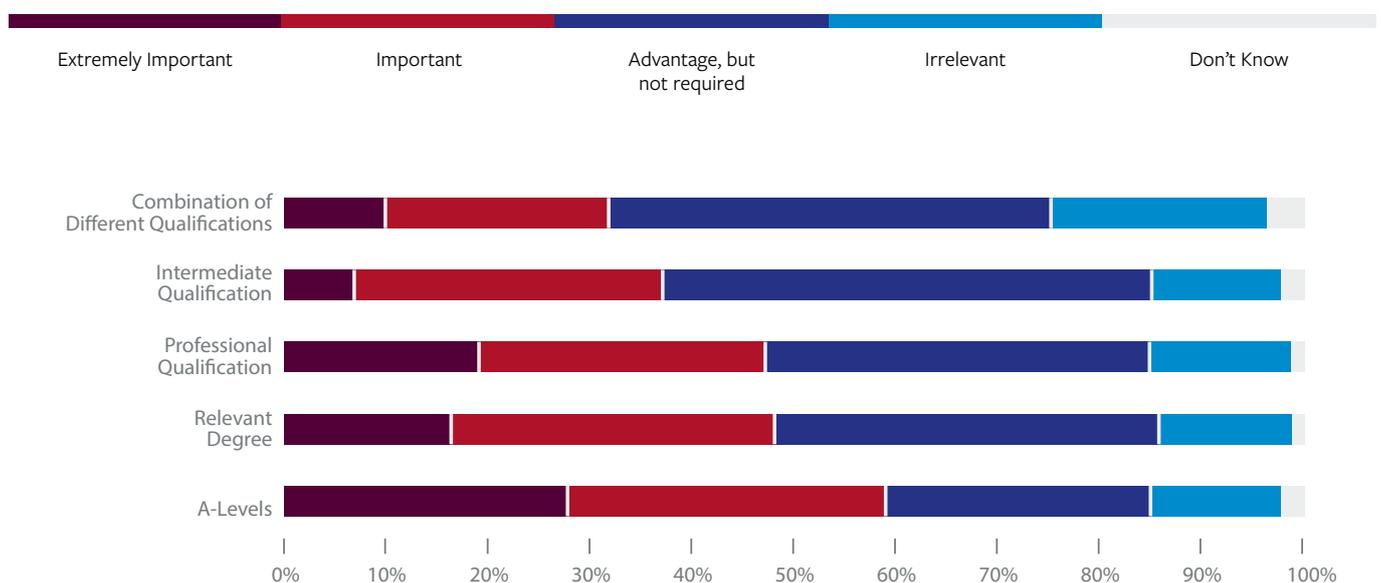
1. Most valuable qualifications

When it comes to entry-level recruitment, different accountancy firms have different structures in place. While Big Four firms usually run well-known training and development programmes for their entry-level staff, smaller firms tend to recruit young graduates or part-qualified accountants

and sponsor the continuation of their studies. “We prefer to recruit entry-level professionals and grow them within the business”, said one of the survey participants. “Some do have unrealistic expectations that they will be management accountants within a year”.

When asked what qualifications are the most valuable for their entry-level accounting staff, A-levels had the highest score, with 59% of respondents saying they are either ‘important’ or ‘extremely important’ in the recruitment process. Interestingly, academic degrees and professional qualifications had very similar overall scores. While 48.54% of participants said they considered relevant degrees (e.g. BA Accounting) to be ‘important’ or ‘extremely important’, 46.31% stated that they consider professional accountancy qualifications such as ACA, ACCA and CIMA to be ‘important’ or ‘extremely important’ when it comes to selecting candidates (as shown in Figure 1). The fact that professional qualification are considered as important as traditional university

Figure 1: What qualification do you find most valuable for your entry-level accounting staff?



degrees is not surprising given the level of rigour that the professional exams bring to application of technique over theoretical learning and the fact that the hiring manager is likely to be professionally qualified and can see the benefits of being so from their own experience.

Results also show that entry-level candidates can benefit from the competitive edge granted to them by intermediate accountancy qualifications such as AAT and CAT, with 49% of participants qualifying them as an ‘advantage, but not required’. Furthermore, 30.2% said that they are ‘important’. However, intermediate qualifications don’t seem to be a crucial factor in the recruitment process, as only 7% of interviewees said they were “extremely important”.

Similarly, combinations of different qualifications (e.g. ACCA + BSc), which is a growing trend in the accountancy training industry, are considered a benefit by recruiters, with nearly 45% of interviewees giving them the ‘advantage, but not required’ vote.

2. Recommended professional qualifications

Professional qualifications play a very important role in the British financial and accountancy sectors. The law requires that many functions must be carried out by a registered, qualified, chartered

professional. As a result, there is a wide range of professional accountancy qualifications available on the market. Such diversity can generate uncertainty amongst students who want a career in the sector, so we asked interviewees to tell us which qualifications are the most recommended for entry-level accounting staff.

The results show an interesting trend. The most popular option was AAT (Association of Accounting Technicians), an intermediate, technical qualification, which was ‘selected’ by nearly half of all respondents (49.66%). Second on the list is CIMA (Chartered Institute of Management Accountants), a qualification that focuses on management accounting and strategy formulation (Figure 2).

Another high scorer was the ACCA (Association of Chartered Certified Accountants) qualification, which prepares students for the statutory requirements of Accounting, Tax and Audit. It was selected by more than 35% of all respondents. While some of the respondents commented that the preference for a specific qualification depends upon the role, CIMA and ACCA’s popularity shows that most firms still prefer candidates to hold the largest and most widely recognised qualifications, even for entry-level roles. Other qualifications included in the survey scored significantly lower. The ACA (Association of Chartered Accountants) was selected by just over

Figure 2: Which of the following professional qualifications are the most recommended for entry-level accounting staff?



one fifth of respondents, while CFA® (Chartered Financial Analyst), CAT (Certified Accounting Technician) and IFA (Institute of Financial Accountants) were recommended by less than 10% of respondents. This significant difference could be because qualifications such as CFA, CAT and IFA have an industry-specific focus, while CIMA, AAT and ACCA tend to be more comprehensive.

Accountancy is a large industry, with sub-fields including forensic accounting, public sector accounting and many other disciplines. So we asked participants to tell us which accountancy disciplines they look for knowledge of.

On this count, financial accounting came out on

top, with nearly 85% of respondents regarding it as ‘important’ or ‘extremely important’. Managerial accounting, budgetary accounting, accounting information systems, tax accounting, audit & assurance and cost accounting seem to also be in high demand (Figure 3).

3. Candidates’ profile – personal attributes

In addition to discovering what employers look for in candidates, a key aim of the survey was to help young people choose the most adequate training to fit around their career, and how best to progress. We asked respondents to detail which attributes they consider important when recruiting for entry-level roles (Figure 4).

Figure 3: Which accountancy disciplines are the most sought-after by employers?



The highest-scoring single attribute was aptitude/motivation, with 91% of respondents classing these skills as ‘important’ or ‘extremely important’. Quoting one participant, “motivation is the most important feature in a candidate – all the other things will follow”. Another respondent said: “At entry level I want people with aptitude, and integrity. We’ll teach them everything they need to know and help them through further education if they want it”.

The second highest-scoring attribute was relevant work experience, which was considered ‘important’ or ‘extremely important’ by 73% of respondents. Interestingly, despite focusing on entry-level roles, this result shows that having previous exposure to a professional work environment is still a competitive advantage for candidates at all levels. As one of the respondents explained, “Work experience is most important, as is common sense”. Interestingly, in the same question the ‘relevant work experience’ option scored higher than the ‘degree/professional qualification option’, reflecting the importance of apprenticeships and internship programmes as a step towards further career development. To quote one participant: “I am in the process of recruiting for two finance assistants. Despite requesting experience it’s been surprising that over

60% of applicants have no relevant experience”. Many employers also consider voluntary work, internships and placements as an advantage.

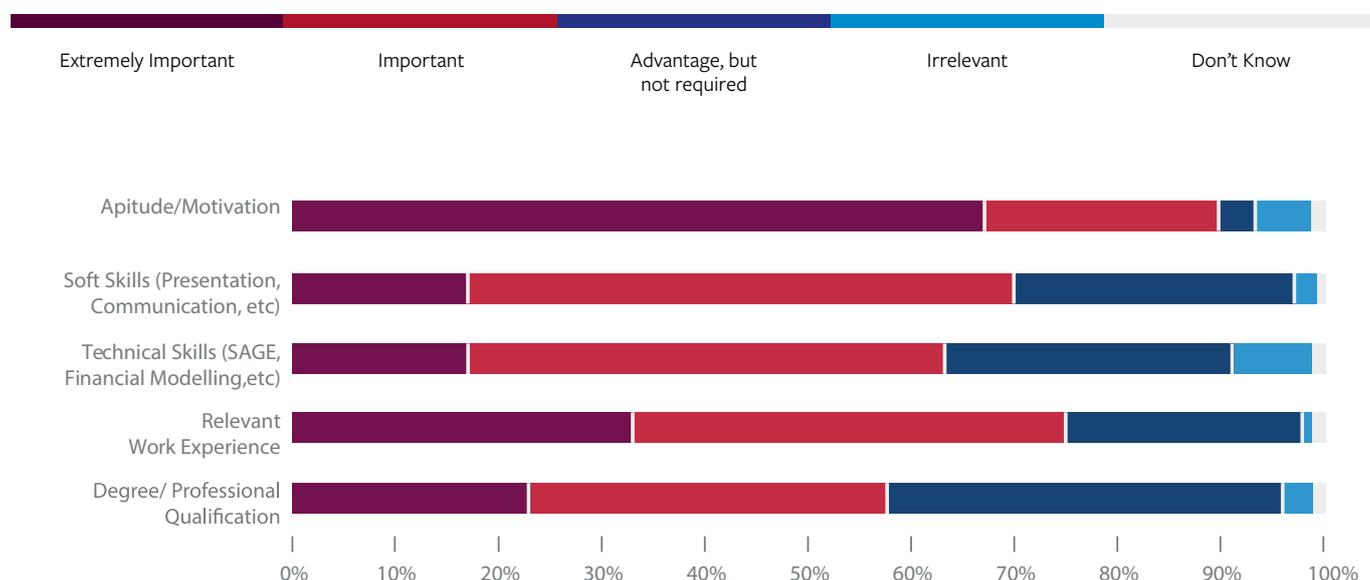
Also on the list: soft skills (e.g.: presentation, communication, etc) scored slightly higher than technical skills (e.g.: SAGE, financial modelling, etc), showing that employers are taking qualities such as teambuilding and good communication skills into consideration when recruiting for entry-level roles. The gap between soft and technical skills, however, is not too wide. While soft skills were considered ‘important’ or ‘extremely important’ by 70% of participants, technical skills had 61.91% of the same responses.

These results are reflected in a comment made by another participant: “The will is far more important than the skill. Team working, commitment and time management are key.”

4. Technical skills

In order to discover what kind of technical knowledge employers are demanding of their candidates, we provided participants with a list of skills and asked them to rate how useful they are for an entry-level role at their company or client. As expected, software such as Microsoft Office had

Figure 4: How important are the following attributes when considering an entry level candidate?

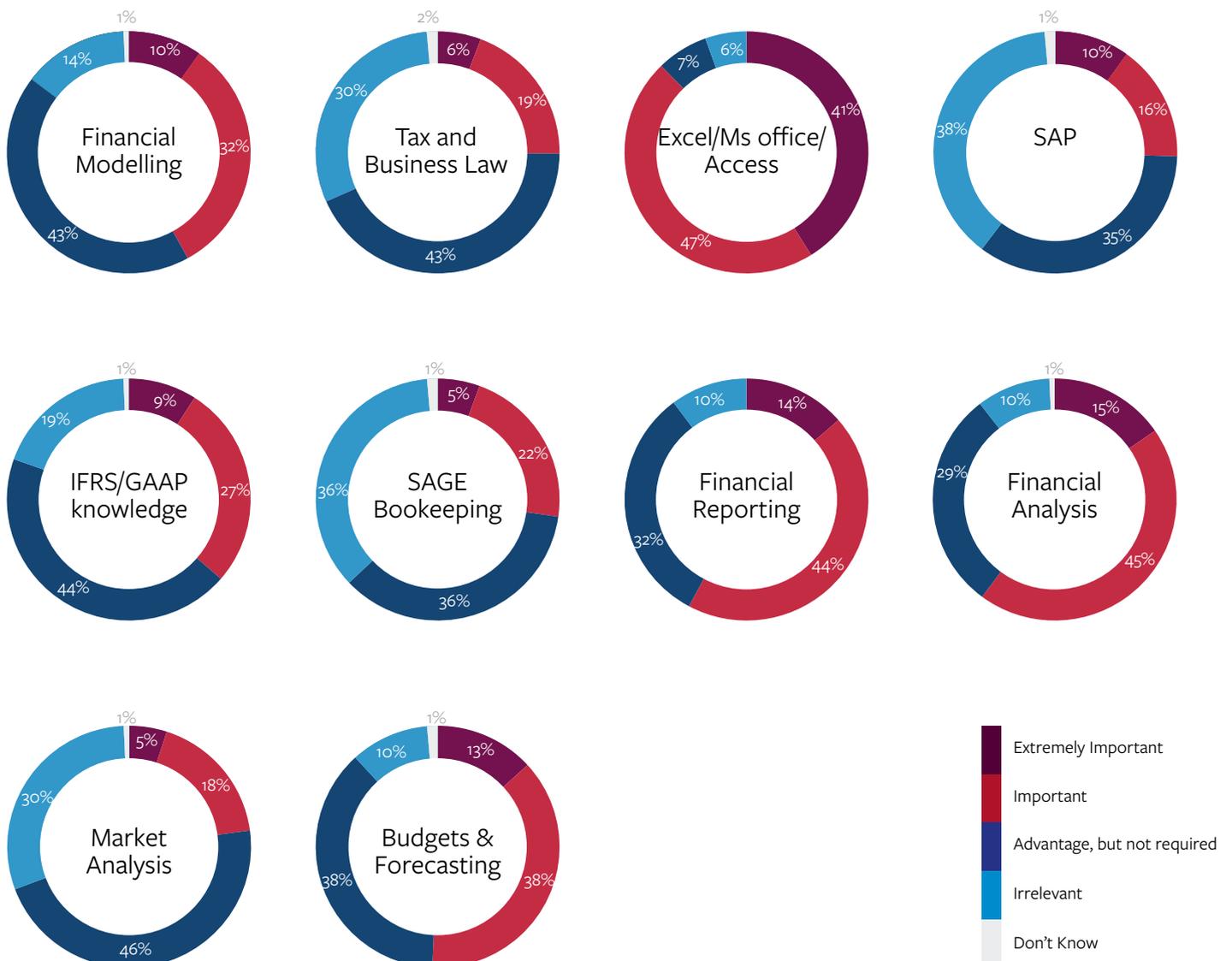


the highest score, followed by financial modelling, financial analysis, financial reporting, and budgets & forecasting. “MS Office is basic – if they don’t have that they don’t get in the door”, said one participant (Figure 5). Other specific skills such as tax and business law, SAP, IFRS/GAAP knowledge, SAGE bookkeeping and market analysis also had fairly high scores. None of the skills on the list had a notably low score, which might indicate that a comprehensive set of technical skills is something that employers look for in their candidates, even at entry-level. As explained by a respondent: “the person should not only have technical [skills], academic [skills] and experience, but also be a quick learner with a good personality”.

5. Soft skills

Across most industries, soft skills can be as important as the technical skills that are required to do the job efficiently. This is no different in the accountancy and financial sector. As one participant stated it, “there is a definite shortage of good entry-level candidates. Those candidates who are on the market often cannot communicate (either verbally or in writing) effectively, and struggle to apply what accounting knowledge they have to practical situations”. LSBF and GAAPweb asked participants which soft skills would be most useful for an entry-level role at their company or client. The results give a clear insight into what is required from

Figure 5: Which technical skills would be most useful for an entry-level role at your company/client?



young accountants in the workplace (Figure 6). Communication skills had the highest score, with more than 88% of respondents considering them to be ‘important’ or ‘extremely important’. These were followed closely by business and personal ethics, people skills and teamwork, problem solving and time management. Presentation skills and creativity also scored relatively high while, skills such as coaching,

leadership and negotiation had low scores, with 27% and 23% of participants respectively saying these are “irrelevant” for entry-level candidates. “I would not expect an entry-level individual to know more than basic accounting” said one respondent. “Odds are they are right out of school. Certifications are tests; while they may be difficult, they don’t gauge the ability of the person to actually perform.”

Figure 6: Which soft skills would be most useful for an entry-level role at your company/client?



What Employers Really Look For

“Self-confidence and job interest will take you a long way”

“Recruit for attitude and basic level of ability”

“Attitude Skill and Knowledge. At entry level I want people with attitude and integrity.”

“Ability to listen and understand along with willingness to learn, evaluate and make decisions”

“At entry level we’re looking for someone with initiative, common sense and enthusiasm.”

“Proper education, high motivation and ambition do all the tricks”

“Aptitude, motivation and potential are the most important.”

“Practical skills and a can-do attitude are essential in a small company”

“Work ethics remains important – the work-life balance mentality is fine but the profession requires people who will put in long hours when required”

“The engagement with the company is also key for entry level recruitment”

“Thinking on your feet, mental arithmetic and a positive attitude are all very important. Being willing to try but knowing when to ask for help is essential.”

Conclusion

The last few years have seen major changes in the accountancy and financial training industry. With the rise of university tuition fees, there is a growing demand for courses that provide students with more than just a qualification. As well as value for money, students and budding accountants are looking for different opportunities through which they can break into the profession, whilst making new contacts and gaining experience. Our survey demonstrates, previous work experience is an essential competitive edge when it comes to entry-level recruitment.

When hiring young accountants, employers are looking for candidates with a relevant qualification (degree or professional qualification), basic technical skills and some previous work-experience. When it comes to accountancy training, the popularisation of professional qualifications such as AAT, CIMA and ACCA amongst students seems to be reflected by what employers are looking for in their recruits. Although the popularisation of professional qualifications seems to be an important trend, recruiters are increasingly giving preference to work experience whilst placing more emphasis on personality traits such as motivation and communication skills. All of which presents a new challenge for educational institutions, namely that basic job skills are no longer sufficient. They must produce professionals who deliver effective feedback, demonstrate a passion for their work and operate effectively in teams.

About LSBF

London School of Business & Finance (LSBF) offers industry-focused programmes designed to reflect global market trends. LSBF attracts the most talented and ambitious candidates from more than 150 countries worldwide, and works together with its corporate partners to develop programmes structured with an up-to-date and international perspective in mind.

With a powerful e-learning platform and programmes covering industries from fashion to finance, LSBF has seen exponential growth over the last 10 years, establishing campuses in the UK, Singapore and Canada, and regional offices in over 12 cities around the world.

Alongside a wide range of undergraduate and postgraduate degree programmes, LSBF also offers intensive programmes leading to professional qualifications in accountancy, finance, marketing and tourism: ACCA, CFA®, CIMA, CIM, OTHM.

The school's innovative programmes are designed to help students distinguish themselves from other accounting, finance and marketing professionals – by providing not only a professional qualification, but also the practical skills that employers search for. At LSBF, students are also able to take advantage of a wide range of high quality study support and resources, all geared to rapidly accelerate their professional career.

LSBF is a Queen's Awards for Enterprise winner and an ACCA Approved Learning Provider Gold, in the London, Birmingham and Manchester campuses.

About GAAPweb

GAAPweb is the UK's leading job site for finance and accountancy professionals, advertising the latest vacancies from Part Qualified accountants to Finance Directors across all industry sectors.

Over 135,000 accountants visit GAAPweb each month. GAAPweb consistently deliver excellent results for a range of employers from SMEs through to big 4 and major corporate employers.

GAAPweb attracts a professional and qualified audience with 80% of candidates holding a professional qualification.

GAAPweb develop their quality audience through long-standing affiliations with key partners such as AAT, ACCA, IFA, PQ Magazine, London School of Business and Finance, the Institute of Directors, Accountex and Winmark's FD Chamber.

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