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The Value of Soft-Skills in the Accounting Profession: Perspectives of Current Accounting Students

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Authors' contributions

This work was carried out in collaboration between both authors. Both authors read and approved the final manuscript.

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ABSTRACT

With employers increasingly demanding a greater range of softer skills such as effective communication, the paper is intended to identify current accounting students' perspectives on soft skills, identify their self-assessed competence in the respective soft skills, and suggest ways in which accounting students can gain soft skills. We assessed students' level of perception/knowledge of soft skills, its' importance and their self-assessment of their level of possession of these skills. With a sample size of 313 participants, we found that there were fewer gaps in what students perceived as being important in the accounting profession and how prepared they are in fulfilling the expectations. In addition, we found that the universities were placing more emphasis on developing these soft skills that have shown to be beneficial in students' careers.

Keywords: Soft skills; accounting; soft skills in the accounting professions; university accounting curriculum.

1. INTRODUCTION

What is the relevance of soft-skills in the accounting profession? Can accounting professionals actually succeed without the necessary soft skills? The Accounting Profession,

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which has commercialized its' services extensively in the past two to three decades, is facing the challenges of change. An early and concerted response to the changes in the scope of work was the emphasis on developing generic skills in accounting higher education [1]. A recent study by Stivers and Onifade [2] confirmed that business professionals perceive the value of nontechnical skills higher than the students' perception. Employers are increasingly demanding a greater range of softer skills such as effective communication, the paper is intended to identify current accounting students' perspectives on soft skills, identify their self-assessed competence in the respective soft skills, and suggest ways in which accounting students can gain soft skills. Given the expectations of employers, we used this research to identify the current perspectives of employers, students and accounting professionals to determine their views, expertise, and expectation on the role of soft skills in the accounting profession. We assessed students' level of perception/knowledge of soft skills, its' importance and their self-assessment of their level of possession of these skills.

Historically, technology has had a profound impact on skills that employers want from business graduates [3,4]. The shift from an industrial economy to an information society and an office economy means that many jobs now place an emphasis on integrity, communication, and flexibility [5]. As noted by Robles [6], soft skills are as important as cognitive skills (John, 2009; Zehr, 1998). Enabling students to develop their soft skills could make the difference in their being hired for a job in their field [7] and the lack of soft skills can sink the promising career of someone who has technical ability and professional expertise but no interpersonal qualities [8]. Actually, since the mid-1980s, the members of the accounting profession have called for academics to emphasize the importance of nontechnical skills in the education of accountants [9].

Preparing accounting for long term career success is pivotal and is the responsibility of all stakeholders. In line with this research, "students typically receive an introduction to competencies such as analytical thinking and problem solving as part of their basic undergraduate education. They may then—via additional education or experience early in their careers—learn how to integrate those foundational competencies with other accounting and broad management competencies", [10]. These thought leaders, through the task-force established are calling for changes in accounting education and concluded that they support a broadening of the scope of the curriculum in two major respects. First, there is a need to attend to long-term career demands. Second, there is a need to prepare accounting graduates for careers across a wide spectrum of organizational settings. Drobocky [11] recently reminded us that soft skills that employers want are still lacking in new college graduates. Actually, soft skills are not only lacking in new graduates but senior accounting executives as well [12].

2. DEFINING SOFT AND HARD SKILLS

Hard skills are the technical expertise and knowledge needed for a job. Soft skills are interpersonal qualities, also known as people skills, and personal attributes that one possesses. Business executives consider soft skills a very important attribute in job applicants. Employers want new employees to have strong soft skills, as well as hard skills [6].

As cited by Mitchell, Skinner and White [13], Perreault [14] defined "soft skills" as personal qualities, attributes, or the level of commitment of a person that set him or her apart from other individuals who may have similar skills and experience. James and James [15] agreed that "soft skills" is a new way to describe a set of abilities or talents that an individual can

bring to the workplace. Soft skills characterize certain career attributes that individuals may possess such as team skills, communication skills, leadership skills, customer service skills, and problem solving skills [15].

A review of the recent and relevant literature cited several examples of soft skills that are expected by employers [6].

- Communication – oral, speaking capability, written, presenting, listening
- Courtesy – manners, etiquette, business etiquette, gracious, says please and thank you, respectful
- Flexibility – adaptability, willing to change, lifelong learner, accepts new things, adjusts, teachable • Integrity – honest, ethical, high morals, has personal values, does what's right
- Interpersonal Skills – nice, personable, sense of humor, friendly, nurturing, empathetic, has self-control, patient, sociability, warmth, social skills
- Positive Attitude – optimistic, enthusiastic, encouraging, happy, confident
- Professionalism – businesslike, well-dressed, appearance, poised
- Responsibility – accountable, reliable, gets the job done, resourceful, self-disciplined, wants to do well, conscientious, common sense
- Teamwork – cooperative, gets along with others, agreeable, supportive, helpful, collaborative
- Work Ethic – hard working, willing to work, loyal, initiative, self-motivated, on time, good attendance

Even in specific industries, for example, in the medical field, soft skills are becoming critical. Lazarus [16] stated that the ability to develop and use soft skills can help land outstanding job offers and lead to job success and subsequently identified the following core skills needed to succeed in the job search:

- Leadership - Although there is no universally accepted definition of leadership, or even general consensus on what constitutes the most effective style of leadership, it is widely recognized that great leaders possess traits in common such as wisdom, compassion and a high level of energy.
- Communication - It is essential for managers to communicate their thoughts effectively to others. That is why so many job postings for physician leaders ask for candidates with strong written and verbal communication skills.
- Professionalism - It is important to act in a professional manner at all times, but it is especially important when there is intense competition for health care positions at the executive level.
- Appearance - Body language, style, attitude and general deportment are an extension of your appearance.
- Etiquette - Etiquette codifies behavior by delineating expectations for appropriate social behavior in contemporary society.

Similarly, Stivers and Onifade [17] recommended through their study among accounting students that it would be helpful to academics as they design courses and class activities to emphasize the importance of nontechnical skills to success in accounting and to help students acquire these essential skills. Their overall results of the study suggested that the business professionals perceive the value of nontechnical skills higher than the students' perception.

3. IMPORTANCE OF SOFT SKILLS IN THE GLOBAL ECONOMY

Much research has been done on the importance of soft skills in the workplace [6,8]. One study found that 75% of long-term job success depends on people skills, while only 25% is dependent on technical knowledge [8]. Another study indicated that hard skills contribute only 15% to one's success, whereas 85% of success is due to soft skills [6].

Soft skills are very critical in the workplace today. These skills mirror the ability to communicate and interact with others. They are unique because they emphasize on action. They have become indispensable for every person in the present context [18]. Furthermore, soft leadership skills, such as self-awareness, self-regulation, motivation, empathy, and social skills, are steadily on the rise, and that greater attention should be apportioned to strengthen these skills in future leaders [19]. Most of our educational inputs deal with hard skills. However successful practice in any chosen discipline requires soft skills [20].

4. UNDERSTANDING THE RELEVANCE OF SOFT SKILLS IN THE ACCOUNTING PROFESSION

Over the past two decades, the business world has witnessed a dramatic change due to technology, business complexity, and globalization. As a result, accountants need to master not only the technical skills of their job but also various 'soft skills', including the ability to communicate, coordinate, work under pressure and solve problems [21]. The demand for such skills and competencies has caused a change in accounting education, providing both technical skills and soft skills to accounting students in order to adequately prepare them for the business world in the 21st century [22].

Furthermore, soft leadership skills, such as self-awareness, self-regulation, motivation, empathy, and social skills, are steadily on the rise, and that greater attention should be apportioned to strengthen these skills in future leaders [19]. Most of our educational inputs deal with hard skills. However successful practice in any chosen discipline requires soft skills [20].

For example, students, in addition to the technical skills required for an accounting career, also need to develop social or emotional intelligence [23]. This can be accomplished by helping them to equip themselves with professional skills like writing, speaking out, presenting, decision making and teamwork. In order to achieve this, new concepts, strategies and methodologies need to be introduced into the teaching of accounting. In the old paradigm, teachers were considered as the sole source of information and students approached them for every possible solution for problems encountered [24].

To climb higher on the corporate ladder, accounting and finance staffers can become expert in a challenging discipline, such as cost accounting. But to reach senior management levels, they typically need to acquire soft skills, such as the ability to communicate and to develop a broader grasp of the company's business. Unfortunately, accounting and financial staffers are deficient in both those areas, according to a March survey by CFO of 422 public and private CFOs, controllers, chief accountants and other senior finance executives. While they have more than enough number-crunching skills, they frequently lack the ability to communicate what the numbers mean, according to the respondents [12].

5. METHODOLOGY

What are current accounting students' perspectives on soft skills? What are students' self-assessed competences with respect to soft skills? What are the most effective ways in which accounting students can gain soft skills? To gather data on these research questions, we distributed surveys to multiple universities in the United States. A stratified sampling method to include undergraduate, graduate, men women, and a broad age range were used and within different geographic locations. The surveys were sent to department chairs who distributed the surveys to accounting professors who subsequently distributed the surveys.

Measures

1. Experiences - Experiences: To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?
2. Team Skills - To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?
3. Communication Skills - To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?
4. Leadership Skills - To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?
5. Decision Making – Problem Solving Skills: To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?
6. Self-Management Skills - To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?
7. Professionalism Skills - To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?
8. Core Skill Sets - To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?

6. RESULTS

We received 313 completed surveys from current Accounting students, all of whom have declared their majors and are within two years of completing their degrees. Surveys were received from undergraduate and graduate students. We asked participants to identify the relative importance of the following factors and then rate their level of competence, knowledge, and/or experience for each of the identified factors. A Likert scale of 1 – 5 was used with 5 being most important and 1 being not important at all.

Table 1. Results of survey

<i>Experiences: To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?</i>	Important	Prepared	Difference
o International experiences	4.2	3.4	-0.8
o Leadership experiences	4.8	4.1	-0.7
o Teamwork experiences	4.7	4.5	-0.2
o Community engagement experiences	3.4	3.6	0.2
o Cross disciplinary experiences	4.1	4.1	0.0

o Related work or internship experiences	5.0	4.2	-0.8
o Project management experiences	3.9	4.2	0.3
	4.3	4.0	-0.3
<i>Team Skills: To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?</i>			
o Aware and sensitive to diversity	3.5	3.9	0.4
o Productive as a team member	4.4	4.2	-0.2
o Work with multiple approaches	3.9	3.8	-0.1
o Positive and encouraging attitude	3.8	4.2	0.4
o Maintains accountability to the team	4.1	4.1	0.0
o Punctual and meets deadlines	4.4	4.8	0.4
o Share ideas to multiple audiences	4.4	4.8	0.4
	4.1	4.3	0.2
<i>Communication Skills: To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?</i>			
o Communicate accurately and concisely	3.9	4.1	0.2
o Listen effectively	3.7	3.5	-0.2
o Effective oral communication	3.6	3.9	0.3
o Effective written communication	3.9	4.1	0.2
o Communicate pleasantly and professionally	3.2	3.8	0.6
o Communicate appropriately and professionally using social media	2.9	2.8	-0.1
o Ask good questions	3.9	4.7	0.8
	3.6	3.8	0.3
<i>Leadership Skills: To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?</i>			
o See the "big picture" and think strategically	4.9	4.1	-0.8
o Build professional relationships	4.4	4.1	-0.3
o Recognize change is needed and lead the change effort	4.2	4.0	-0.2
o Motivate and lead others	4.6	3.9	-0.7
o Recognize and deal constructively with conflict	4.6	3.8	-0.8
o Recognize when to lead and when to follow	4.4	3.2	-1.2
o Respect and acknowledge contributions from others	4.9	4.1	-0.8
	4.6	3.9	-0.7
<i>Decision Making – Problem Solving Skills: To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?</i>			
o Identify and analyze problems	4.8	4.4	-0.4
o Creative and innovative solutions	4.7	4.5	-0.2
o Take effective and appropriate action	4.9	4.2	-0.7
o Realize the effect of decisions	4.5	4.4	-0.1
o Transfer knowledge from one situation to another	4.5	4.1	-0.4
o Think abstractly about problems	4.1	4.1	0.0
o Engage in life-long learning	4.2	3.8	-0.4
	4.5	4.2	-0.3

Self-Management Skills: To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?			
o Efficient and effective work habits	5.0	4.7	-0.3
o Sense of urgency to address and complete tasks	4.8	4.4	-0.4
o Adapt and apply appropriate technology	4.9	4.8	-0.1
o Self-starting	4.4	4.8	0.4
o Work well under pressure	4.9	4.9	0.0
o Well-developed ethic, integrity and sense of loyalty	4.1	4.4	0.3
o Dedication to continued professional development	4.4	4.9	0.5
	4.6	4.7	0.1
Professionalism Skills: To what extent do you view the following as important in the accounting profession and how prepared are you with each of the identified areas?			
o Accept and apply critique and direction in the work place	4.7	4.1	-0.6
o Understand role in the workplace and realistic career expectations	4.5	4.6	0.1
o Effective relationships with customers, businesses and the public	4.7	4.8	0.1
o Deal effectively with ambiguity	4.5	4.6	0.1
o Select appropriate mentor and acceptance of advice	4.4	4.9	0.5
o Maintain appropriate decor and demeanor	4.8	4.9	0.1
o Trustworthy with sensitive information	4.9	4.9	0.0
	4.6	4.7	0.0

Based on the results, students perceive experience as a critical source of developing their experience. For many, they are working part-time in the field or trying to do internships. There is not a significant gap in how they perceive experience and their preparation for an occupation in accounting.

Students are continuously working in teams in their classes which they view as important in developing the ability to function effectively in organizations and helping to contribute effectively in such settings. The general consensus is that students are conscious and comfortable with diversity issues.

Quite notable is the result for communication where students did not rank several of these factors as being very important. While it can be viewed that accounting is not a role to be dealing a lot with people, such perceptions can be viewed to be inaccurate.

The most significant disparity in what students view as important and how prepared they are currently was leadership. While it is understood that these students did not have much work experience, leadership development comes in many facets and can be developed in many ways including classrooms, teams, student activities, and internships among other sources.

Participants of the study expressed their views stating their decisions were being viewed as highly important and understand the severe impact of their decisions on the success of organizations. In addition, they understood the need to manage them-selves and to always be looking at ways to enhance their skills.

7. DISCUSSION AND CONCLUSION

The main function of Higher Educational Institutions (HEIs) is to produce skilled and knowledgeable workforce who are able to not only function with minimal guidance but also to contribute effectively to the hiring organizations [25]. Many studies have indicated that most HEIs have “somewhat similar course content and thrived at producing students with good academic achievement. But what differentiated them from one another is their ability to develop knowledge workers with the right employability skills or “soft skills” such as communication, problem-solving, interpersonal and other skills” [25] deemed important as the foundations by which they require to function at work regardless of the nature of employment.

For example in a study among Italian Business Schools, soft skills are recognized as a key issue within the Intellectual Capital (IC) framework for leading companies in a global economy and has significantly impacted changes in Knowledge creation strategies to include soft skills programs within the curriculum [26].

The McKinsey report [27] also highlighted unemployment and underemployment have been growing at alarming levels in the Gulf Cooperation Council (GCC) states, particularly among the young, and the fastest-growing segment of their populations is under 25 years of age. The public sector, which provided plush jobs for the GCC's citizens during previous oil booms, is now saturated, and private commerce must pick up the slack.

A survey of employers released in April, 2013 by the Association of American Colleges and Universities found that 93 percent of the respondents reported that a capacity to think critically, communicate clearly and solve complex problems was more important than an undergraduate major [28]. Soft skills characterize certain career attributes that individuals may possess such as team skills, communication skills, leadership skills, customer service skills, and problem solving skills [15]. “Employers Value Communication and Interpersonal Skills” (2004) suggests that one who communicates effectively, gets along with others, embraces teamwork, takes initiative, and has a strong work ethic is considered to have an accomplished set of soft skills. By including the soft skills learning content in their curriculum, the respective universities have succeeded in instilling the value and benefits of having the soft skills. Students are now valuing these sets of skills and has been requested by employers, there is now a better preparation of students in succeeding in the accounting profession.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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