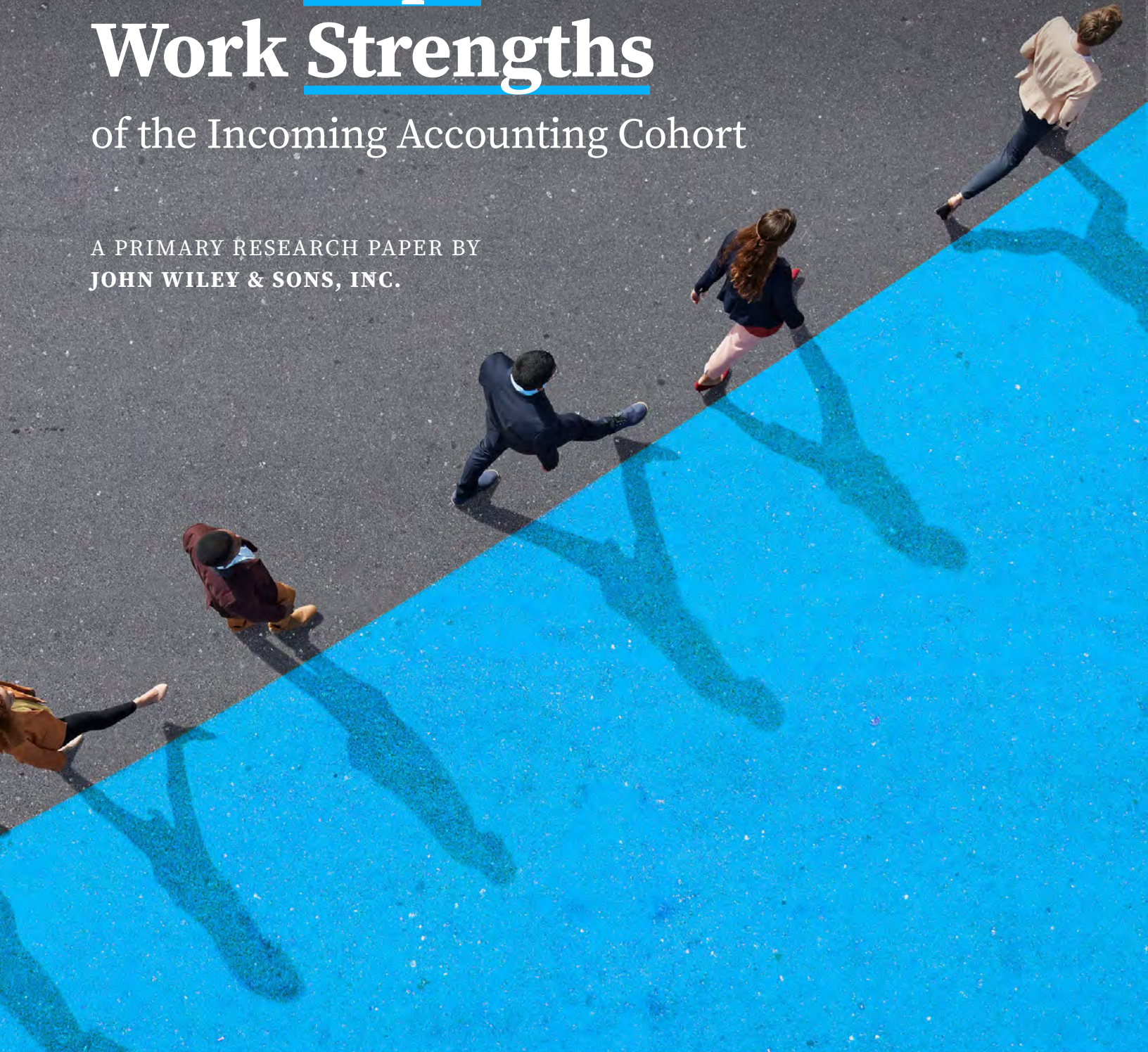# Skills Gaps and Work Strengths

of the Incoming Accounting Cohort

A PRIMARY RESEARCH PAPER BY
JOHN WILEY & SONS, INC.

Introduction

Every new hire represents a major investment for your organization. With that in mind, your goal is to help recent accounting graduates successfully transition from students to new—and highly valued—employees.

But to do so, you need to:

- **Understand where critical skills are missing**, then plan training to bridge the gaps and drive the greatest improvements
- **Know what to expect** from this incoming cohort based on work traits, then take actions that motivate them to be more productive individually and as team members

To help organizations know what to look for when considering these requirements, Wiley surveyed more than 200 global firms of various sizes and types,* as well as 105 seniors and juniors at different universities in September 2020. The approach involved firm surveys to identify challenges around candidate skills, cohort skills assessment interviews to determine student-identified skills, and cohort DiSC® assessments to provide a deeper understanding of student work traits.

Cohort skills assessments focused on two different sections:*

KNOWLEDGE AND CONTENT-FOCUSED SECTION

General Accounting Knowledge	Technical/Computer Knowledge	Finance Knowledge	Data Strategies and Analytics	Specialized Experience

SOFT SKILLS AND TRAIT-BASED SECTION

| Communication	Analytics	Business Skills	Learning Skills

Let's look at the key survey findings to get a more complete view of the candidates that firms seek to employ, the skills and qualifications that students believe they are bringing to the table, and what firms can expect to see from new hires in terms of work traits and how they function in teams.

See the appendix for more details on the firms participating in this survey and the skills sections students were presented with for ranking purposes.

What firms look for in candidates

Firms place a high priority on both job-specific skills and soft skills, such as communication and presentation. In fact, these combined skills ranked considerably higher than other factors, including relevant experience, fit with the company culture, and even CPA certification.

What are the most important criteria when hiring employees?

25% Desired job-specific skills

24% Having the right soft skills (e.g. communication, presentation)
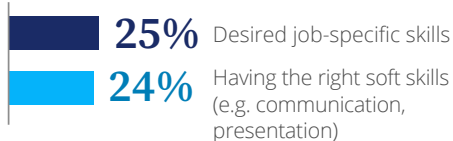
Yet, survey results show that finding candidates who reflect these same preferences isn't easy.

What are the challenges you face when hiring employees at your organization?

56% Finding a candidate with the right soft skills

45% Finding a candidate with the desired job-specific skills

Where skills gaps and mismatches are occurring

While firms identified a lack of soft skills among candidates as a top challenge, students rated themselves higher in all four soft skill categories than any of the five knowledge and content focused categories.

Contrary to the difficulty firms reported in finding candidates with soft skills, **students ranked themselves highest in soft skills overall**.

Student Survey Self-Reported Skill Assessment

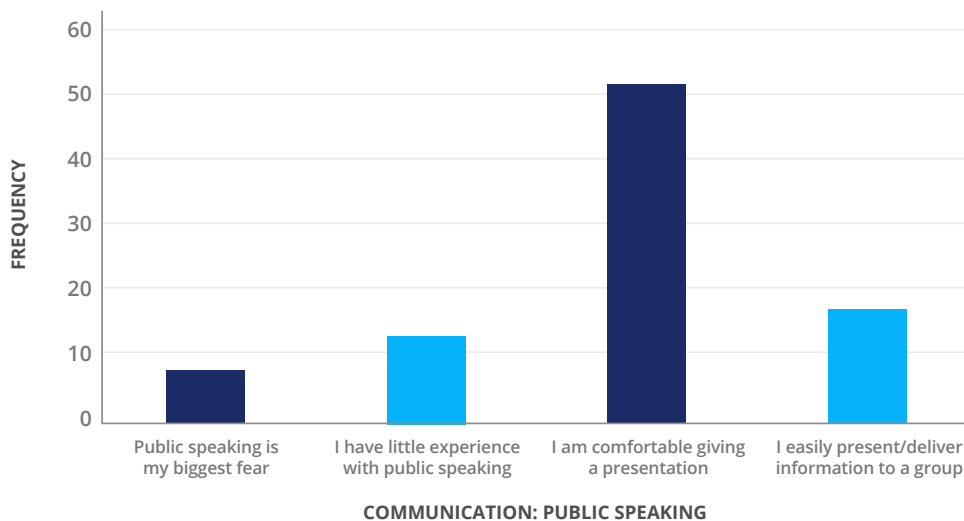| OVERALL AVERAGE RATING	MIN	MAX	M	SD
Business Skills	2.4	4.0	3.4	0.3
Analytics Skills	2.3	4.0	3.4	0.3
Learning Skills	2.0	4.0	3.4	0.4
Communication Skills	2.0	4.0	3.1	0.5
Knowledge	1.6	4.0	2.8	0.6
Finance	1.3	4.0	2.7	0.7
Technical	1.0	3.8	2.6	0.6
Data Strategy & Analytics	1.0	4.0	2.2	0.7
Specialized Experience	1.0	4.0	1.6	0.6

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On top of these mismatches, firms have found it challenging to find new hires with strong skills in problem-solving, Excel, communication, and data analytics, even though students positively assessed their abilities in most of these areas.

Student vs. Firm Skills Ratings

FIRM STUDENT
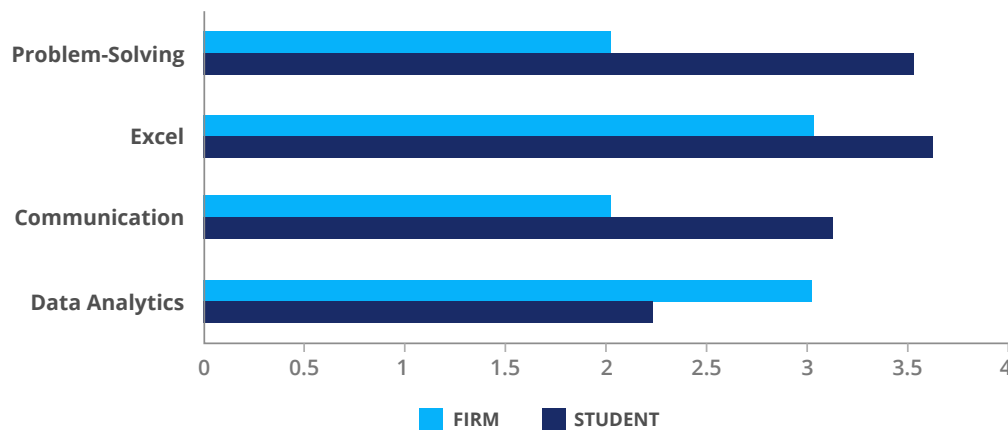
Of further note, while students **ranked themselves highly in overall communications**, they believe they are particularly strong in public speaking.

Student Survey Self-Reported Communication Skills Assessment

FREQUENCY

Public speaking is my biggest fear | I have little experience with public speaking | I am comfortable giving a presentation | I easily present/deliver information to a group

COMMUNICATION: PUBLIC SPEAKING

Recommendation: Bridge skill gaps

Gaps in skills are inevitable when you bring new hires on board, whether they're due to varying academic backgrounds, experience, or students' misperception of their own strengths. Fortunately, you can help new employees build skills and lasting confidence by supporting them from the beginning through required training.

Mandatory courses that focus on high-priority job-specific and soft skills are key:

Excel
While students rank their Excel skills favorably, strengthening them is critical to sharpening computational thinking.

Leadership
Through these courses, student can develop and improve their critical thinking, teamwork, and presentation skills.
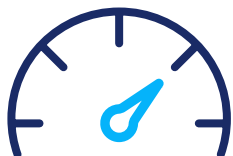
Data analytics
Both firms and students acknowledge data analytics as an important growth area in today's accounting profession.

PMP certification
While better suited to a second-year cohort, having these courses on new hires' roadmaps provides a path to future skill development areas where they may struggle.

OPTIMIZE DELIVERY AND TEST PREP

To keep new hires engaged in training, look for courses that are delivered in bite-sized chunks and include material that's both current and interactive. Meet individual needs by providing these professionals with a variety of test prep course options.

What work traits firms can expect

An important indicator of new employee success is how well individuals can perform, communicate, and function as a member of a team.

When firms have this perspective to tap into, they'll have greater insight into what to expect from new accounting professionals. At the same time, they'll be better equipped to manage new hires in a way that avoids conflicts and unnecessary setbacks in the workplace.

For this reason, Wiley conducted cohort DiSC® assessments as part of this survey. **The DiSC® model measures preferences and tendencies in the work environment in four basic styles:**

DiSC® RANKING

Students ranked themselves against various traits associated with each of the DiSC® styles, with the individual result being a profile that reflected either a primary trait or a combination of primary and secondary traits.
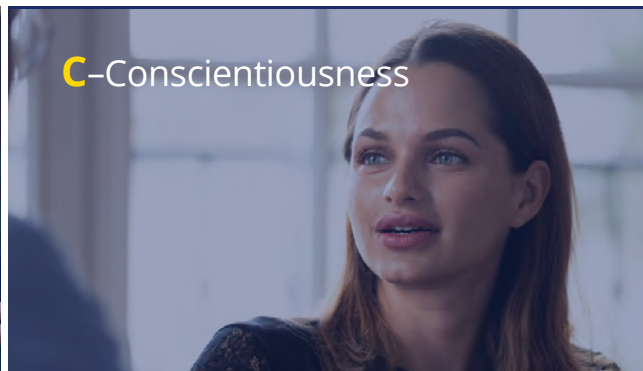
D–Dominance
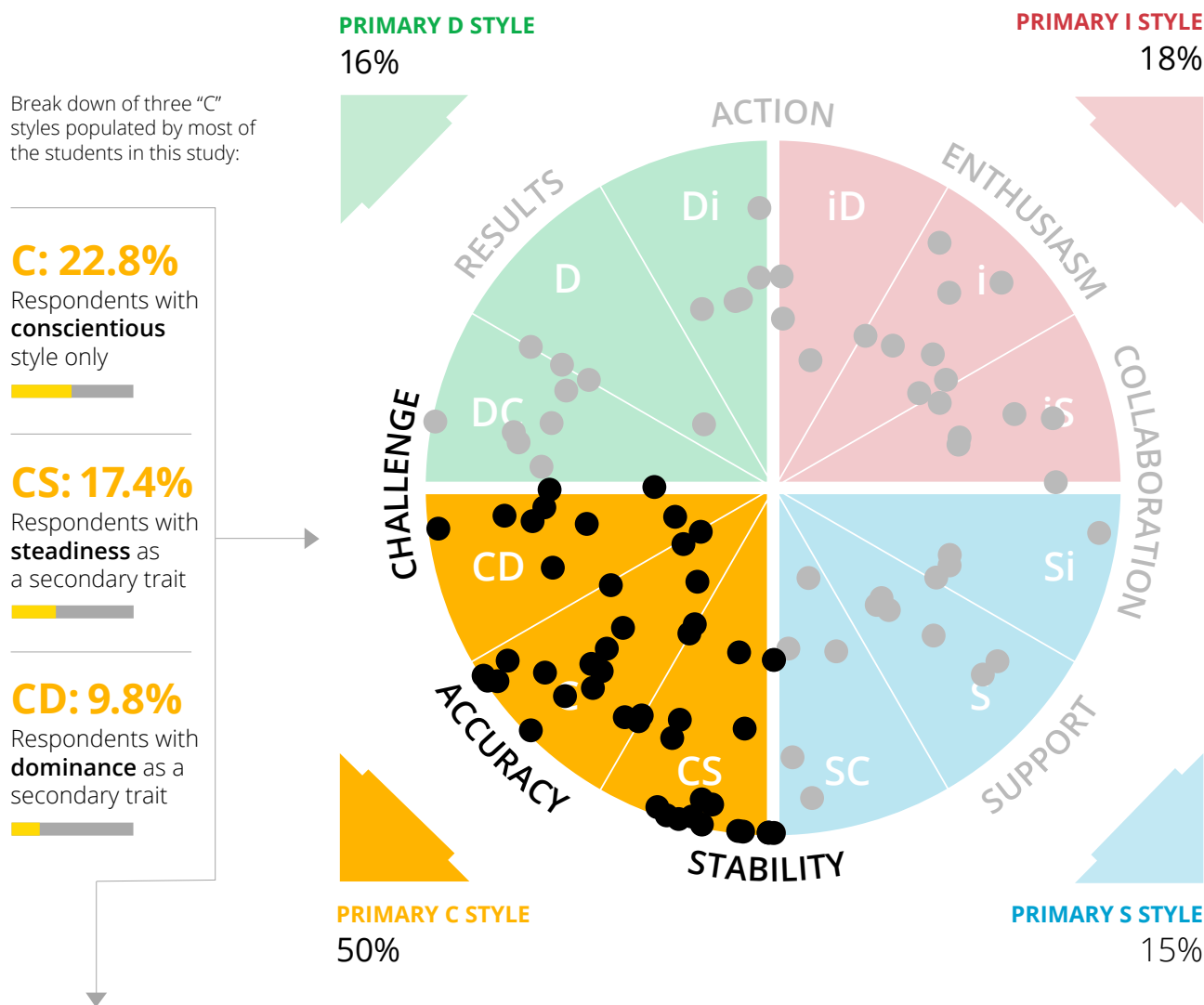
i–Influence

S–Steadiness

C–Conscientiousness

Which DiSC® profile rose to the top?

PRIMARY D STYLE
16%

PRIMARY I STYLE
18%

Break down of three "C" styles populated by most of the students in this study:

C: 22.8%
Respondents with **conscientious** style only

CS: 17.4%
Respondents with **steadiness** as a secondary trait

CD: 9.8%
Respondents with **dominance** as a secondary trait

ACTION

RESULTS

ENTHUSIASM

COLLABORATION

CHALLENGE

Di   iD
D   i
DC   iS
CD   Si
ACCURACY   S
CS   SC
STABILITY   SUPPORT

PRIMARY C STYLE
50%

PRIMARY S STYLE
15%

The more you understand about each of these subgroups, the better equipped you will be to help them succeed as a cohort. For example, CS styles prefer support and collaboration in their work environment, while CDs value results and action.

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Recommendations for the C Profile

A substantial number of your new hires will fit the C profile, so a lot is riding on their success. To that end, consider employing multiple tactics in your efforts to support their growth and effectiveness as individuals and team players.

Understand the C culture and manage to it

The C culture values quality, accuracy, and order, and the group prides itself on getting perfect results. You may find that this group spends so much time analyzing and researching that it misses opportunities to collaborate with others or focus on higher-value tasks. This group can also be cynical about new ideas and anything that threatens to lower their standards.

The C Culture Values:	The C Culture Fears:
Accuracy	Mistakes
Completeness	Illogical behavior
Dependability	Spotty research
On-time performance	Lateness

Use these insights into how the C culture behaves to tailor how you present new information and ideas, as well as how you assess members of this group.

Regularly assess the C cohort

Successfully managing the C cohort requires frequent check-ins to determine if they are performing up to your expectations. How are their work styles working for or against them? By evaluating student behavior in this way, you can then provide specific guidance to help them bring their best to the workplace. You can use key questions like these to get started:

QUESTION	RECOMMENDATION
Does the C group or individual take enough risks?	Individuals or groups may become risk-averse when efforts to communicate, gain consensus, and move forward with tasks lead to frustration. Wiley Communication Courses can help C types learn how to communicate and work more effectively with others.
Does the C group or individual spend too much time ensuring accuracy when they should be acting?	With the high value that C group members place on accuracy, it's not surprising that they may over-focus on getting things right. Wiley's PMP Review Course will help them understand when it's time to stop researching and when it's time to act.

Be <u>mindful</u> of all profile types

While the C profile represents most candidates that you're likely to hire, having awareness of what D, i, and S profiles value and how they interact within the work culture can help you identify where they may need coaching and support.

"i" Profile
The i culture gravitates toward a **high-energy atmosphere** where they can engage in effective teamwork and creative problem-solving. Poor planning and a low tolerance for routine tasks can interfere with results, and less social i types may resent an overemphasis on group activities.

"D" Profile
Solid results and powerful growth are what matters to the D culture. People with this profile tend to be **driven and relish challenges**. Interpersonal communication may suffer in this culture, and those who are less assertive may feel overwhelmed.

"S" Profile
The S culture values **stability, predictability, and friendliness**. People in this culture naturally support each other and rely on a systematic approach to work. However, they may lag in innovation and willingness to take on bold challenges.

Use personality assessments and roadmaps to structure success

The experience that new hires have in the first 12 months has a significant impact on employee satisfaction, confidence, and retention. You need to understand what they value, the skills they require to function within a team, and how to motivate them. When you do, you'll be able to nurture new candidates so they can succeed on an individual and team basis.

Require DiSC® assessment for all new employees: You can help employees gain insight into individual and group dynamics through participation in a DiSC® assessment and a review of their working team's make-up.

Build development roadmaps tied to vital skills: Earlier in this report you reviewed the more general mandatory courses that new hires need to build skills.

AS YOU'RE CONSIDERING, BE AWARE THAT:

65%
are cautious and reflective

66%
are questioning and skeptical

More specific course and certificate offerings from Wiley and AICPA to consider:

Data Visualization

Forecasting and Predictive Analytics Certificate

Specialized Forensic Accounting Certificate

Tax Staff Essentials, Level 2: Experienced Staff

Understanding the incoming accounting cohort is the first step—**Helping them succeed** is the next

You're positioned to influence the success of new hires as they join your organization and begin contributing to their respective teams during the critical first year.

To help them progress, it's important to identify where disconnects exist between expected skill levels and strengths and new hires' actual hard and soft skills.

When you combine this knowledge with an understanding of this cohort's work traits, you can **build a more complete picture** of strengths that you want to encourage and weaknesses you want to shore up. Based on the related DiSC® research highlighted in this paper, new hires in the accounting profession lean more heavily toward the C profile. Consequently, you'll be dealing with an incoming cohort that values accuracy, quality, and order. With perfectionist tendencies, this group can spend so much time researching and analyzing to get things right that it misses out on opportunities to add value or collaborate with the team.

Fortunately, you can counter the excesses of this cohort by adapting a coaching and communication style more likely to prompt favorable interactions. Likewise, you can line up suitable training and assessments to help C types not only learn how to perform better as individuals, but also with team members whose work styles may differ considerably from their own.
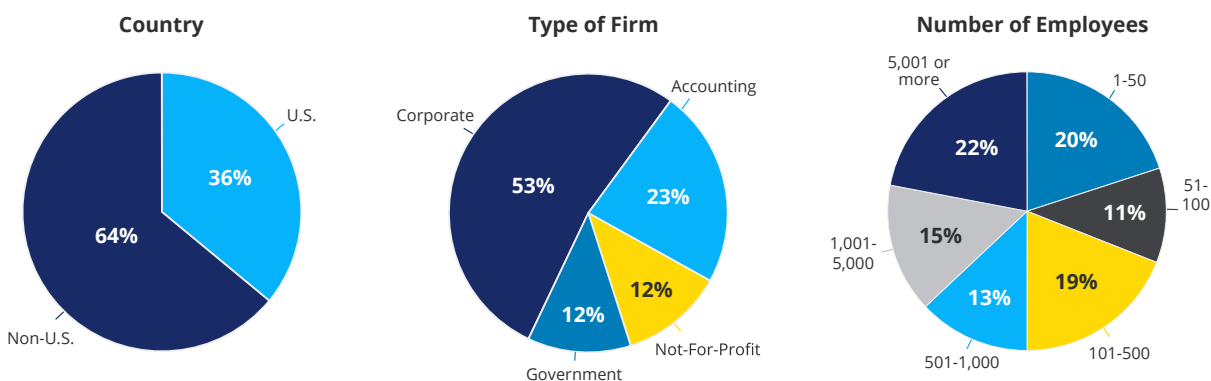
EASE THE TRANSITION FOR C PROFILE HIRES

The primary cohort entering your workforce identifies with the C profile. With coaching and training aligned to this group's respective traits and skill-set needs, you can ease their transition from new hires to successful and productive team members.

For more information about how to get started, **contact Wiley today.**

WILEY

Appendix

Firms surveyed (sample of firms interviewed for this research)

Country

- U.S. 36%
- Non-U.S. 64%

Type of Firm

- Corporate 53%
- Accounting 23%
- Not-For-Profit 12%
- Government 12%

Number of Employees

- 1-50: 20%
- 51-100: 11%
- 101-500: 19%
- 501-1,000: 13%
- 1,001-5,000: 15%
- 5,001 or more: 22%

Skill categories (knowledge/content-focused skills and soft skills and traits)

KNOWLEDGE AND CONTENT-FOCUSED SECTION

General Accounting Knowledge	Technical/Computer Knowledge	Finance Knowledge	Data Strategies and Analysis	Specialized Experience
Regulations and Laws for Taxation	Basic MC Excel Skills	Financial Analysis	Data Visualization	Dodd-Frank Act
Financial Reporting	Microsoft Visual Basic Capability	Budget Planning and Forecasting	Data Science (Cluster analysis, anomaly detection, classification analysis)	Know Your Customer (KYC)
Personal Finance	Business Intel Software – IBM Cognos, Birst and ProfitBase	Cost Management	Data Analytics-Data Mining, Network Analysis, Hypothesis Testing, Regression Analysis	Comprehensive Capital Analysis and Review (CCAR)
Professional Ethics	N/A	N/A	Descriptive and Predictive Analytics	Anti-Money Laundering (AML)

SOFT SKILLS AND TRAIT-BASED SECTION

Communication	Analytics	Business Skills	Learning Skills
Public Speaking	Business Skills	Planning	Curious/Inquisitive
Public Speaking	Business Skills	Planning	Curious/Inquisitive
Strong Problem-Solving Skills	Learning Skills	Teamwork	Active-Listener
	Decision-Making Skills	Leadership	Active-Listener
		Accepting Constructive Criticism	