

Athlone Institute of Technology



An investigation into the relevance and sufficiency of third level accounting courses to career needs from the perspective of accounting employers.

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DECLARATION

I have read the Institute's code of practice on plagiarism. I hereby certify this material, which I now submit for assessment on the programme of study leading to the award of (Master of Arts in Accounting) is entirely my own work and has not been taken from the work of others, save and to the extent that such work has been cited within the text of my work.

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EXECUTIVE SUMMARY

This research was conducted with the aim of investigating the relevance of third level accounting education to accounting graduate roles and to determine its sufficiency in preparing graduates for the workplace, from the perspective of accounting employers, working in small to medium sized accounting firms within the Leinster region.

The author of the research outlined three objectives to answer this question. The first objective was to investigate if third level accounting courses' content is relevant and sufficient to prepare accounting students for the workplace from the employers' perspectives, focusing primarily on the extent of knowledge covered. The second objective was to identify the skills and competencies employers feel are important for graduates to have to begin a career in accountancy and to identify existing shortcomings in graduates' skills and competencies. The final objective was to obtain suggestions from the knowledgeable perspective of accounting employers, for the improvement of accounting students' preparation for the workplace in college.

The methodology chosen for this study was to conduct a research survey and administer questionnaires to a sample of forty-five accountancy firms in Dublin, Athlone, Kilkenny, Tullamore, Portlaoise and Birr. It was the author's opinion that this choice of methodology would best answer the research objectives. The questionnaires were distributed to accounting employers or management within the accounting firms, in order to collect the qualitative primary data. This qualitative study would extract specific information from reliable and respected sources about the education and preparation of accountants for graduates' roles in training firms.

After interpretation of the findings, the author found that third level accounting courses' contents are mostly relevant but not entirely sufficient in preparing accounting students for their roles as trainee accountants. Certain areas of accounting are overlooked by third level institutions. It is important that college curricula adapt to changes in the business environment as they occur. The author discovered the most important skills for accounting graduates to have include the ability to apply accounting knowledge in the workplace, spreadsheet skills, verbal communication skills, problem solving skills, the ability to work on own initiative, time management skills and team working skills. The author found that existing shortcomings in graduates' skills and competencies were in their ability to apply accounting knowledge in the workplace, their time management skills, verbal communication skills, leadership skills, database management skills and their poor analytical skills.

The author highlighted a number of suggestions for colleges to take note of when considering how to improve accounting graduates' readiness for the workplace. Work placement or internships as part of the undergraduate degree would be hugely beneficial to accounting students. Implementing a more practical based approach to teaching would aid with developing a number of students' skills, including the ability to apply accounting knowledge in the workplace and problem solving skills. Other suggestions include requiring students to undertake an extensive IT module, more verbal presentations of knowledge as part of graduates' assessment and lastly, providing a module giving an overview of how all of the disciplines interlink with each other, instead of studying each discipline purely in isolation.

CHAPTER 1 – INTRODUCTION

In this chapter the author will provide a background to the study. The author will state and explain the research aim and objectives of the dissertation. Following this, the author will explain the scope and rationale for undertaking this particular research study. Accounting is obviously an area of interest of the author's as it is her chosen career path. Investigating what makes graduates more employable and areas education fails to prepare graduates for also interests the author.

1.1 Background

Accountancy is a profession that attracts a large number of college graduates every year due to increasing opportunities as the role of the accountant continuously progresses and broadens. It is a profession that has been the subject of huge debate in recent years in light of the economic downturn. People questioned the competence of the accountants, whether they had a role to play in the financial crisis and also whether they were prepared for the challenges the recession posed on them.

Accountancy has developed greatly in recent years. The accountant is no longer seen as a mundane bookkeeper. The profession has become much more complex and the duties of the accountant have increased significantly. This is as a result of the very ambiguous business environment that is constantly changing. It is extremely important that accounting programmes develop with changing times in order to maintain relevance and produce successful professionals.

The education of accountants and the education system in general have been subjected to extensive scrutiny. The quality of the education provided determines the standard of quality of graduates produced. The creation of the National Framework of Qualifications in 2003 was a major development in third level education. This is designed for “the development,

recognition and award of qualifications based on standards of knowledge, skill and competence” (The National Framework of Qualifications, 2013). The NFQ directs colleges to not just focus on the knowledge but to teach skills and competencies as well. Despite this however, many people think that colleges place too much emphasis on course content and the transmission of technical knowledge rather than developing the skills graduates need to be successful in their careers.

Course content is often considered far too narrow. New accounting graduates need extensive technical knowledge but also the ability to apply the accounting knowledge in the workplace. Practical experience is something that is considered crucial for accounting students by some senior accountants. Information technology is another vital area accounting students are not being familiarised enough with. As a result of continuous advances in technology being made, graduates need to gain experience working with IT to become relevant and successful. Other important skills accounting graduates need in order to be successful include communication skills, including presentation and client relations skills, team working skills, problem solving skills, time management skills and leadership skills. It is unclear whether graduates are learning the skills that are valued in the workplace. The author intends on investigating this matter further through this dissertation.

1.2 Research Aim

The author's main research aim is to investigate the relevance of third level accounting education to accounting graduate roles and to determine whether it is sufficient to prepare graduates for the world of work.

1.3 Research Objectives

The objectives of the research project are:

1. To investigate if third level accounting courses' content is relevant and sufficient to prepare accounting students for the workplace from the employers' perspectives.
2. To identify the skills and competencies which are important to have to begin a career in accountancy and identify shortcomings in graduates' skills and competencies from the employers' perspective.
3. To obtain suggestions for the improvement of accounting students' preparation for the workplace in college from the employers' perspectives.

Objective One

Are college courses relevant and sufficient to prepare students for the workplace?

This objective is mostly to do with the extent of knowledge being obtained by accounting students when studying third level accounting courses. Here it is the author's wish to investigate how well colleges are preparing students for their careers in accountancy. In order for third level courses to be relevant, they must be continuously updated, especially in the area of accountancy as the business environment is one of rapid change. The author also wants to determine whether all the appropriate subjects related to accounting are being covered sufficiently, such as taxation, audit, management accounting and financial accounting. The author wishes to investigate whether new areas such as corporate recovery, forensic accounting, etc, are being neglected.

Objective Two

What skills do accounting graduates need for a successful career and what skills are today's accounting graduates lacking?

Here the author aims to gain insight into the skills required by accountants to be and remain successful in today's business environment. The sample chosen for this research project focus on accounting management. This includes accountants in senior positions who are responsible for the monitoring, supervising and possibly, hiring of accounting graduates. Accounting management are thoroughly informed on this topic. They have personal experience to back up their opinions. The author also wishes to investigate whether there are any major gaps in today's accounting graduates' skills. These accounting employers are informed on this topic also as they supervise graduates' activities in the workplace.

Objective Three

What do employers suggest colleges do to improve accounting students' readiness for the workplace?

As the accountant seniors employ and/or supervise accounting graduates, and also as they are expertly informed in accounting, they are in the best position possible to make suggestions for the improvement of graduates' preparation for the workplace. They have insight into graduates knowledge and skills and also their gaps in knowledge and skills. The author's goal is to identify suggestions they may have.

1.4 Scope of the Research

The scope of the research will focus on accountancy firms in the Leinster region. This includes towns and cities such as Portlaoise, Birr, Athlone, Tullamore, Edenderry, Kilkenny and Dublin. The author will concentrate on administering questionnaires to small and medium sized accountancy practices within the Leinster region.

The author will focus on the Leinster region because it is her area of residence and study. The Leinster region also has many small and medium sized accounting practices that employ third level accounting graduates. This is of major significance as the author wishes to learn more about how recently graduated accounting students cope in the workplace and whether their education has prepared them well enough for it.

1.5 Rationale for the Research

The rationale for the research project is due to the fact that the author is extremely interested in the area of accounting, as it is her chosen profession. The author is also interested in accounting education and whether college courses in accounting prepare students sufficiently for the continuously changing environment they are about to enter into. It is the author's wish to investigate the opinion of accountants on the relevance of accounting education for graduate roles and to investigate whether they have any suggestions for improvement.

CHAPTER 2 - LITERATURE REVIEW

2.1 Introduction

Accounting is defined by the American Accounting Association as ‘the process of identifying, measuring and communicating economic information to permit informed judgments and decisions by users of the information’ (US, 2013). The accountant was once stereotyped as being a classic bean-counter and a minority of people still view accountants as these old fashioned and mundane images, the profession, however, has become much more complex and dynamic in recent years. The role of the accountant is continuously broadening and evolving. The rapid evolution of accounting has led to greater specialisation within the profession. Accounting now branches into a wide range of different disciplines, such as auditing, taxation, financial accounting, management accounting, financial management, company secretarial and much more. Influences which caused the progression and development of the profession include recent financial scandals, technology, globalisation and new business environment (Tourna-Germanou & Kapadaidakis).

2.1.1 Regulation of accounting in Ireland

The accountancy profession in Ireland, unlike in some countries where accountants and auditors have strict legislative regulation, is one which is mainly self-regulated. Accounting in Ireland is similar to that in the UK and the USA in the way it is regulated. Regulation is delegated to private bodies within the state involved in the accountancy profession (ACCA, 2012). In Ireland some of these bodies include the Institute of Chartered Accountants in Ireland (ICAI), Association of Chartered Certified Accountants (ACCA), and the Institute of Certified Public Accountants (CPA). These professional accountancy bodies are responsible for the development of successful professionals through education, training and monitoring. They also develop policies and monitor the implementation of these policies within member accountancy firms in Ireland.

2.1.2 Career routes available to accounting graduates and qualification requirements

Accountancy is a profession that attracts a large number of college graduates in Ireland each year due to the increasing opportunities as the profession broadens. The existing requirements for graduates aspiring to be accountants in Ireland are not only that they pass the relevant professional exams, but they also need to gain a minimum of three years appropriate professional work experience under a training contract within a recognised training organisation to obtain their professional qualification.

There are a number of different career routes available to graduates within the area of accounting. These individuals have the option of working in business and industry, financial services, or in practice. Working in business and industry involves working in a dynamic global environment in a variety of different roles including corporate leadership, management accounting, business analysis or sales management. Working in financial services mainly involves providing advice on risk management, on raising finance and on the most efficient use of assets. Accountants in practice, which is the area of accounting this study will focus on, provide a wide range of professional financial services to businesses, such as financial accounting and reporting, taxation and tax planning, business finance, information systems and management, and auditing, internal control and corporate governance (Chartered Accountants Ireland, 2013). For an individual to work in audit practice, however, there is an additional requirement. These individuals must obtain an Auditing Certificate. This certificate is evidence which shows that they meet the educational and training requirements under the provisions of the Companies Acts. To qualify for an Auditing Certificate the individual must have acquired a minimum of 46 weeks in statutory audit work, of which 23 weeks must be in Company Audit work (Chartered Accountants Ireland, 2013).

Most companies are required by law to undertake an audit. However, there is an exception to this rule given to small companies. This exception is called the small company audit exemption. The term used by international auditing standards is ‘smaller entities’. A smaller entity is a firm with characteristics such as concentration of ownership and management in a small number of individuals, straightforward transactions, simple record-keeping system and few lines of business (ACCA, 2012). The sample for this study will focus on small to medium accountancy firms which means they may not have a tremendous amount of experience with company audits. Many of their clients may qualify for the small companies audit exemption.

2.2 Development of Accounting

As the author mentioned earlier, the accountancy profession has diversified immensely over recent decades. The role of accountants is constantly broadening as their activities have been “redefined from primarily information processors to strategic business advisors” (Tourna-Germanou & Kapadaidakis). The expansion and development of the role of accountants resulted from advancements in technology, globalisation and new business environments. Traditional accounting, including bookkeeping, taxation and audit, remain important to the accounting profession. However, technology, globalisation and new business environments provided accountants with new opportunities and challenges, creating a need for change in the profession.

The article written by Eleni Tourna in the Sheffield Hallam University in the UK, outlined important accounting and business activities, which have emerged in recent years, that today’s accounting professional must face. These include management consulting services, strategic management and advice, changing management, knowledge management, risk management, environmental management, expanded assurance services, business planning, registered investment, brokers and advisory services, personal financial planning and business valuation (Tourna-Germanou & Kapadaidakis).

The emergence of these new services had a great impact on the knowledge and skills required by potential accountants to become and remain successful.

Knowledge, skills and competencies that were found to be important include “general business knowledge, communication skills, interpersonal skills, problem solving skills, accounting knowledge, information technology and computer skills, and personal attitudes and capabilities” (Tourna-Germanou & Kapadaidakis). Educators of accounting worldwide have been encouraged to alter their course curriculum in order to produce accounting graduates with a broad set of skills and attributes that surpasses the purely technical expertise. These skills and attributes developed through college should prepare graduates as life-long learners, and for personal development in light of an unforeseeable future (Kavanagh & Drennan). As the world becomes increasingly complex it is necessary for the accounting profession to continually update its abstract system of knowledge. *“What is needed is to become “symbolic analysts” who have the “skills of abstraction” and ability to “get behind the data and ideas” to develop a “holistic understanding” of the client by melding a “deep understanding” of economic changes and information technologies”* (Tourna-Germanou & Kapadaidakis). This brings the author on to discuss the knowledge economy.

2.3 The knowledge economy

The knowledge economy is a concept that has become increasingly more important to every profession, not accountancy alone, as the world becomes more complex. “Economic success is increasingly based upon the effective utilisation of intangible assets such as knowledge, skills and innovative potential as the key resource for competitive advantage. The term knowledge economy is used to describe this emerging economic structure” (Brinkley, 2006). For this reason it is now more important than ever that we, in Ireland, develop an innovative knowledge based economy. This will result in the creation of greater sustainable employment opportunities and an overall better standard of living.

Our higher education system is the key to building an innovative knowledge based economy and it is also the key to future prosperity in our economy (Higher Education Authority, 2011). Higher education also contributes greatly to enterprise development by providing the economy with graduates from undergraduate and post graduate programmes, which results in substantial knowledge transfer from higher education (Higher Education Authority, 2011). Third level standards in Ireland have however, been the subject of criticism in recent times. An article in the college tribune highlighted that graduate quality has become very poor and that the higher education system in Ireland needs to implement reforms as a result of this problem. It was argued that universities focus on research before worrying about undergraduate training, as research grants them greater government and EU funding (The College Tribune, 2012). Despite criticisms of under-funding and poor quality graduates however, an article in the Irish examiner shows that Ireland's higher education system ranks sixteenth in the world, which suggests that the country is not in an extremely poor state (The Irish Examiner, 2012). There is of course, room for improvement.

As Irish higher education institutions operate on a global scale, improvements should be made to the current higher education system in order to enable Ireland to compete in a more competitive globalised environment and to provide an effective change in the country's economy. "Harvard President Drew Faust recently stated: 'In a digital age, ideas and aspirations respect few boundaries. The new knowledge economy is necessarily global and the reach of universities must be so as well'" (Higher Education Authority, 2011).

The quality of the Irish workforce becomes increasingly dependent on the quality and relevance of our education and research system as the knowledge economy develops (Higher Education Authority, 2011). Employees in the knowledge economy will be required to acquire a wide range of generic and transferable skills and attitudes. This is because in most

cases, work is becoming less routine, with the requirement of flexibility, continuous learning, and individual initiative and judgement (Expert Group on Future Skills Needs, 2007).

To become more efficient, it is important that the higher education system continually review the quality and relevance of all college courses to meet changes and advancements in the global economy. The quality of teaching is something that must also be under continuous review in all institutions. The HEA report on higher education strategy to 2030 highlights that teachers in higher education “*need to stimulate active, not passive learning, and to encourage students to be critical, creative thinkers, with the capacity to go on learning after their college days are over. They need to create a process of active learning by posing problems, challenging student answers, and encouraging (students) to apply the information and concepts in assigned readings to a variety of new situations*” (Higher Education Authority, 2011).

In order to compete at the highest levels, Ireland needs to be able to respond to continuous technology advancements and realise their potential. These advancements in information and communication technologies mean that higher education can be delivered in newer and better ways. It allows students to access a wide range of resources (Higher Education Authority, 2011).

2.4 Development of generic skills and competencies

In the current environment, the mere acquisition of knowledge at higher education levels is not enough to count as an education. A high-quality college education should provide graduates with essential generic foundation skills, sometimes referred to as employability skills, such as adaptive, creative, round thinkers, as well as equipping them with a detailed understanding of their relevant disciplines. (Higher Education Authority, 2011). The National Qualifications Authority of Ireland (NQAI) was established by the Qualifications (Education and Training) Act 1999 and it is responsible for establishing and maintaining the National

Framework of Qualifications (NFQ). The NFQ is designed to support the national objective of moving towards a ‘lifelong learning society’. It is a system of ten levels. The levels of the NFQ are based on nationally agreed standards of knowledge, skills and competence (The National Framework of Qualifications, 2006). The NFQ emphasises not only that the learners have the knowledge, but also that they understand the knowledge and be able to apply it after completion of their learning period.

The HEA report, ‘National Strategy for Higher Education to 2030’, outlines the importance of placing more emphasis on acquiring generic skills as part of all undergraduate courses. These skills are required in the workplace and having them will increase a graduate’s job opportunities. Key generic skills include analytical reasoning, critical thinking, the ability to generate fresh ideas, the practical application of theory, and the effective use of information technology (Higher Education Authority, 2011). These are all skills that will be needed by graduates to address societal needs over the coming years. An OECD project on higher education learning outcomes highlights leadership ability, written communication skills, and team working skills as additional skills that should be paid more attention to as part of the undergraduate education (Higher Education Authority, 2011). The Report of the Innovation Taskforce was published in March 2010 and within, independent thinking was highlighted as an important employable quality. The report also stated that “a particular focus must be on the development of creative, high-skilled graduates as well as lifelong learning, mentoring and continuous professional development” (Innovation Ireland, 2010).

In the ‘National Survey of Employers’ Views of Irish Higher Education outcomes’ produced by the Higher Education Authority in Ireland, employers were asked what their greatest challenge in filling graduate vacancies was. The most frequent answers highlighted that graduates are lacking in technical and communication skills, they do not have the appropriate

skill set and work experience, and they also lack sufficient knowledge and experience within their industry (Higher Education Authority, 2013).

Employers were also asked their opinion on what higher education institutions could do that could contribute to the development of their organisations. One of the most common answers was that higher education institutions need to ‘increase their awareness of the industry’s needs and continuously review the course syllabus to ensure graduates are focusing on current industry requirements’ (Higher Education Authority, 2013). Some employers also feel that course content should focus more on practical application rather than completely focusing on theory to ensure graduates can adapt to the industry. They also feel a semester of work placement should be included on all courses so that graduates leave college with some real practical experience in the business environment. It is evident from the survey that employers believe all students need to improve both their communication and information technology skills (Higher Education Authority, 2013). After looking at generic skills in general, the author will now focus on accounting graduates’ skills.

2.5 Skills required by accounting graduates

Accounting has become significantly more dynamic and complex in recent years. It is a profession that is constantly changing. The International Federation of Accountants (IFAC), which represents 159 professional accountancy bodies worldwide suggests that ‘pressures for change come from many sources, including globalisation, advances in technology, business complexity, societal changes, and the expansion of stakeholder groups, including regulators and oversight bodies’ (IFAC, 2010). IFAC also recognises that ‘change requires professional accountants to maintain and develop new and/or more specialised knowledge and skills throughout their careers’ (IFAC, 2010). “In order for our profession to maintain the pre-eminence in the custody of business information, we must match the pace of change” (Collins, 2000).

The aim of this study is to determine the relevance of third level education to careers in accountancy and also to highlight any significant skills that accounting graduates are lacking.

It is a known fact worldwide that the role of professional accountants has changed and become much more complex in light of the constantly changing, ambiguous business environment. As a result of this, it is extremely important that accounting programmes too must adapt in order to maintain relevance and produce successful accounting graduates (Albrecht & Sack, 2000). Accounting programmes have become a topic of debate in recent years. They have been criticised for placing too much emphasis on content orientation and the transmission of technical knowledge at the expense of developing skills graduates need to be successful professionals (Flood & Wilson, 2009). Course content is often too narrow and students are not exposed enough to issues of importance such as globalisation, technology, and ethics (Albrecht & Sack, 2000). IFAC confirms the need for change by stating ‘the education and practical experience of professional accountants should provide a foundation of professional knowledge, professional skills and professional values, ethics and attitudes that enable them to continue to learn and adapt to change throughout their professional lives’ (International Federation of Accountants, 2003).

To be professionally competent in the twenty-first century accounting students will need to develop a wide range of knowledge and skills. Too much dependence on textbooks and class time will not prepare students for the dynamic business world they will enter upon graduation. Another issue with our accounting courses is that students are not exposed enough to technology, the impact it has on business and how it can be used to make more efficient business decisions (Albrecht & Sack, 2000).

In the current work environment of the accountancy profession, it is still, of course, necessary to maintain technical accountancy competence. The challenge, however, lies with incorporating non traditional skills into the education and training system. An Institute of

Management Accountants' (IMA) study in the USA (Siegel and Sorensen, 1999) reported that the skills "most valued for entry level accountants were communication, teamwork, analysis, accounting, and a thorough understanding of how a business functions" (CIMA, 2002).

In his article, Martin Meagher identified a number of core skills that are required for the role of the twenty-first century accountant. These include communications, team participation, leadership and managing others, information technology, decision-making, and strategy and planning (Meagher, 2001). A survey was conducted of members of the Institute of Chartered Accountants in Ireland (ICAI), the largest professional accountancy body in Ireland which produced results suggesting that the members of ICAI surveyed felt their education had not prepared them sufficiently for the current business world. They felt they had gained the appropriate technical knowledge but had not developed the broader knowledge and skills that are required for the new role of the professional accountant (Meagher, 2001).

The ICAI introduced a new competency-oriented education programme in 2007 in order to address the need for members to have a wider range of knowledge and skills. The aim of this new education programme was to ensure members obtained 'a detailed comprehension of core concepts and principles and the capability to apply this comprehension along with the professional judgement to the resolution of problems in an intra- and inter-disciplinary context' (Institute of Chartered Accountants in Ireland, 2007). This new pre-qualification programme focuses on the development of functional competencies, business competencies and core professional values in order to achieve this aim (Institute of Chartered Accountants in Ireland, 2007).

2.5.1 Goals of a typical Irish higher education provider

We must examine the overall aims of higher education institutions and the goals of their individual courses to determine whether the colleges are contributing enough to developing a new innovative knowledge based economy with the well-rounded, skilled graduates that are

required in the current corporate environment. The author will use Athlone Institute of Technology (AIT) as an example to illustrate the goals of a typical Irish higher education provider. The overall mission statement of AIT is *“to contribute to the technological, scientific, commercial, economic, industrial, social and cultural development of the State, with particular reference to the midland region, through the provision of a balanced education to the highest international standard founded in accessibility, mobility, collaborative links and research excellence”* (AIT, Business School, 2013).

In AIT, the overall aim of the Bachelor of Arts (Honours) in Accounting programme is to *“facilitate the personal and intellectual development of the students in order to ensure a thorough competence in their chosen field of knowledge. The course is designed to provide the student with a thorough grounding in the fundamental theories, concepts, principles and practices essential to the pursuit of a fulfilling and rewarding career in the area of professional accountancy”* (AIT, Business School, 2013). The accounting programme in AIT targets five different areas they consider necessary for accounting students to be educated in. These areas include accountancy, finance, management, information technology and general skills. It is necessary to investigate, from the perspectives of employers, whether higher education institutions are placing enough emphasis on developing generic skills as well as the technical skills required for their chosen profession.

Under accountancy, AIT wishes to transmit a highly detailed technical knowledge to students by developing their knowledge and understanding of the fundamental and advanced concepts, principles, methods and techniques of accounting, auditing and regulation. Students are also familiarised with concepts and applications of law in modern company practice. They are taught to appreciate the importance of ethics in the profession. AIT wishes to enhance accounting students’ critical abilities of analysis, interpretation and judgement by introducing

them to practical business decision-making situations. They are encouraged to solve business-related problems in a coherent, logical and effective manner (AIT, Business School, 2013).

This suggests that AIT is acknowledging the fact that the mere acquisition of knowledge is not enough in the current business world. It is independent thinking and the ability to apply the knowledge in practical situations that distinguishes students and attracts more employment opportunities.

In the area of finance, students are taught the fundamentals of economics, business mathematical and financial theory and they are also taught scientific analysis and financial mathematical techniques. They are familiarised with the mechanisms of the financial system and the evaluative methods involved. The Institute also aims to develop students' understanding of the core areas of business taxation (AIT, Business School, 2013). AIT aims to provide accounting students with a good understanding of management. They are familiarised with the theoretical underpinnings of organisational and strategic management and taught how to apply the accepted theories to modern business management. AIT finds it particularly important for students to develop effective communication skills (AIT, Business School, 2013).

With continuous advancements being made in technology, it is particularly important that, in their higher education, students are introduced to it, educated in its use and encouraged to use it themselves. As has been stated above, the accounting course in AIT considers information technology an area where accounting students need significant training. Under information technology, AIT wishes to internalise the theoretical concepts and methodology, systems analysis, and design and project management. They hope to provide students with a practical knowledge of software packages and information technology resources commonly used by accounting and finance professionals, and they also try to ensure students develop appropriate expertise in the area of e-Business.

The final area which the Institute targets to educate students in is a general area. It aims to provide students with an understanding of how commercial and industrial organisations function, and of the environmental factors that affect an organisation. On completion of the course students should also be able to demonstrate the knowledge, skills, abilities and attitudes required for success in the current business environment (AIT, Business School, 2013).

This chapter looked at four main areas, including the development of accounting, the knowledge economy, generic skills and competencies, and the skills required by accounting graduates. The accountancy profession has become much more broad and complex in light of financial scandals, advancements in technology, globalisation and the new business environment. The knowledge economy requires a new kind of worker, one that has the knowledge, understands it and has the ability to apply it in the workplace. There is an increasing need for higher education institutions to emphasise the development of generic and soft skills throughout undergraduate and postgraduate degrees. Lastly, the author highlighted the need for colleges to reconsider the skills most important for accounting graduates to have to prepare them for their roles as accounting graduates. The following chapter will detail the chosen methodology for this research project.

CHAPTER 3 – RESEARCH METHODOLOGY

3.1 Introduction

The purpose of this research is to investigate the relevance of third level accounting education to on-the-job experience from the perspectives of accounting graduate employers. In this chapter the author will outline and distinguish between qualitative and quantitative research. The different research philosophies will be described and the philosophy most suited to this particular research will be explained. Next the author will discuss the research approach adopted in the dissertation and outline the various research strategies suitable for the research. The author will highlight the research strategy chosen for this research project and the research method used. It is vital that the author chooses the most suitable and efficient data collection technique to address the research question and objectives as the research methods are the basis of any research project. It is important that the research method aids the collection of information that is accurate, current and relevant to the study. Alternative research methods will also be discussed and explained. The author will then explain different sampling techniques and identify the technique chosen and the reason for this choice. Lastly, the author will outline the limitations of this research.

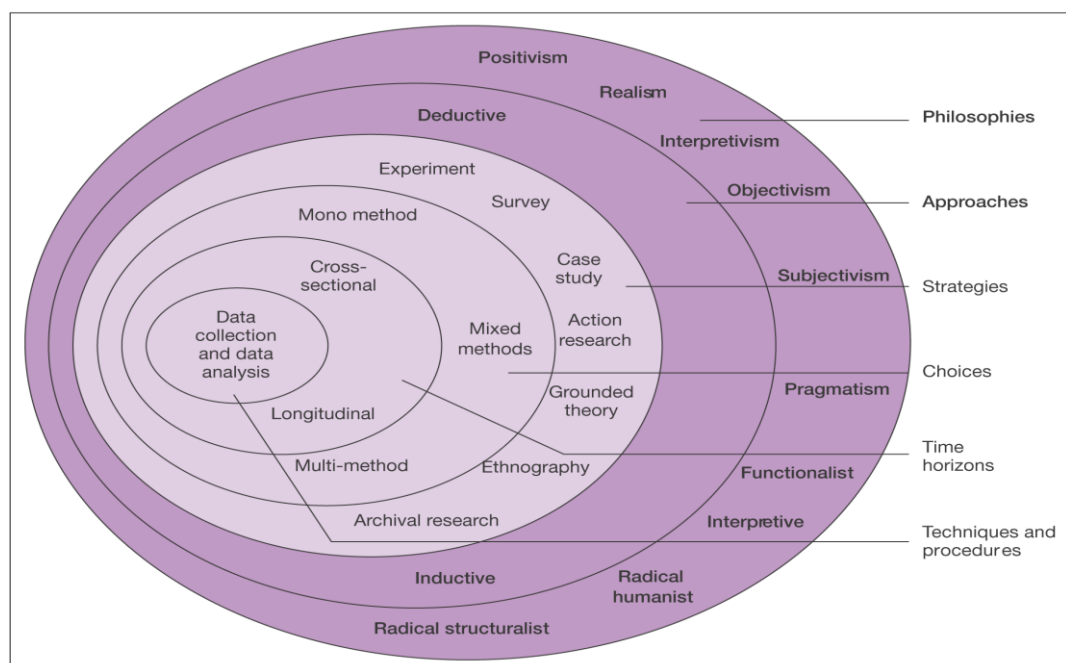
3.2 Qualitative v Quantitative Research

The two broad categories of research methods are quantitative and qualitative analysis. Quantitative data generally involves the analysis of numeric data whereas qualitative data usually focuses on non-numerical data, such as words. “A quantitative research methodology is appropriate where quantifiable measures of variables of interest are possible, where hypothesis can be formulated and tested, and inferences drawn from samples to population” (Liebscher, 1998, p. 669). The numerical data collected using quantitative methods is usually analysed using a range of statistical techniques. It is most suited to large scale projects. The methodology often uses probability sampling techniques to ensure generalisability.

Qualitative methods, on the other hand, are “appropriate when the phenomena under study are complex, are social in nature, and do not lend themselves to quantification” (Liebscher, 1998, p. 669). A qualitative approach was used by the author in this project in order to meet the research aim and objectives. The qualitative method involves collecting and gathering information that is richer and allows the researcher to obtain information that gives an insight rather than numerical statistics. It was the author’s wish to gain insight into the feelings and attitudes of the accountancy seniors employing graduates and therefore the collection of qualitative data was most appropriate as it focuses on gathering subjective opinions rather than facts or numerical statistics.

3.3 The Research Onion

The research ‘onion’ is commonly used in deciding what techniques are to be used for data collection and analysis in any research project. It is a universal approach to research with many choices regarding philosophies, approaches, strategies, methods, as shown in the diagram below. The author used the research ‘onion’ as a tool for identifying different research methods and for choosing the most appropriate method to the overall aim and objectives.



3.4 Research Philosophies

Research philosophy relates to the development of knowledge and the nature of that knowledge (Saunders, et al., 2012). The research philosophy adopted in a dissertation contains important assumptions about the way in which the researcher views the world. These assumptions will be the basis for the research strategy and the methods chosen as part of that strategy. When choosing a research philosophy for a dissertation there is no right or wrong philosophy to choose, it is a matter of choosing which philosophy best suits your research.

The three different research philosophies which relate to the author's dissertation are epistemology, ontology and axiology.

“Epistemology concerns what constitutes acceptable knowledge in a field of study” (Saunders, et al., 2012, p. 132). It questions what knowledge is and how well any subject can be known. Epistemology analyses the nature of knowledge and how it connects to notions such as truth, belief and justification. Ontology is the study of reality. There are two aspects of ontology, objectivism and subjectivism. Objectivism “represents the position that social entities exist in reality external to and independent of social actors” (Saunders, et al., 2012, p. 131). Subjectivism “asserts that social phenomena are created from the perceptions and consequent actions of social actors” (Saunders, et al., 2012, p. 132). Axiology is the philosophy that studies judgements about value. Under this philosophy, the researcher's own values are of great importance in all stages of the research process if the research results are to be credible (Saunders, et al., 2012, p. 137).

From an ontological perspective, the author takes a subjectivist view and is, therefore interested in the opinions and perceptions of accounting graduates' employers. The author wishes to study the social phenomena that exist around third level accounting education today. An interpretivism approach was undertaken in this thesis.

“Interpretivism involves the development of knowledge based on the understanding of differences between humans in roles as social actors and the emphasis on their variables such as behaviour, mood and previous experience” (The Writepass Journal, 2012). An interpretivist research philosophy was chosen as it was the researcher’s goal to enter the world of the accountant and develop an understanding of their personal views on accounting graduates’ knowledge and skills. This has guided the dissertation towards a more qualitative approach.

3.5 Research Approaches

Deductive research and inductive research are the two main research approaches which result in the achievement of new knowledge. The deductive approach is where your research starts with a theory or hypothesis and you design a research strategy to test that theory. The inductive approach, on the other hand, involves collecting data and developing a theory by analysing that data. An inductive approach was most appropriate to this research as the development of theory occurred after the collected data was analysed. The purpose of this research was to gain insights into the employers’ views on accounting graduates’ knowledge and skills and to identify areas where employers felt graduates needed improvements. Inductive approach lends itself mostly to qualitative research.

3.6 Research Strategies

The analysis of the collected data so as to obtain information through systematic and orderly approach is called research strategy. A research strategy for a research is chosen based on certain criteria such as research questions and objectives, availability of time and resources, existing knowledge level, etc.

There are many research strategies an author can employ such as experiments, case studies, ethnography, grounded theory, action research or surveys. Some of these research studies were not feasible for this study however, including grounded theory, ethnography and action research. Denscombe (2010) explains the term ethnography literally means a description of peoples or cultures. It is a strategy that requires the researcher to spend considerable time in the field among the people who are being studied. Grounded theory is an approach concerned with generating and testing theories. This strategy also requires significant fieldwork (Denscombe, 2010). Saunders (2012) explains that action research is designed to develop solutions to real organisations problems through a participative and collaborative approach, which uses different forms of knowledge, and which will have implications for participants and the organisation beyond the research project. This research method is not feasible as the author does not work within an accounting firm. It is something she could consider undertaking in future years when she is working in an accounting practice.

Research strategies more appropriate to this study include experiments, case studies and surveys. Saunders (2012) describes an experiment as a form of research that owes much to the natural sciences. It uses hypotheses rather than research questions however, making it unsuitable for this research. A case study looks at a particular phenomenon within its context, or within a number of real-life contexts. The survey strategy involves obtaining empirical research, usually from a large number of people. According to DeVaus the distinguishing features of surveys are the form of data and the method of analysis. Surveys are characterised by a structured or systematic set of data which are directly comparable. One function of survey analysis is to describe the characteristics of a set of cases. But survey researchers also want to locate causes by comparing cases (DeVaus, 2002, pp. 3-4). The survey strategy is the one the researcher found most appropriate and feasible to this research project.

The case study approach was an alternative strategy which could have been employed by the researcher. This strategy allows the researcher to ‘gain a rich understanding of the context of research and the processes being enacted’ (Saunders, et al., 2012). However, due to a number of weaknesses identified with case studies, it was the researcher’s opinion that it was not the most appropriate choice of strategy. Denscombe (2010) discussed a number of disadvantages of the case study approach. It faces criticism regarding the credibility of generalisations made from its findings. It is also difficult for case study researchers to achieve their aim of investigating situations as they occur naturally without any effect arising from their presence. Another issue facing the case study researcher is that negotiating access to case study settings can be extremely difficult.

Saunders says that some strategies belong to the deductive approach while others belong to the inductive approach. He says however, that allocating strategies to one approach is unduly simplistic. Therefore, even though the survey strategy is generally associated with the deductive approach the author has chosen to employ it in this dissertation as it best answers the research question and objectives. Surveys tend to be used for exploratory and descriptive research. It is a popular and common strategy in business and management research. They are popular because they allow the collection of standardised data from a sizeable population in a highly economical way, allowing easy comparison. However the data collected by a survey strategy is unlikely to be as wide ranging as those collected by other research strategies.

This research strategy will be used as part of a qualitative methodology because qualitative research examines the ‘why’ and ‘how’ of human behaviour.

3.7 Data Collection Tools

It was the opinion of the author that the data collection tool to best serve the study would be questionnaires. DeVaus (2002) defines questionnaires as all methods of collecting data in which each person is asked to respond to the same set of questions in a predetermined order. Saunders states that because each respondent is answering the same set of questions, it is an efficient method of collecting data from a large sample of people before analysis.

The design of the questionnaire is extremely important. It must be designed to collect the precise data the researcher requires to answer the research question and achieve objectives. The design of the questionnaire will affect the response rate and the reliability and validity of the data you collect. The response rate can be maximised by careful design of the questionnaire, clear layout and explanation of the questionnaire and thorough planning of the administration and return or collection of the questionnaire.

Saunders explains that there are different types of questionnaires. Self-completed questionnaires include Internet-mediated and Web-based questionnaires, which are sent using the Internet, intranet-mediated questionnaires, which are sent using intranet, postal questionnaires, which are posted to the respondents, and delivery and collection questionnaires, which are distributed by hand to the participants and collected later. Interviewer-completed questionnaires include telephone questionnaires undertaken on the telephone, and structured interviews, where interviewers meet respondents and ask the questions face-to-face. The author chose delivery and collection questionnaires as the most appropriate type of questionnaire for this particular dissertation and gave respondents the option of returning the questionnaire by a stamped envelope which was provided.

Saunders highlights the factors to be considered when deciding which type of questionnaire to use. These include the characteristics of the respondents, the importance of respondents' answers being free from distortion, the sample size you require for your analysis, the types of questions and the number of questions you need to ask to collect your data, the time available to complete the data collection and the financial implications of data collection and entry.

A valid questionnaire will enable accurate data that actually measure concepts you are interested in to be collected, whilst one that is reliable will mean that these data are collected consistently. Foddy (1994: 17) discusses validity and reliability in terms of the questions and answers making sense. In particular, he emphasises that 'the questions must be understood by the respondent in the way in which the researcher intended and the answer given by the respondent must be understood by the researcher in the way intended by the respondent'. Saunders states that validity of questionnaires refers to the ability of your questionnaire to measure what you intend it to measure. Reliability refers to consistency. Respondents need to interpret the questionnaire in the same way. The author developed a number of drafts and trialled these on her classmates before finalising the questionnaire to check reliability and validity. Each question was linked to an objective to ensure validity.

The next issue to consider when designing the questionnaire is the design of the individual questions. As this is an exploratory research, a number of open questions were used in the questionnaire. Open questions are questions that leave the respondent to decide the wording and length of the answer and also the kind of matters to be raised in the answer. The use of open questions benefits this research as the information gathered by way of responses will more likely reflect the richness and complexity of the views of the respondents (Denscombe, 2010, p. 165). Other types of questions used include category questions, where each respondent's answer can only fit in one category, yes/no questions, ranking questions, which ask respondents to place things in rank order, rating questions, which are commonly used to

gather opinions, and matrix questions, which allow you to record the responses to two or more similar questions at the same time (Saunders, et al., 2012, pp. 434-440). The various types of questions made the questionnaire more interesting for respondents so that they were more likely to respond. There is a widespread view that longer questionnaires will reduce response rates relative to shorter questionnaires. However, a very short may suggest your research is insignificant. In general, it has been found that a length of between four and eight A4 pages has been acceptable for self-completed questionnaires.

As the author has mentioned above, delivery and collection questionnaires were chosen for this research study. Internet questionnaires were considered but the author came to the conclusion that she would encounter difficulties obtaining email addresses. There is also a high risk with internet questionnaires that they could be ignored or treated as spam. It was the opinion of the author that respondents may feel compelled to participate in the research when the questionnaires were administered. The author tried to maximise the response rates by taking a number of steps, including selecting a topic respondents would be interested in, shortening the length of the questionnaire and selecting different types of questions to add variety, while ensuring the appropriate and sufficient information was obtained. The author also supplied respondents with stamped envelopes, which allowed them to complete and return the questionnaire in their own time, clear and user-friendly language was used throughout the cover letter and questionnaire, and lastly, the author stressed that respondents' participation and information provided would be kept anonymous.

3.7.1 Alternative Data Collection Tool

The use of research interviews with accounting graduate employers was also considered, more specifically, one-to-one semi-structured interviews. The research interview is a purposeful conversation between two or more people, requiring the interviewer to establish rapport, to ask concise and unambiguous questions, to which the interviewee is willing to respond

(Saunders, et al., 2012). The use of interviews aids the researcher in collecting rich, valid and reliable information which relate to your research question and objectives. In semi-structured interviews the researcher has a list of themes and key questions to be covered, although these may vary from interview to interview.

However, taking into consideration the very busy accountancy profession in today's business environment and also how time consuming interviews are including the preparation and scheduling time, it was decided that gaining permission from a representative sample of accounting graduates employers would be too difficult a task. The author felt that due to time constraints, questionnaires were the most beneficial research method available for this particular research project.

3.8 Sampling

“The basic principle of sampling is that it is possible to produce accurate findings without the need to collect data from each and every member of a survey population.” (Denscombe, 2010, p. 23) Saunders (2012) discusses how sampling allows the researcher to reduce the amount of data needed to be collected by considering only data from a subgroup rather than considering data from all possible cases.

There are two different types of sampling. These are called probability and non-probability sampling. Probability sampling is where each case has equal chances of being selected from the total population. Types of probability sampling techniques include simple random, systematic random, stratified random and cluster sampling.

“For non-probability sampling, the probability of each case being selected from the total population is not known and it is impossible to answer research questions or to address objectives that require you to make statistical inferences about the characteristics of the population” (Saunders, et al., 2012, p. 262). This research requires far more qualitative

information than statistical information; therefore the author's research question and objectives were best addressed with the selection of a non-probability sampling technique. Types of non-probability sampling techniques include purposive, snowballing, self selection and convenience sampling.

The non-probability sampling technique which was used was convenience sampling. Convenience sampling involves selecting cases haphazardly because they are easily available to obtain for your sample. This particular technique was chosen due to the limited time frame of the research. Problems related to this technique include it can be prone to bias beyond the researcher's control and generalisations are flawed. However, due to the fact that there is little variation in the population, Saunders (2012) argues that convenience sampling may not be problematic.

The author will use a sampling frame of forty five accountancy firms in the Leinster region for the questionnaires from a list compiled. The author will analyse the data gathered by attempting to establish reoccurring themes. Pie charts and graphs will also be used to represent the qualitative information gathered in the questionnaires.

After identifying themes, interpreting the data and breaking down the vast information into useful units, the author can proceed to presenting appropriate findings, discussions and conclusions in relation to the relevance of third level accounting education to on the job experiences.

3.9 Limitations of research

There were many limitations within this research. Included in the sample frame were accountancy firms who did not or had never employed graduates beginning their training contracts and were therefore not sufficiently informed to complete the questionnaires. The author was unable to send out anymore questionnaires due to resource and time constraints

and as a result the likelihood of the sample being representative of the entire population was decreased.

The chances of generalisations being representative of the total population were reduced due to the selection of convenience sampling. The questionnaire had to be designed in such a way to increase response rates and as a result, some questions had to be omitted. Since this is a qualitative research, it is not hugely important to make generalisations about the whole accountancy population. The aim is to gain a knowledge and understanding of the participants of this research and their experience with recently graduated accountancy students. An analysis of the key findings will be outlined in the following chapter.

CHAPTER 4 – ANALYSIS OF FINDINGS

4.1 Introduction

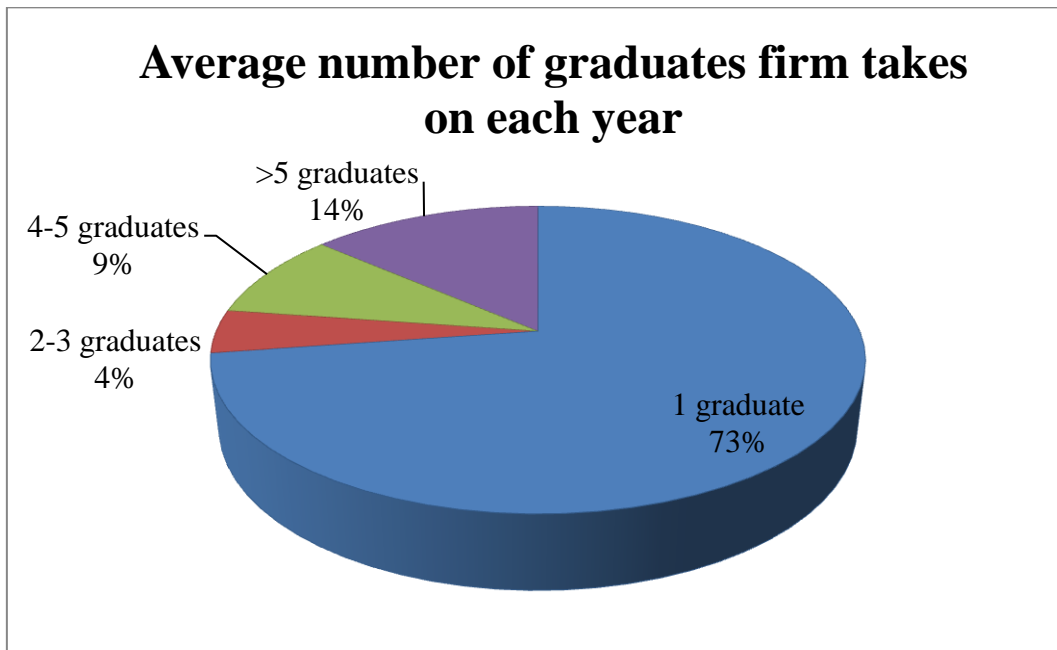
In this chapter, the author will present her findings gathered from the number of questionnaire responses returned. The author will link each question to the specific objective of the research and show how the results gathered in the questionnaires answer or achieve each objective. The author will use pie charts and bar charts as an aid to quantitatively analyse some of the qualitative data gathered from the respondents.

The author surveyed forty-five accountancy firms in the Leinster region in order to come up with the findings highlighted in this chapter. From the forty-five surveyed, twenty-two accountancy firms responded, which is a forty-nine percent response rate. The accountancy firms that participated in this research range from being very small in size to being medium sized accountancy firms. Out of the twenty-two respondents, seventeen of the accountancy firms have no more than five partners, with the majority of them having no more than three. The remaining five practices have between six and thirteen partners. Of the twenty-two practices who responded to the survey, thirteen of them have no more than five accountants working in their firm, four of them have between six and ten, and the remaining five have up to fifty-one accountants working in their firm. This highlights that a number of the medium sized firms are quite large compared to some of the very small practices who only have one accountant and one partner working in their firm. This ensures the author obtains a number of varied qualified opinions.

The accountancy practices were also asked how many administrative staff and graduates they had employed in their firm to give the author a better understanding of the size of their firms. When asked how many administrative staff they had on hand, eighteen of them had numbers ranging from zero to six, while the other four had up to twenty. Eighteen of the respondents have no more than eleven graduates employed in their practices, with the majority of these

firms having no more than four. The remaining four accountancy firms have up to forty-five graduates. These findings show that the majority of respondents are very small in size with a minute number of larger medium sized firms.

The author asked participants the average number of graduates they take on each year, to gain a good understanding of their experience with accounting students who have recently graduated. The pie chart below represents the responses received by participants.



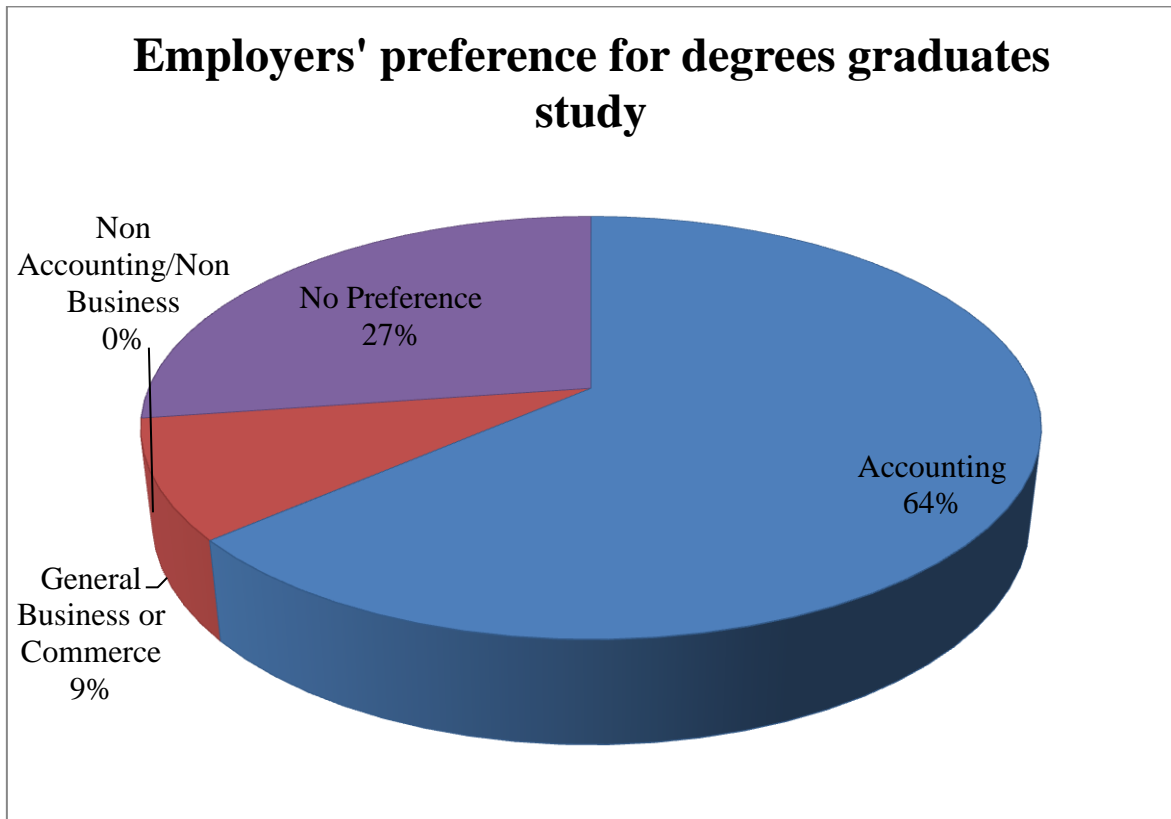
It shows that seventy-three percent of respondents employ only an average of one graduate per year, while four percent of respondents employ an average of between two to three graduates per year. Nine percent of participants stated that they employ an average of four to five graduates each year and finally, the remaining fourteen percent stated that they employ more than five graduates on average each year. These results show that each of the respondents has experience with graduates, some more than others, but they each have an informed and qualified opinion on the matter.

4.2 Objective 1: To investigate whether the course content of third level courses are relevant and sufficient to prepare accounting students for the workplace.

Question three, five, six, eight and thirteen answer this objective. The author will begin by highlighting the findings gathered from question five. Question five on the questionnaire asks participants *“Is there a particular institute or university you prefer to recruit from, and why?”* To this question, fifteen of the participating accountancy firms responded that they had no preference where their graduates studied their third level degrees. The remaining six participants, however, did have a preference for where their graduates attended college. Dublin City University (DCU) and University College Dublin (UCD) were the two most frequent responses, with Waterford Institute of Technology (WIT) following closely behind them. Respondents stated that extremely high standards were the reasons for these selections. One particular respondent who chose both UCD and DCU as his preferable universities to hire from, said the reasoning behind this selection was that students who do Commerce or Accounting and Finance have a very sound grounding/basic knowledge level needed to get started “on the job”.

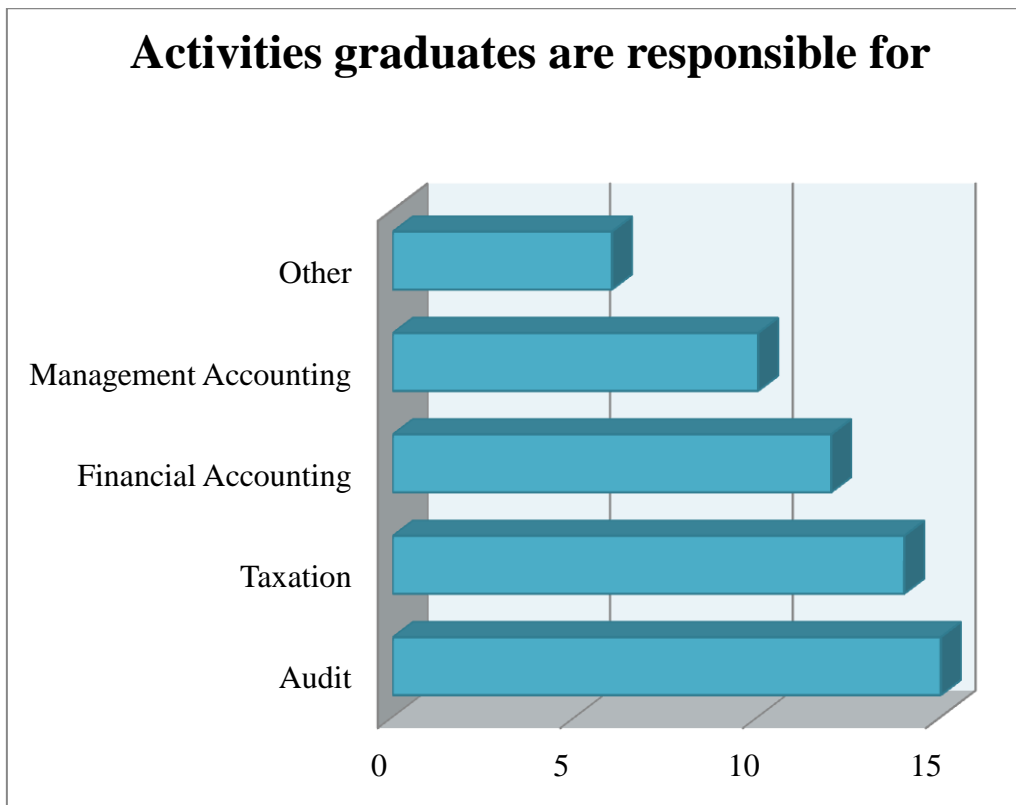
Another participant said that although he did not have a particular preference from where he recruits his graduates from, he would prefer those graduates who have experienced secondment opportunities. This is something the author will discuss again later in the chapter. Also included in responses were University College Cork (UCC), University of Limerick (UL), Trinity College Dublin (TCD), Athlone Institute of Technology (AIT) and Tallaght Institute of Technology (ITT). One participant’s response showed that their firm would preferably hire from any university over institute of technology colleges.

The next question the author will look at is question six. The sixth question on the questionnaire asks the participants “Do you have a preference for the degrees graduates should study in college? Please tick one box”. The pie chart below represents the data gathered for this question.



As you can see from the chart, fourteen out of twenty-two respondents or sixty-four percent of respondents prefer students to study accounting courses at third level education. Nine percent stated their preference for graduates’ degrees would be general business or commerce. The remaining twenty-seven percent had no preference to what students studied in college. The author will talk about these findings in more detail in the discussion section.

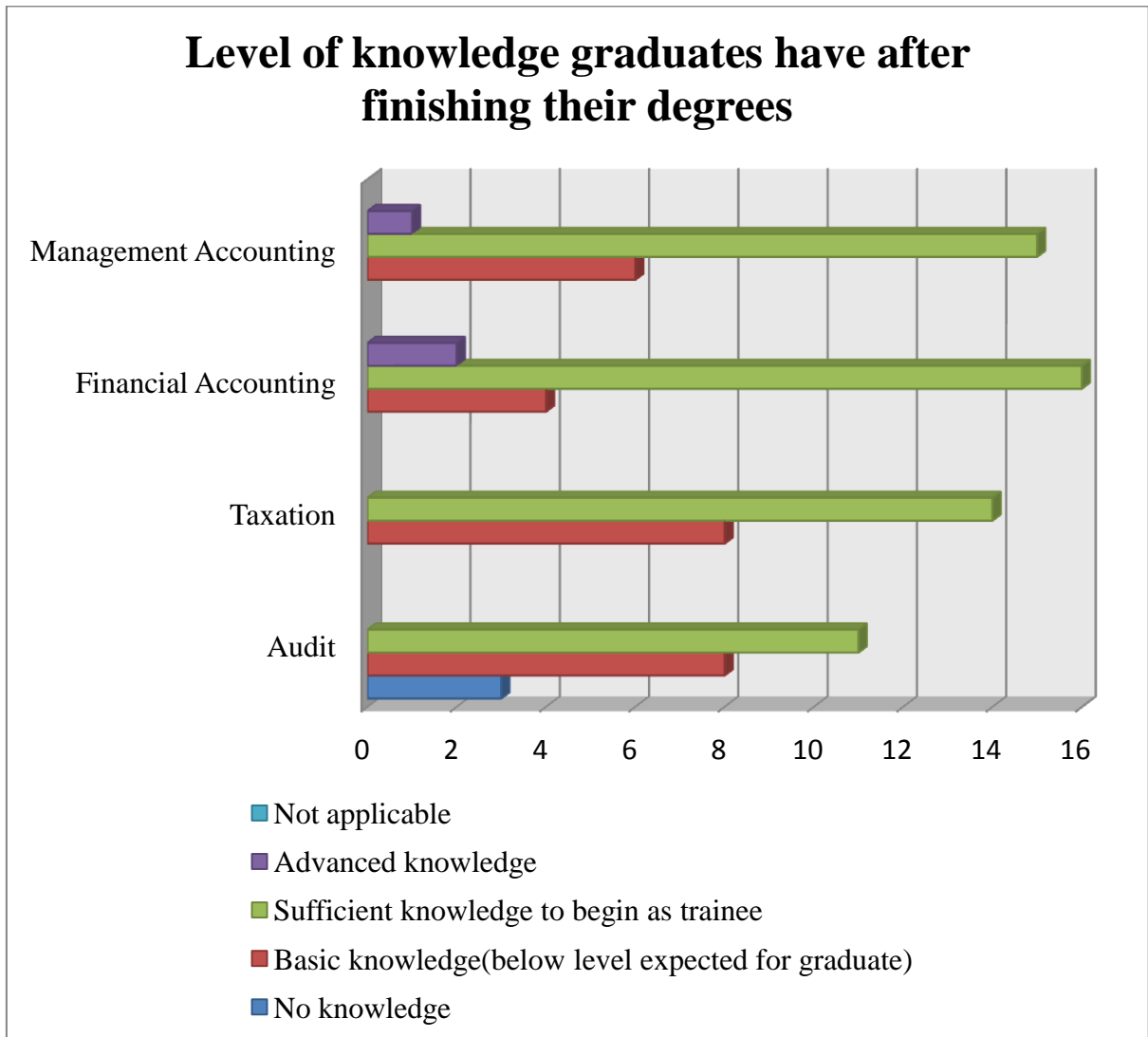
Question three on the questionnaire asked the question “What activities are your graduates responsible for? Please tick the appropriate box/boxes”. This question ties in with a later question thirteen to aid with answering both the first objective and the second objective of this research study. The bar chart on the following page represents the findings obtained for this question.



With this question the participants could tick more than one box if their graduates were responsible for a number of different activities in the firm. As you can see from the bar chart, fifteen firms stated that their graduates were responsible for auditing activities; sixteen responded that their graduates took part in taxation activities, twelve stated their graduates had responsibilities in the financial accounting department and ten of the accounting firms stated that their graduates were responsible for management activities.

Six participants responded that their graduates were responsible for activities other than these four core areas of accounting. When asked to specify these activities, respondents' answers included company secretarial, corporate recovery and insolvency, human resource, computerised bookkeeping, lease/asset management and lastly, court proceedings re liquidator.

Question eight on the questionnaire asks accounting employers “*In your experience of recruiting graduates, what level of knowledge do they have after qualifying from their third level courses? Please tick the appropriate boxes*”. The bar chart below represents the author’s findings on this topic.



As shown in the bar chart, only a very minute proportion of participants feel that their graduates have advanced knowledge on entering the firm and feel that these graduates only portrayed advanced knowledge in financial accounting and management accounting. The majority of respondents feel that their graduates have the required knowledge in each of the core disciplines to begin as a trainee in their firm, especially in financial and management accounting. However, a high proportion of respondents still feel that their graduates have

merely a basic knowledge of the core disciplines which is below the level that is expected for graduates. Taxation and auditing in particular seem to be the areas that cause graduates problems. Participants selected taxation and auditing most often as being areas that their graduates have a level of knowledge below what is expected of a recently graduated student. Auditing was also selected by a few participants as being an area regarding which their graduates had no knowledge when entering the firm.

Question thirteen on the questionnaire is the final one to be discussed for this objective. This question aids with answering both the first and second research objectives. It asks the respondent to “*Please detail the gaps that you think exist in graduates entering the accounting profession*”. One column lists the gaps that exist in graduates’ knowledge and this will aid with answering the first research question or objective. The second column lists the gaps that exist in graduates’ skills and this will answer the second research question. Unfortunately this question did not have as high a response rate as the other questions with only fourteen out of twenty-two participants answering it.

Within the area of auditing, participants found a number of deficiencies in graduates’ knowledge. A common gap mentioned by numerous participants was that a lot of graduates lack an understanding of basic accounting concepts such as debits and credits, meaning they find it more difficult to interpret the information given to them. Another participant highlighted gaps in graduates’ knowledge of audit procedures and documentation. The author also discovered that accounting employers were of the impression that graduates lack an understanding of the concept of audit and risk assessment.

Within the area of taxation, a number of deficiencies in graduates’ knowledge were brought to the attention of the author. The most common gap highlighted by participants was that graduates experience difficulties knowing what is allowable and what is disallowable in terms of corporation tax. In terms of value added tax, two participants stated that graduates do not

know when they can take input credits and when they cannot. The majority of participants who answered this question felt that accounting graduates are unable to do tax planning and that their tax relief knowledge is really lacking. It was the opinion of one respondent in particular that gaps in knowledge existed due to lack of experience and that if graduates have the basic knowledge of taxation they will pick things up very quickly.

Within the area of financial accounting also, participants highlighted more gaps in graduates' knowledge. Two accounting employers felt that graduates lack knowledge of accounts disclosure requirements. Two more respondents thought that graduates' analytical knowledge was not up to scratch. They felt graduates lack the ability to read accounts and draw conclusions from them. Also highlighted within the area of financial accounting by numerous accountants was graduates' lack of understanding of basic double entry. The final deficiency in graduates' knowledge of financial accounting mentioned by one participant in particular is incomplete records. The participant feels that incomplete records are never as straight forward in real life situations as they are in exams or books.

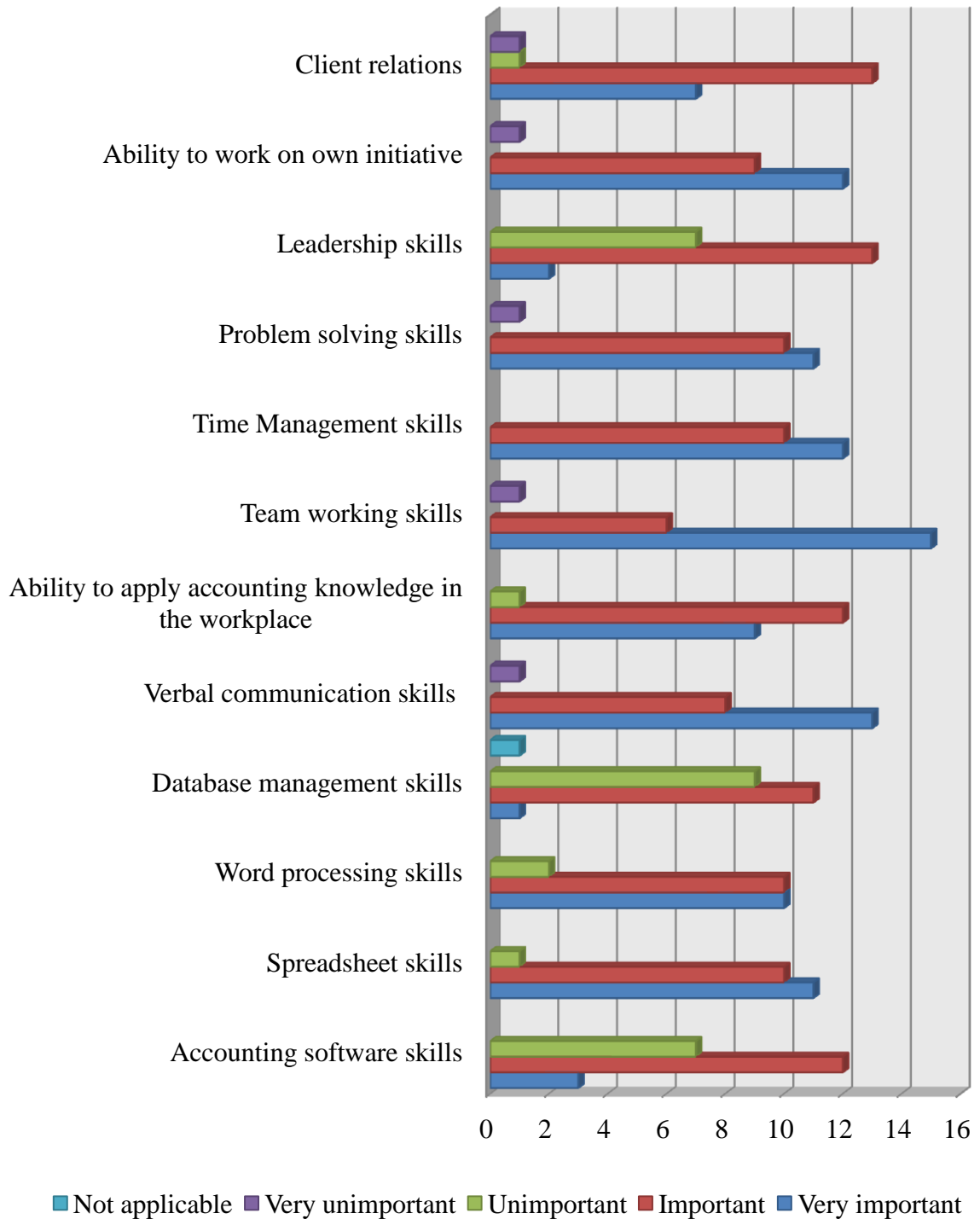
Within the area of management accounting, not as many gaps were highlighted by accounting employers. The author feels this may be due to the low response rate for the question and also because not all of the accountancy firms are heavily involved in management accounting activities. Two significant gaps were mentioned by respondents however and these included cash flow projections and, similar to financial accounting, a lack of understanding of prime book entries.

Respondents were also asked to detail any other gaps they thought existed outside of these four principles. The author discovered that some accounting employers felt that graduates lacked knowledge of company law and its interaction with accounting and taxation assignments. One participant in particular thought that graduates lacked an understanding of what is important to people in business.

4.3 Objective 2: To identify the skills and competencies which are important to have to begin a career in accountancy and identify shortcomings in graduates' skills and competencies.

Question nine, ten, eleven and thirteen answer this objective. The author will begin by discussing the findings gathered from question nine. Question nine on the questionnaire asks the question “*How important is it that the graduates your organisation recruits have these skills on recruitment? Please indicate the importance of each skill by placing a tick in the appropriate box*”. The list of skills and the findings gathered from this question can be seen in the bar chart on the following page. The author will explain the findings further following the bar chart.

Importance of graduates' skills on recruitment



The author will first outline the skills that have the highest joint selections as very important and important and then the author will outline the skills that have been determined as very important alone the highest number of times by participants. “Time management skills” is the skill that was selected the most frequent amount of times as very important and important with all twenty-two of the participants selecting either box. Following closely behind are “spreadsheet skills”, “verbal communication skills”, “ability to apply accounting knowledge in the workplace”, “team working skills”, “problem solving skills”, and “ability to work on own initiative”, all of which were selected by twenty-one respondents each as either very important or important.



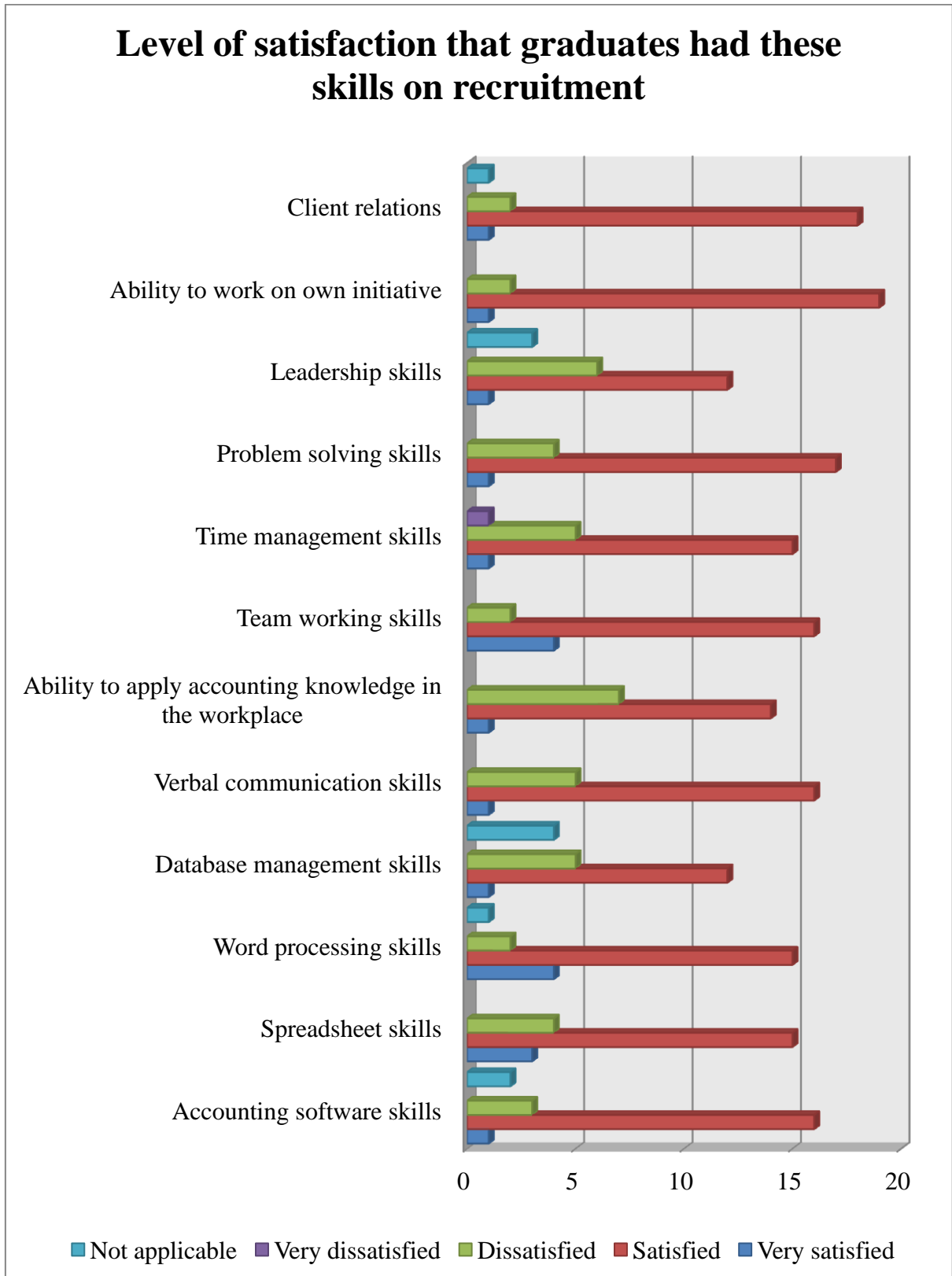
“Client relations” and “word processing skills” were also considered important by a high proportion of participants. The less significant skills include “leadership skills”, “database management skills” and “accounting software skills”. Nine of the twenty-two respondents felt that “database management skills” were unimportant and were not something they specifically sought out when recruiting graduates. Seven respondents felt that “accounting software skills” were unimportant and seven felt that “leadership skills” were unimportant.

“Team working skills” has the highest proportion of participants’ votes, with fifteen out of twenty-two respondents selecting it, for being a very important skill. “Verbal communication skills” follow closely behind, with thirteen selecting it as being a very important skill. “Time management skills” and “ability to work on own initiative” are next with twelve of the twenty-two respondents selecting them as being very important skills. And the final two seen by a significant number as being very important are “spreadsheet skills” and “problem solving skills”.

The tenth question on the questionnaire asks respondents “*How satisfied were you that the graduates you employ had these skills on recruitment? Please indicate your level of satisfaction by placing a tick in the appropriate box.*” The list of skills is the same as in the previous question. The bar chart on the following page represents the results gathered from this question. The author will briefly provide a further explanation to these findings.

As shown in the bar chart, the majority of accounting employers were either satisfied or very satisfied that the graduates they employ had these skills on recruitment. The author feels it is necessary to highlight the skills accounting employers were not particularly satisfied with. Seven out of the twenty-two participants were dissatisfied with graduates’ “ability to apply accounting knowledge in the workplace”. This problem will become evident in later findings from question thirteen.

A number of accounting employers were also very disappointed with graduates' "time management skills", "leadership skills", "verbal communication skills" and "database management skills".

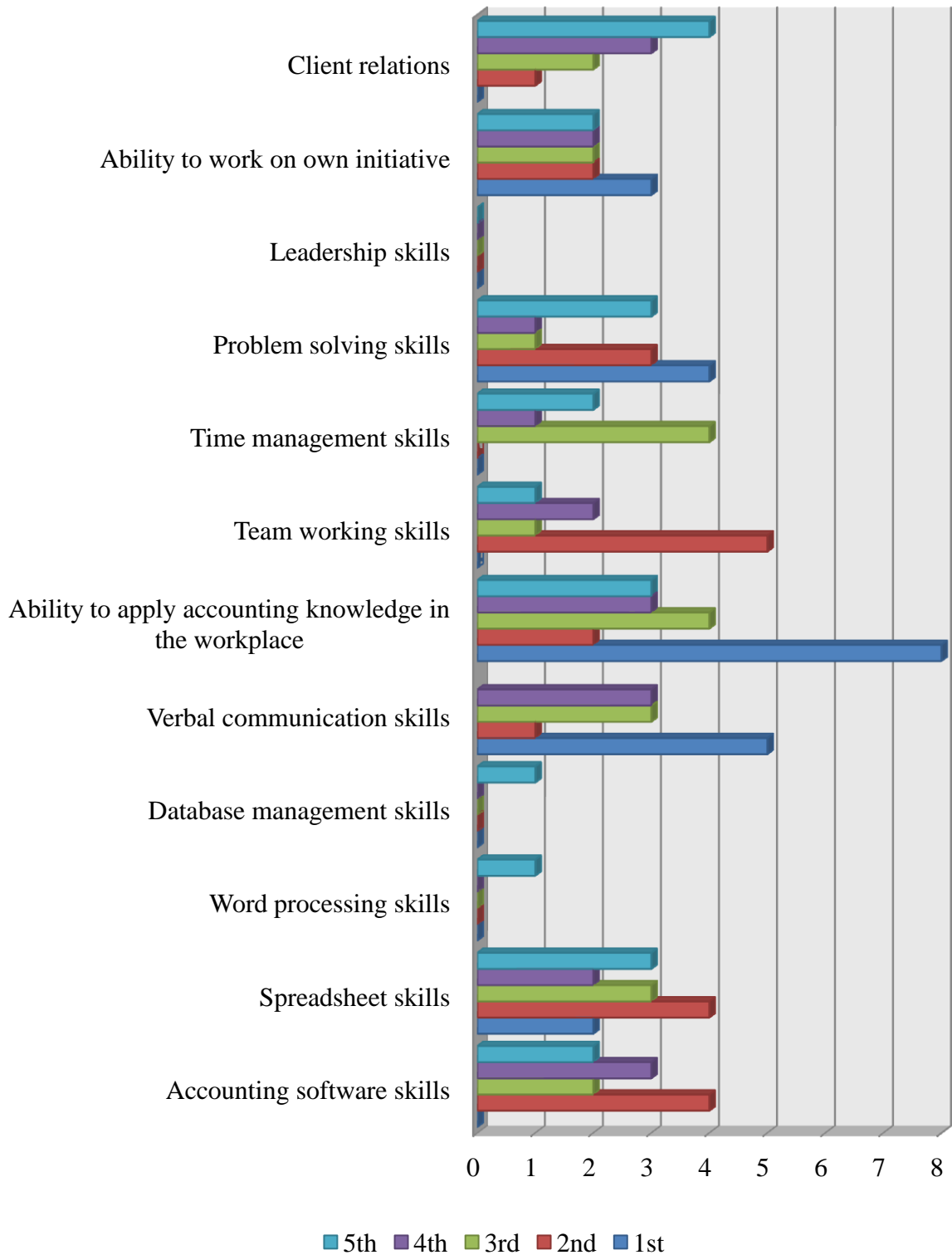


The eleventh question on the questionnaire asked participants the question “*Please rank the FIVE skills you consider most important from the list below (1=MOST IMPORTANT)*”. The skills included in the list are the same as the list in earlier two questions. The graph on the following page represents the findings gathered from respondents but the author will explain these findings further.

From the skills listed, the “ability to apply accounting knowledge in the workplace” is the skill that respondents most commonly listed in their top five. Twenty of the respondents listed this in their top five, eight of which listed it as the most important skill (1) needed to become a successful accounting professional. This author determined that this skill was picked the highest number of times as the most important skill (1) by respondents.

Following the “ability to apply accounting knowledge in the workplace”, “spreadsheet skills” was included by fourteen respondents in their ranked top five skills. As you can see from the graph below, only two of these respondents listed “spreadsheet skills” as the most important (1), although the author feels it is still evident that it is a common view amongst accountants that spreadsheet skills are necessary in becoming a successful accountant. The next skills which followed closely behind “spreadsheet skills” were “verbal communication skills” and “problem solving skills” both of which were included by twelve respondents each in their five most important skills. “Verbal communications skills” was seen as slightly more important by participants, as it was included by five of the twelve respondents as their most important (1), whereas four out of twelve respondents only included “problem solving skills” as their most important skill (1).

Ranking of the FIVE skills accounting employers find most important



The following two most important skills chosen by the accountants were “accounting software skills” and “ability to work on own initiative”, with both listed by eleven respondents each in their lists of top five most important skills. “Ability to work on own initiative” was seen as more important by participants as it was included three times as the most important skill (1) with no one listing “accounting software skills” as their most important skill.

In order of the level of importance decided by participants, the skills following “accounting software skills” and “ability to work on own initiative” were “client relations” with ten accountants including it in their top five skills, “team working skills” with nine accountants listing it in their top five skills, “time management skills” which was included in the top five skills seven times, “word processing skills” which was included three times and “database management skills” which was included once. “Leadership skills” was not considered by any of the participants to be greatly important as it was not included in any of the top five listings of skills.

One part of question thirteen was discussed earlier to answer the first objective. The author will now discuss the second part of the question to answer the second objective. This part of the question asks participants to detail the gaps they think exist in graduates’ skills. It is evident from this question that the biggest problem is not graduates’ lack of knowledge in the core disciplines but rather their inability to apply the technical knowledge in real life situations.

Within the area of auditing, nine out of the fourteen participants who responded to this question stated that the most serious deficiency in graduates’ skills is their inability to translate theory into practice, with one participant mentioning in particular their inability to apply auditing standards to real life situations. Some accounting employers were of the opinion that graduates lack skills in analytical review and also in the design of tests to

conclude the existence of risk. Another weakness in graduates' skills that was identified was that they lack report writing skills. Numerous participants felt that these gaps in skills exist due to lack of experience in the workplace.

Within the area of taxation, all of the respondents were of the opinion that the serious deficiency existing in graduates' skills, similar to auditing, is their inability to apply the theory in practical situations. One participant also mentioned that graduates lack organisational skills necessary to bring together information required to prepare a tax return.

Within the area of financial accounting, again, as with the previous two disciplines, the majority of the respondents were of the opinion that the most obvious gap in graduates' skills is their lack of practical knowledge. They are incapable of applying theory in real life situations. Other gaps in graduates' skills identified by accounting employers include their poor analytical skills, their poor understanding of double entry bookkeeping, their inability to apply accounting concepts consistently, their ability to deal with clients and work with limited information and lastly their inability to work with time limits.

As the author discovered earlier, management accounting is not an area most participants are heavily involved in so this part of the question was not relevant to all participants. As with the above disciplines, the biggest gap in skills identified is graduates' ability to translate theory into practice. Also included in their skills' gaps are their poor communication skills and their poor understanding of double entry bookkeeping.

Question thirteen also asks participants to detail any other gaps they think exist in graduates' skills. Most participants did not answer this part of the question so the author presumes they had no other complaints. The deficiencies that were identified included graduates' inability to work under pressure and meet deadlines, their poor ability to organise competing interests on time, their poor communication skills, their report writing skills and lastly organising and conducting meetings.

4.4 Objective 3: To obtain suggestions for the improvement of accounting students' preparation for the workplace in college from the employers' perspective.

Question twelve, fourteen, fifteen, three, four and seven answer this objective. Question twelve asked the question “*Would a six month work placement/internship as part of their degree, improve graduates' readiness for the workplace?*” All twenty two participants responded yes to this question, confirming the fact that practical experience would be tremendously beneficial to students entering the accounting profession.

The next question relating to this objective was question fourteen. Question fourteen on the questionnaire asked the question “*Have you any other suggestions as to how Universities/Institutes of Technology could improve graduates' readiness for their careers in accountancy?*” This question was answered by twenty of the twenty-two respondents. The most common suggestion by accounting employers was the need for accounting programmes to undertake a more practical based approach to teaching rather than an academic approach. Ten of the participants (22%) had the opinion that this was main deficiency that needed to be addressed by third level institutions. The majority of the ten participants suggested that more projects, case studies, written reports and a more hands-on approach to continuous assessment would lead to students' improved ability to apply the technical knowledge in real life situations. One participant suggested that the requirement of more verbal presentations of knowledge would also aid with improving students' application of technical knowledge along with improving their communication skills.

Work placement was another frequent answer amongst the accounting employers' responses with nine out of the twenty-two participants suggesting it as vital to students' professional development. One of the participants also thought that work placement would greatly enhance students' client relations skills. Five of the participants suggested an increasing need to emphasise IT skills in third level education. Some respondents considered an extensive

module in Excel in particular, is required. One of the participants suggested that students also gain more knowledge on computerised packages such as efilting, Sage and ROS.

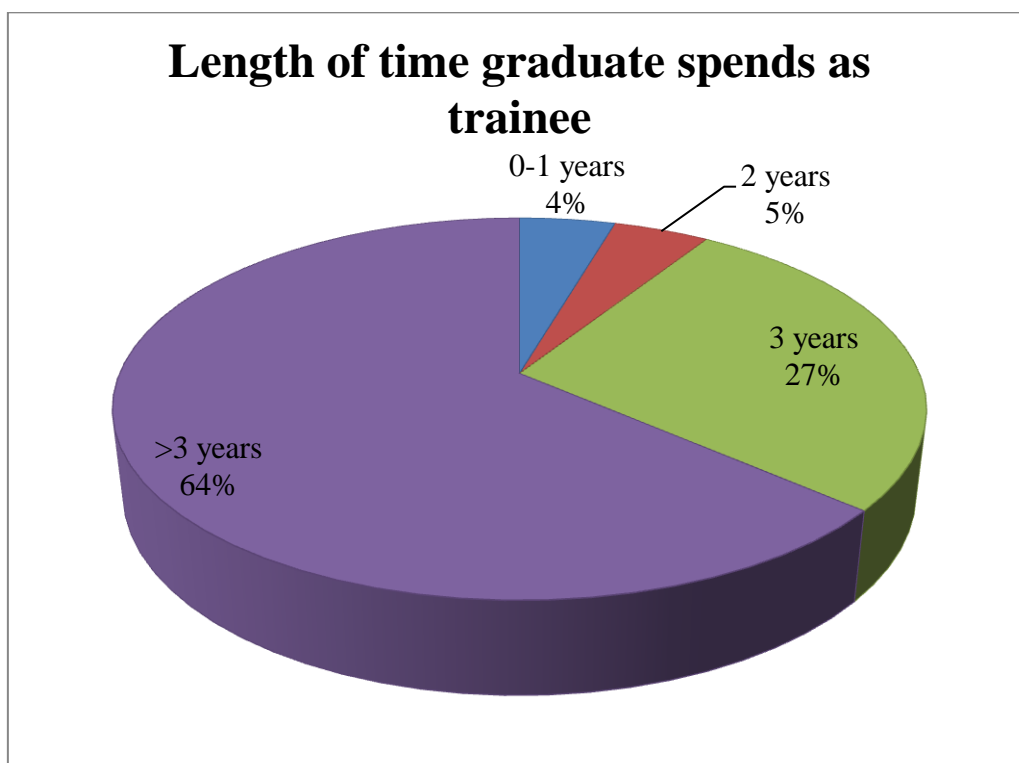
The final suggestion amongst participants was the need for college accounting programmes to provide a module giving students an overview of how all of the disciplines interlink with each other to ensure that students do not have knowledge of each discipline in isolation only. Numerous of the accounting firms felt that students did not have sufficient basic accounting skills, such as debits and credits, which are vital to becoming a successful professional. One respondent in particular stated that an understanding of basic debits and credits can lead to excellent audit skills and the ability to interpret information better.

The final question, question fifteen asked respondents “*In your experience, what are the main differences between a newly qualified graduate and someone who has finished their training?*” This question had a full response rate. It was evident from the responses that the biggest major difference between a recently graduated accounting student and someone who has finished their training is that graduates gain an enhanced technical knowledge and greater practical experience throughout the course of the training contract. All of the respondents were of this opinion. A particular accounting employer stated that at the beginning of the training contract graduates come to their boss with a problem but by the end of the contract the graduate can bring their boss the solution, meaning that problem solving skills, highlighted as one of the most important skills earlier, have been enhanced throughout the course of the contract.

Participants highlighted a number of skills that are greatly improved over the course of the training contract. These include verbal and written communication skills, time management skills, improved IT skills, and lastly, enhanced analytical and problem solving skills. A number of other differences between a recently graduated accounting student and someone who has finished training were also found in the gathered data. A number of participants

stated that someone who has finished their training has enhanced knowledge of different business sectors and experience in complex organisations. One respondent highlighted that someone who has finished their training contract has an awareness of the rules of professional conduct, ethics and money-laundering legislation. The final difference highlighted by respondents was that a qualified trainee will be able to manage a team of trainees and teach them all the things he/she learned when starting off as a trainee, meaning their leadership and communication skills have been enhanced.

Question four asked the question “*How long would a graduate typically spend as a trainee in your firm? Please tick one box*”. The pie chart below represents the findings gathered for this question. As shown below, fourteen (64%) of the respondents stated that their graduates normally spend over three years as a trainee in their company. Six (27%) of the participants stated their graduates normally spend three years as accounting graduates, one firm each answered that their graduates normally spend zero to one years as a trainee and 2 years as a trainee.



Question seven asks the question “*During their training period, what organised training do you provide to graduates (excluding study leave for professional exams)?*”

The majority of participants stated that they provide their graduates with full on the job training in all aspects of the service, including all the areas covered by the exam syllabus, delivered to a wide range of clients and businesses. On the job training usually means trainees work under the supervision of qualified and experienced staff. A number of participants also stated that their graduates take part in an induction course on the first week of the training contract. Other responses by participants included rotating graduates to a number of different departments during the term of the training contract to ensure they get a solid and rounded training, software training programme (CCH and Sage), anti-money laundering training, and audit procedures updates. The majority of participants also stated that they provide their graduates with in-house presentations and seminars, and external training courses and seminars as needed during the year. This chapter clearly presented the findings. The analysis and interpretation of the findings will take place in the following chapter.

CHAPTER 5 - DISCUSSIONS

5.1 Introduction

Following on from the findings outlined in chapter four, this chapter will discuss the findings in more depth. The author will interpret and analyse the data relating to each objective and by doing so she will show whether each objective has been achieved.

5.2 Objective One

This objective is mostly to do with determining whether the extent of knowledge obtained by accounting students when studying third level accounting courses is relevant and sufficient in today's business environment. The author will begin by interpreting the findings gathered from question five. The purpose of question five was to investigate whether it was the opinion of employers that students were better educated after studying in certain third level institutions. Perhaps certain colleges provide students with more knowledge and competence for the workplace possibly due to more relevant course content or a more practical based approach to teaching or maybe the requirement of internship as part of the course.

This question tells the author that the majority of participants (71%) do not perceive any difference between which university and institute of technology they recruit from. The author recognises that each graduate is different and some will have qualities specifically suited to an employer's needs whereas others may not. 29% of respondents did express a preference for place of study and the three most named third level institutions amongst the 29% of respondents' answers for this question included DCU, UCD and WIT. It is evident to the author that a number of participants are of the opinion that these third level institutions have the highest standards of graduates and that they demand excellence from their students. The author should have asked respondents where they went to third level college themselves. This would have allowed the author to see if there was any bias towards alma maters.

The author feels it is also worth mentioning how one respondent stated they would prefer to hire from somewhere that offered secondment opportunities. It is evident that practical work experience would be extremely beneficial to students studying accounting. One response showed bias towards universities over ITs.

The next question discussed is question six. The reasoning behind question six was that the author wanted to determine which college courses accountancy firms found most beneficial to students embarking on the career of accountancy. Unsurprisingly, accounting courses was the most commonly selected option (64%) for this question. This is probably due to the fact that it is most relevant and provides students with in depth knowledge of all the different areas of the accounting profession. However, a significant amount of respondents (27%) stated that they had no preference as to what courses their graduates studied in college. As 27% (almost a third) of practices do not have a preference for accounting or business courses, this implies that accounting/business courses are not relevant and sufficient (in the opinion of these practices) to prepare accounting students for the workplace from the perspectives of employers. This suggests that they judge their applicants on different criteria, such as the relevance of their college degree to the position, their results to date, and possibly whether or not they have gained real life experience of the work involved. Similar to the previous question, this question highlights that each graduate is different and the choice of third level institution and course is not enough on which to base a decision to employ someone or not, it's also important to employ someone who is competent and fits in well with the organisation.

The discussion of findings gathered from question three followed question six. The purpose of this question is merely to identify which areas of accounting participants' graduates are involved in. By comparing question three with a later question, the author will identify whether these core modules are being covered sufficiently in college, answering this first

objective. From the findings the author determined that the majority of participants are heavily involved in auditing, taxation and financial accounting, with a smaller proportion involved in management accounting. This question also asked accounting employers to detail other activities their graduates were responsible for, if any, and to provide their opinion on whether colleges should provide education in that field. Under other, some of the responses reflected the rise in numbers of liquidations and receiverships being an issue that colleges need to take into consideration. Courses need to be responsive to changes in the business environment. Some respondents felt that company secretarial was something that is not covered enough in college. Company secretarial duties have been around a long time so it is interesting that more company secretarial practicalities are not covered in college. It is something that is vital for accounting graduates to be informed about in today's business environment.

Question eight is the next question to be discussed. The majority of respondents were of the opinion that their graduates had sufficient knowledge in each of the core disciplines to begin as a trainee, however, a relatively high proportion of participants were of the opinion that their graduates had a level of knowledge below what is expected for a graduate, particularly in the areas of audit and taxation. As determined in question three, these disciplines are two that the majority of participants are heavily involved in, meaning they would have a well informed opinion on this matter. Audit was also selected by a few participants as an area their graduates had no knowledge. This suggests third level institutions are not covering these core disciplines sufficiently.

The final question to be discussed under this objective is question thirteen. By comparing the findings discovered in this question with findings from question three and eight, the author can better explain the results. The purpose of this question was to highlight gaps in graduates' knowledge in each of the core disciplines and any other areas accounting employers identified

gaps. The author will pay particular attention to graduates' gaps in auditing and taxation knowledge as they were two disciplines highlighted in question eight as two areas where graduates lack knowledge.

Highlighted in graduates' gaps in knowledge of auditing was their understanding of basic accounting concepts such as debits and credits. This is a really significant gap in graduates' knowledge as these basic accounting concepts underpin all areas of the accounting profession. It suggests graduates find it more difficult to interpret financial information. The other gaps identified, including audit procedure and documentation, and a poor understanding of the concept of audit and risk assessment, is extremely basic areas within auditing. This suggests that audit is not being covered sufficiently at third level to meet the needs of the current business environment. A general business degree is probably not going to have auditing as a module, unlike an accounting degree.

The most significant deficiency identified in graduates' knowledge of taxation is their inability to do tax planning and their lack of knowledge of tax reliefs. This is something that needs to be covered in detail at third level education. Some respondents were of the opinion that lack of work experience was the reasoning behind graduates' gaps in knowledge. This is reasonable as tax planning is quite advanced, unlike identifying allowable and disallowable items for the purpose of corporation tax adjustments and input credits for VAT.

The most significant gap in graduates' knowledge of financial accounting, as with auditing, is their poor understanding of basic double entry. As shown in the results graduates also have weak analytical skills. An improved understanding of basic double entry would in turn help graduates analyse financial information more quickly and more efficiently. The basic accounting concepts are an area that should be covered more thoroughly at third level. Basic accounting concepts and principles are often covered in the first year of college. Perhaps they should be re-examined in more depth in later years of the degree.

When the author looked back at question three, she saw that the least number of participants were actively involved in management accounting activities. It is the author's opinion that this explains the minimal response rate to this part of the question as not all participants would find it relevant to them. Two weaknesses were highlighted by accounting employers however. When analysing this question, it is important to remember that every graduate is different and where some have weaknesses, others may excel.

To conclude, nearly two thirds (64%) of practices prefer their graduates to have studied an accounting degree. The main duties they do correlate to the main areas studied in college (audit, tax, financial & management accounting). Approx 70% of respondents were happy that graduates had basic skills/knowledge in financial and management accounting which suggests that the courses being provided are relevant and adequate. There was less satisfaction in the area of auditing/tax which could be due to the fact that these might not be studied in as much depth (or may be electives) in general business courses. However, concern was raised over poor knowledge of double entry & analytical skills, which is surprising and something that colleges need to consider.

Majority of accountants did not highlight a preference between university or ITs which suggests that courses are perceived to be broadly similar. Some did differ but that may be affected by their own college history, which was not checked in the questionnaire. Areas highlighted by respondents that need further education include corporate recovery and insolvency, and company secretarial. Corporate recovery and insolvency was regarded as important by respondents due to the rise in liquidations and receiverships in the current environment. Company secretarial is something that has always been around but it is something that needs to be covered more thoroughly at third level.

5.3 Objective Two

The author will begin by discussing the findings gathered from participants for question nine. The skills considered most important by accounting employers are time management skills, verbal communication skills, the ability to apply accounting knowledge in the workplace , spreadsheet skills, team working skills, problem solving skills and the ability to work on own initiative. These are the skills accounting employers consider essential for graduates' progression towards becoming successful accountants.

Third level institutions need to be aware of how important accounting professionals find these skills so they can incorporate their development into the accounting programmes. Time management skills, problem solving skills and the ability to apply accounting knowledge can all be improved by the implementation of a more practical approach to teaching, assigning students more projects and case studies with deadlines. Perhaps requiring students to record time spent on projects would be a good idea for colleges to consider. Billable time is a new concept for many graduates. Team working skills can be improved by more team projects. Verbal communication skills will be enhanced by the requirement of verbal presentation of knowledge and spreadsheet skills should be taught through an information systems module.

Application-of-knowledge Verbal-communication
Time-management
Initiative
Skills
Spreadsheet-skills
problem-solving
team-working

Three skills considered relatively insignificant by respondents were leadership, database management and word processing. This suggests that accountants are going to be followers of men rather than leaders of men! Time spent on access and database management could be moved into advanced spreadsheet and accounting software.

The discussion of question ten follows question nine. As mentioned above, the majority of accounting employers were relatively satisfied that their graduates had each of the skills listed but the author feels it is necessary to focus more on the skills that accounting employers thought their graduates lacked. These include the ability to apply accounting knowledge in the workplace, time management skills, leadership skills, verbal communication skills and database management skills. Some inconsistency was found by the author between questions 10 and 11, as database management skills was one of the least important skills to have when starting in the workplace.

As the ability to apply accounting knowledge in the workplace, time management skills and verbal communication skills are three skills considered by accounting employers most important for graduates to have, it is disappointing to see that these are three of the skills that accounting employers are dissatisfied with. As the author has already mentioned for colleges to improve students' ability to apply accounting knowledge in the workplace they need to take on a much more practical approach to teaching than an academic approach. Case studies, using real life examples, would help here. Integrated assessments (assessments that assess more than one subject) may also help. The implementation of a work experience programme would also greatly help students develop these skills. Time management skills and verbal communication skills can be improved as mentioned above, through more assessments subject to deadlines and verbal presentations. It is extremely important that colleges consider how to improve these three key skills.

Leadership skills can be improved by group projects and the improvement of database management skills, like spreadsheet skills, should be taught through an IT module. Doing accounting exams through computers, instead of using pen and paper would also improve spreadsheet skills.

Next the author discusses the findings gathered from question eleven. The top five skills most ranked by accounting employers include the ability to apply accounting knowledge in the workplace, spreadsheet skills, communication skills, problem solving skills and the ability to work on own initiative. This question, along with question nine, highlights the importance of certain skills necessary in order to become a successful accounting professional. Third level business and accounting programmes should too, recognise the importance of these skills.

Question thirteen is the final question to be discussed under this objective. The purpose of this question is to highlight existing gaps in graduates' skills which specifically answers this objective. As mentioned in the above findings, the obvious gap in graduates' skills is their poor ability to apply their technical knowledge to real life situations no matter what area of accounting it relates to. Some of the respondents were of the opinion that this was due to a lack of experience.

Within the area of auditing, graduates' poor analytical skills and lack of report writing skills were also mentioned as significant deficiencies in graduates' skills. Under financial accounting, poor analytical skills were identified again by participants as being graduates' weakness. This may be primarily due to the fact that their understanding of basic double entry is so poor. A thorough understanding of double entry is required by graduates as it underpins all areas of accounting. More significant weaknesses brought to the author's attention in the findings of this question include graduates' poor client relations, their weak time management skills, their weak report writing skills and their lack of communication skills.

To conclude, the skills considered most important by accounting employers are time management skills, verbal communication skills, the ability to apply accounting knowledge in the workplace, spreadsheet skills, team working skills, problem solving skills and the ability to work on own initiative. The majority of accounting employers were relatively satisfied that their graduates had each of the skills listed apart from the ability to apply accounting knowledge in the work place which was listed by 90% of participants. Improving students' ability to apply accounting knowledge in workplace is definitely something that colleges need to consider. They need to think about incorporating a more practical approach to their courses rather than focusing too heavily on the academic side. Other skills that employers are dissatisfied with include time management skills, leadership skills, verbal communication skills and database management skills. Graduates' analytical skills were also highlighted by respondents as being rather poor, throughout all areas of accounting.

5.4 Objective Three

The author will begin by discussing the findings gathered from question twelve. The purpose of this question was to identify whether accounting firms were of the opinion that practical experience in the accounting environment is required as part of college courses. To this question 100% of participants felt that the incorporation of work experience or placement as part of graduates' degrees would be hugely beneficial to them. They would learn how to apply the knowledge and skills learned in college to real life situations on the job.

The next question discussed is question fourteen. The purpose of this question was to gain insight into the areas accounting employers felt third level institutions overlooked. The main themes identified throughout the responses include work placement, a practical based approach to learning, extensive IT modules, and more verbal presentation of knowledge. Employers listed great suggestions in their responses for third level colleges to consider for the improvement of graduates' readiness for the workplace. To improve students' practical

knowledge employers suggested the requirement of undertaking projects, case studies and written reports as part of their assessment. A common view amongst participants was that a more practical based approach rather than a technical based approach to teaching was needed to improve students' application of the technical knowledge of the different areas of accounting.

Another area that respondents feel third level institutions overlook is graduates' experience. It is the opinion of the participants' that a comprehensive work placement programme should be included as part of accounting degrees as it would hugely aid in the personal and professional development of the accounting student. It is considered by most to be a vital prerequisite. Like a practical approach to learning, internships would allow accounting students to learn to apply the knowledge they learn in college in real life practical situations.

From the findings gathered it is evident that employers are under the impression that the information technology covered in college is insufficient. Participants felt that an increased knowledge of computerised packages such as Excel, efilng, ROS and Sage is required. Excel, in particular, is an extremely useful tool to accountants on a day to day basis in work. With continuous advancements being made in technology, it is important that education programmes too, keep up to date. Graduates with IT skills have a great advantage over those without these skills. The final suggestion made by participants was the need for accounting programmes to provide a module giving students an overview of how all of the disciplines interlink with each other to ensure that students do not have knowledge of each discipline in isolation only. This would enhance students' knowledge of basic accounting concepts and it should improve graduates' ability to apply accounting knowledge in the workplace, as graduates would need to look at data in an integrated fashion.

The final question on the questionnaire is discussed next. The purpose of this question was to gain insight into the advantages of three years training and investigate if there are any ways accounting courses can incorporate some changes so graduates experience some of these advancements in college before beginning work. The biggest difference identified by respondents was that someone who had finished their training has enhanced technical knowledge and greater practical experience, meaning they have the ability to apply the technical knowledge in a practical situation. They have refined judgement on a professional level. Employers highlighted a number of skills that are developed and improved over the course of the training contract. Communication skills were identified as being one of them. Graduates are much more capable of interacting with clients and writing up reports at the end of their contract. Their time management skills are improved; they have the ability to time manage competing interests and demands. They are much more aware of information technology and its use in accounting. They have improved competence of accounting software, Word and Excel. Finally, respondents stated that the training contract aided with the development of graduates' analytical and problem solving skills. They have the ability to read financial statements, interpret the data and draw conclusions from them. They have gained a good all-round accounting knowledge from working in different business sectors and with different clients.

Question four is useful as it gives the author an idea of how long a graduate contract lasts. This then allows the author to compare to the contract to a degree. As discovered in the previous question, employers see a big difference between graduates at the beginning and end of their contract. This contract usually lasts 3 years, similar to many accounting courses which run for 4 or 3 years. A new way of looking at this graduate contract is to see it as being like another 3 years of college but much more intensive and very often with 1 or a small number of graduates, as was discovered from one of the earliest questions on the questionnaire. This allows a more hands on tuition and mentoring, which is something that is difficult in college

with classes of 50+ in ITs and 100 or 200+ in universities. It is unrealistic to expect colleges to give the same level of hands on experience and individual tuition to students. There are however, suggestions for improvement in the area of both skills and knowledge to be learned and also in practical teaching. The final question outlined in the previous chapter was question seven. This question was not particularly fruitful. The data that came back was quite general and provided no specific information or concrete examples colleges could act on. However, accounting software knowledge was again highlighted as being an important skill for graduates to have.

To conclude, the main themes identified as potential improvements include work placement, a practical based approach to learning, extensive IT modules, and more verbal presentation of knowledge. Work placement is considered vital but it may be difficult for colleges to implement as it would be resource intensive and difficult to organise. A practical approach to learning and teaching is something that could be incorporated in accounting programmes however. Suggestions as to how this could be achieved were given, including the requirement of projects, case studies and written reports, using real life examples, as part of graduates' assessment. This would improve graduates' ability to apply accounting knowledge in the workplace. Organising an extensive IT module and encouraging verbal presentation of knowledge as part of graduates' assessment are two more suggestions colleges could take on board to ensure the improvement of graduates' communication and IT skills. Analytical and problem solving skills could be enhanced by organising a module interlinking each of the core modules, instead of looking at them only in isolation. This chapter contained the interpretation and analysis of findings. The following chapter will draw conclusions from the analysis of data and outline possible areas for further research.

CHAPTER 6 – CONCLUSION

In this chapter, the author will give a brief conclusion to all three objectives, outline the shortcomings that exist in the research and finally, recommend areas where future research can be conducted. This research project has helped the author gain a better insight into the knowledge, skills and competencies required by today's accounting graduates, the existing shortcomings in graduates' knowledge, skills and competencies, and lastly, areas accounting employers or management feel colleges could improve on in order to better prepare accounting graduates for their roles as trainee accountants. The author found that both the literature review and the findings collected from the questionnaires helped the author answer her research objectives and in turn, her overall aim. The author hopes this study will be of value to the reader and provides useful recommendations for future research.

6.1 Objective 1: To investigate if third level accounting courses' contents are relevant and sufficient to prepare accounting students for the workplace from the employers' perspectives.

The overall conclusion the author draws from this objective is that third level accounting courses' contents are mostly relevant but not entirely sufficient in preparing accounting students for their roles as trainee accountants. Accountants do not have a preference from where they recruit their graduates. They do however, prefer their graduates to study accounting in college, as opposed to a general business or commerce degree. This is due to the fact that a purely accounting degree is more relevant and covers areas such as audit, which general business degrees may not. Third level institutions overlook certain topics related to accounting, including corporate recovery and insolvency, and company secretarial. Corporate recovery and insolvency has become an increasingly important area within accounting in light of the recession. It is important that accounting courses' contents adapt to changes in the business environment. The majority of graduates leaving college have a sufficient level of

knowledge of the core disciplines (audit, taxation, financial accounting and management accounting), which implies that college degrees are relevant and sufficient. However, the author found a relatively high proportion of accounting graduates have a level of knowledge that is below expectations, which shows that there is room for improvement. Audit and taxation, in particular, were identified as areas where some graduates lacked basic knowledge.

6.2 Objective 2: To identify the skills and competencies which are important to have to begin a career in accountancy and identify shortcomings in graduates' skills and competencies from the employers' perspective.

After analysing and interpreting the data collected, the author finds that the most important skills for graduate accountants to have in order to become successful accounting professionals include, the ability to apply accounting knowledge in the workplace, spreadsheet skills, verbal communication skills, problem solving skills, the ability to work on own initiative, time management skills and team working skills. Leadership skills, database management skills and word processing skills are considered relatively unimportant. The author found existing shortcomings in graduates' skills and competencies. The skills and competencies that existing graduates lack include the ability to apply accounting knowledge in the workplace, time management skills, verbal communication skills, leadership skills and database management skills. The author finds also that graduates' analytical skills are rather poor in all areas of accounting. Colleges need to be aware of how important accounting professionals find these skills so that they can incorporate their development into their accounting programmes.

6.3 Objective 3: To obtain suggestions for the improvement of accounting students' preparation for the workplace in college from the employers' perspectives.

The author found a number of suggestions for colleges to take on board when considering how to improve accounting students' readiness for the workplace. The author found that work experience or internships are highly beneficial to accounting graduates. They aid in improving graduates' abilities to transfer the technical knowledge to practical situations. Although, the author recognises that this may be difficult for colleges to implement due to resource constraints and difficulty in organisation. Implementing a more practical based approach to teaching and learning is another suggestion colleges should consider. They could implement this approach by including team projects, case studies and written reports with real life examples, as part of students' assessments. This would aid with developing a number of students' skills, including team working skills, the ability to apply accounting knowledge in the workplace and problem solving skills. Colleges should require their students to undertake an extensive IT module, covering spreadsheet skills in particular, as it was found to be one of the most important skills for graduates to have. The author finds that students should take part in more verbal presentations of knowledge during their college period to improve their verbal communication skills. The final suggestion the author identified was the need for colleges to provide a module interlinking each of the disciplines rather than learning each discipline in isolation only. This could improve accounting students' knowledge and understanding of each of the disciplines and also enhance their analytical skills.

6.4 Shortcomings in the data

The major shortcoming in this research project is that the data is gathered from a population of only forty-five accounting practices in the Leinster region. Included in this sample were a number of accounting firms who do not and have never trained accounting graduates, meaning they were insufficiently informed to participate in the study. The author was unable

to administer more questionnaires due to time constraints, meaning the likelihood of the sample being representative of the entire population decreased. An increase in the sample size and an increase in the quantity of questionnaire responses would inevitably provide for more valid research findings. Another weakness in this study is that the questionnaire was designed in such a way to increase response rates, meaning some questions had to be omitted. One example of a question the author would have liked to include is to ask the participants where they themselves went to college to discover whether there was any bias towards particular colleges. A more inquisitive questionnaire could have possibly led to more detailed research findings.

6.5 Recommendations for future research

The author recommends the interesting ideas below for future research:

- To determine the impact of studying accounting at second level education to accounting students' understanding of basic accounting concepts.
- To identify students' perceptions of what is required of them by employers.
- To investigate whether the organisation of work placement as part of undergraduate degrees would be possible or feasible.

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Appendix I – Cover Letter for Questionnaire

Amy Champion,
Barna,
Borris-in-Ossory,
Co. Laois.

19/06/137

Dear Sir/Madam,

My name is Amy Champion and I am currently studying the Masters of Arts in Accounting programme in Athlone Institute of Technology. As part of my course I am undertaking a research project investigating the relevance of third level education for accounting graduates and their employers.

Because your firm employs accounting graduates, I am inviting you to participate in this research study by completing the attached questionnaire. This questionnaire will require no more than 10 minutes of your time to complete. The information collected will be kept confidential and used solely for the purpose of my thesis. If you choose to participate in this project, please answer all questions and return the questionnaire as soon as possible. Participation is strictly voluntary.

Thank you for taking the time to assist me in my educational endeavours. If you require additional information or have any questions regarding the study, please do not hesitate to contact me at the number or email address listed below.

Sincerely,

Amy Champion

Mobile No.: 086 – 0644061

Email: a00202643@student.ait.ie

Appendix II - Questionnaire

1. How large is your firm? (Please enter a number in each box)

Partners	
Accountants	
Admin Staff	
Graduates	

2. On average, how many graduates do you take on each year? (Please tick the appropriate box)

1 graduate	2-3 graduates	4-5 graduates	➤ 5 graduates

3. What activities are your graduates responsible for? (Please tick the appropriate box/boxes)

Audit	Taxation	Financial Accounting	Management Accounting	Other

Other (please specify) – Do you think colleges should provide education in this field?

4. How long would a graduate typically spend as a trainee in your firm? (Please tick one box)

0-1 years	2 years	3 years	➤ 3 years

5. Is there a particular institute or university you prefer to recruit from, and why?

6. Do you have a preference for the degrees graduates should study in college? (Please tick one box)

Accounting	General Business or Commerce	Non Accounting/Non Business	No Preference

7. During their training period, what training do you provide to graduates (excluding study leave for professional exams)?

8. In your experience of recruiting graduates, what level of knowledge do they have after qualifying from their third level courses? (Please tick appropriate boxes)

	No knowledge	Basic knowledge (below level expected for graduate)	Sufficient knowledge to begin as trainee	Advanced knowledge	Not Applicable
Audit					
Taxation					
Financial Accounting					
Management Accounting					

9. How important is it that the graduates your organisation recruits have these skills on recruitment? (Please indicate the importance of each skill by placing a tick in the appropriate box)

Employability skills	Very important	Important	Unimportant	Very Unimportant	Not Applicable
Accounting software skills					
Spreadsheet skills					
Word processing skills					
Database management skills					
Verbal communication skills					
Ability to apply accounting knowledge in the workplace					
Team working skills					
Time management skills					
Problem solving skills					
Leadership skills					
Ability to work on own initiative					
Client relations					

10. How satisfied were you that the graduates you employ had these skills on recruitment?

(Please indicate your level of satisfaction by placing a tick in the appropriate boxes)

Employability skills	Very satisfied	Satisfied	Dissatisfied	Very dissatisfied	Not Applicable
Accounting software skills					
Spreadsheet skills					
Word processing skills					
Database management skills					
Verbal communication skills					
Ability to apply accounting knowledge in the workplace					
Team working skills					
Time management skills					
Problem solving skills					
Leadership skills					
Ability to work on own initiative					
Client relations					

11. Please rank the FIVE skills you consider most important from the list below (1=MOST IMPORTANT)

Accounting software skills	
Spreadsheet skills	
Word processing skills	
Database management skills	
Verbal communication skills	
Ability to apply accounting knowledge in the workplace	
Team working skills	
Time management skills	
Problem solving skills	
Leadership skills	
Ability to work on own initiative	
Client relations	

12. Would a six month work placement/internship as part of their degree, improve graduates' readiness for the workplace?

Yes

No

13. Please detail the gaps that you think exist in graduates entering the accounting profession.

	Gaps in knowledge	Gaps in skills
Audit		
Taxation		
Financial Accounting		
Management Accounting		
Other (please specify)		

14. Have you any other suggestions as to how Universities/Institutes of Technology could improve graduates' readiness for their careers in accountancy?

15. In your experience, what are the main differences between a newly qualified graduate and someone who has finished their training?

Appendix III - Sample

Athlone

Russell Brennan Keane	Irishtown
Thomas Ganly	11 Roscommon Road
Michael Cuddy & Co	1 Fry Place
DL Stronge & Co	Main Street
O' Sullivan Keegan & Co	Pearse Court
Case & Co Accountants	6 Pearse Court
Eaton Neary	Custom Place

Tullamore

Byrne Casey & Associates	Clonminch Hi-Tech Park
Brendan Milne & Co	O' Connor Square
IFAC Accountants	Patrick Street
Paul Wrafter & Co	Patrick Street
Devery Farrelly & Co	Market Square
Seamus Rigney & Co	Patrick Street
John Shanahan	O' Connor Square

Birr

Baker Tilly Ryan Glennon	Birr Technology Centre
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Portlaoise

Bardon Molumby	Kellyville Centre
O' Keefe Kieran & Co	Kellyville Court
Fingleton Peters & Tyrell	4 Kellyville Park

Kilkenny

O' Neill Foley	Patrick Street
DeLoughrey & O' Gorman	18 Vicar Street

Cullinane O' Neill Duncan	Patrick Street
Pembroke & Pembroke	15 Ormonde Road
Paschal Bergin & Co	10 Ormonde Street
Dublin	
BKR Ormsby & Rhodes	9 Clare Street, Dublin 2
Squires & Co	32 Merrion Street Upper, Dublin 2
Philip T. Holmes & Co	34 Upper Fitzwilliam Street, Dublin 2
Browne Weldon	36 Upper Fitzwilliam Street, Dublin 2
O' Dwyer Delaney & Co	33 Upper Fitzwilliam Street, Dublin 2
Browne Murphy & Hughes	28 Upper Fitzwilliam Street, Dublin 2
Clifford Desmond & Associates	32 Lower Leeson Street, Dublin 2
M&J Keegan & Co	9 Fitzwilliam Street Upper, Dublin 2
Sherry McNabola Murray & Co	98 Lower Baggot Street, Dublin 2
Copsey Murray	5 Pembroke Row, Dublin 2
Brennan Governey	Pembroke Row, Dublin 2
F Lafferty & Co	7 Herbert Street, Dublin 2
Phelan Prescott & Co	Herbert Street, Dublin 2
Barr Pomeroy	21 Herbert Place, Dublin 2
Doodey Crowley	11/12 Warrington Place, Dublin 2
Crowleys DFK	17 College Green, Dublin 2
David Ebbs & Co	31 Westland Square, Dublin 2
Merry Mullen	Pearse Street, Dublin 2
Crowe Horwath	Clanwilliam Court, Dublin 2
Gray & Murray	40 Belvedere Place, Dublin 1
BFGD Accountants	1 Castlewood Ave, Rathmines, Dublin 6

Edenderry

Walsh Kealy

St Brigid's Road