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Skill gap perceived between employers and accounting graduates in Ethiopia

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SKILL GAP PERCEIVED BETWEEN EMPLOYERS AND ACCOUNTING GRADUATES IN ETHIOPIA

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Abstract

In the last decade, many researchers have criticized university accounting education programs for focusing more on the teaching of technical accounting and not on emphasizing accounting skill development. The aim of this study is to identify the knowledge subjects, skills & attitude needed for a graduate accountant in respect of employee's perceptions and employer expectations. Data were obtained from 236 employees and 118 employers from various organizations using a survey are compared with the perceived needs of a sample of employees and employers in Ethiopia. The findings indicate that there is an agreement between the perceptions of both groups, some significant gap still exists. These skills, knowledge and attitudes are relevant to preparing the graduates for careers as professional accountant such as communication & language skills, financial accounting & financial reporting knowledge, and professional competence and due care were the most important for accountants in work place rate by both the employers and graduate's students. The results of study provide better information for academics, Employers, and students graduated in accounting, in bridging the perceived skills gap between employers and graduates. Moreover, study suggest that academician, unemployment, and employers of graduate students' better understanding the importance of the skills required in the current market needs, and higher university institutions to improve their curriculum in promotion quality graduates.

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1. Background of the study

Accounting education has come under criticism over the last two decades for failing to meet the demands of the changing business environment. In today's world, industries are experiencing changes more rapidly. Various factors are forcing these changes such as globalization, internationalization, rapid changes in technologies and intense competition. These changes have a deep impact on higher education, as education is the foundation on which a competitive workforce is built. Despite some impressive improvements in performance in the higher education institutions, many graduates still emerge from the education system ill equipped to meet the challenges of life and employment. In this era of a new revolution in which employability skills and applied intelligence are rapidly becoming the key to national survival and success, marketable accounting education graduates are needed to help their organizations gain a competitive advantage. Industries are in constant need for a consistent and reliable supply of educated and skilled accounting education graduates' prospective employers. Accounting education programmer is design to produce graduates that will meet the market needs or the requirements of the industries. However, accounting education programmer is lagging in producing graduates that will meet the needs of the industries. Accounting education graduates being unproductive and not being employed because the required employability skills to work effectively in the industries are lacking, this in return creates serious problem of unemployment to them. Perceptions of external stakeholders such as employers regarding these skills are important to educators, researchers, and students. Educators are interested in creating programs that are responsive to market demands. Researchers want an instrument for comparing knowledge and skills. Students wish to acquire those skills that maximize career opportunities.

As per study, Woodcock (2012) simply defined employability skills as "*the capability of getting and keeping satisfactory work*". The acquisition of a degree is not enough but should be improved by having the right mix of knowledge, skills, abilities, and personal qualities in

order to succeed. Employability is not just about getting a job; it is about learning. Employment is a by-product of this enabling process. One may also see these skills as transferable skills because skills developed in one area of life can be transferred to other areas. The employability skill is to include communication skills; teamwork and interpersonal skills; leadership skills; problem-solving skills; and technological and entrepreneurial skills. According to study conducted by Edukugho (2012), universities are hypothetical to communicate high level skills to a reasonable proportion of the workforce, developing intellectual capability of individuals, engaging in training of competent, honest, patriotic and responsible professionals needed virtually in all spheres of human endeavors.

In today's business environment, employers seek for employees with a wide range of skills and accounting knowledge. Accounting employees are not the exception, they are expected to possess a large range of skills that meet the expectations of their employers. Most employers find that accounting university programs are unable to provide graduates with the skills that are required by the profession. It is the aim of this study to highlight what are the needed skills to help students, employers, and educators to narrow the gap. This education gap may be the reason of why graduates find their early employment experience far from their expectations. In most cases, accounting graduates are unaware of the skills desired by their employer. Their employability for entry-level positions and their performance in the company is largely affected by the fit of their acquired skills and those required by the job. A mismatch between the possessed and the demanded skills may lead to the new hire's demotivation, low performance, and dissatisfaction.

Much has been written about teaching and learning deficiencies in accounting education. Thus, there exists a wide gap between the employers' and accounting graduates' perception regarding their preparedness and perceived employability skills and this has been a matter of considerable discussions in the academic and industry circles (Abayadeera & Watty, 2014, and Hakim, 2016). Universities have grappled with the challenge and developed several strategies to address the concerns raised. Many employers are of the opinion that accounting graduates are not taught and hence do not acquire the required generic skills at the universities. There are empirical evidences to prove that the education system has failed in many instances to meet the standards that are expected by employers of

accounting graduates in certain crucial areas like critical thinking, communication (oral and written), inter-personal relations, ethical orientation, leadership development, Information technology (IT), and the like.

In a related study, Grayson (2004) opined that jobs outcomes are connected to what graduates might learn in universities and therefore argues that university accounting curricula should reflect changes to meet job demands. Other accounting education studies have examined how accounting faculties can be motivated and what should be taught in classrooms (Madawaki, 2015). It is important to note that the market drives the profile, responsibilities, and career options of accountants in the business world. One of the responsibilities of universities is therefore to ensure that accounting graduates are equipped with the knowledge and skills identified by the market as desirable for accounting profession.

Further, there is an extensive literature on the generic employability skills expected of accounting graduates. Most of these studies were carried out in the last three decades and focused on the importance of various skills as viewed by academics, employers, students or graduates and professional accounting bodies. These studies suggest that accounting programs are failing to meet the expectations and needs of employers and not in harmony with the requirements of the real world. As per the study of Cory and Pruske, (2012) the dissatisfaction with the skills and knowledge demonstrated by accounting graduates entering the workforce has been of concern by employers for several years. This raise a question that how academics can help accounting learners meets the set of knowledge, attitude and skill demanded both at recruitment and in their advanced accounting careers. Thus, a gap exists between the acquired and required knowledge and skill for accountants due to the rapid changes in the market environment and the slow changes in the curriculum. This further implies that the professional gap of practitioners should be properly identified and incorporated in the curriculum. Therefore, as the global economy evolves, it is essential to continuously ascertain and articulate employers' opinions on what makes a graduate employable so that accounting educators are kept abreast of the skills and attributes that are most valued in the workplace.

The rapid development and ever-changing needs of the global environment have resulted in revolutionary changes in the skills required by accountants to add value for their clients. In the current

globalized world, accounting graduates are expected to possess a wide set of knowledge, technical and generic skills and Professional ethics to meet the requirements of the workplace. In the current turbulent world, technical accounting competences are insufficient for educating professional accountants and needs to be complemented by other competencies such as creative thinking, lifelong learning, professional ethics, use of Information technology and communication skills. Today accountants are more involved than before in business advisory services, due to the increasing demand for financial and nonfinancial information in business decision. The changes in the role of the accounting functions are driven by the characteristics of the modern global business environment.

However, most employers find that accounting programs at university now are unable to provide graduates with the Knowledge, skills and attitude that are required by the profession in this century (World Bank, 2007). For this reason, Jeacle (2008) advised there should be changes in the accounting curricula of the universities to incorporate the needs and market demand in a changing business environment. He further argued that Universities should incorporate the market expectations to their accounting curriculum to ensure that accounting graduates are equipped with the knowledge and skills required by the market.

Ethiopia was never been colonized, its economic and social environments were significantly shaped by its dependence on Western countries for resources. When one closely looks at accounting profession in the country, it is characterized as importing accounting education from one source and accounting practice from another source. Accounting education in Ethiopia was introduced by US academics and was modeled on the US accounting education system. On the other hand, British experts were the first to open public accounting practices; and the first Ethiopian professional accountants obtained British accounting qualification. Both trends continue to the present day. The sourcing of accounting education and accounting practice from different countries has led to the misalignment of the two and has adversely affected the development of accounting profession and restricted its contributions to the economic development of the country (Mihret & Bobe,2014).

University level accounting education has expanded rapidly in the last two decades in Ethiopia, in line with the expansion of the country's higher education sector in general. Nevertheless, accounting

education is deficient, and that academics and students face many obstacles and problems that hinder its development. In spite of this, academic research has not focused on examining the problems affecting accounting education practices in Ethiopian higher institutions from any theoretical perspective except the effort made by Mihret and Bobe (2014) to explain the development of accounting education in the country. Further, Employers and Professionals are complaining that the current accounting education is not preparing graduates to the actual work environment. Employers and former graduates argue that the course offered at university are mainly theoretical and lack practical application. The main purpose of this study is to identify the gap between employers' and employee's perceptions of the needed knowledge of accounting, skills, and attributes to succeed in the accounting profession in Ethiopia. Moreover, the preparedness level of the accounting graduate in this country is assessed. The perception of two main stakeholders is investigated: The Employers of the accounting profession that hires accounting graduates and the graduate students.

2. Objectives of the study

The main objectives were to examine the current state of the gap between expected level and actual level with respect to knowledge, skills and attitudes possessed by employees for the actual work environment.

1. To identify the gaps between the expected level and the actual level of knowledge, skills and attitudes in the workplace.
2. To identify the most important knowledge, skills and attitudes desired by employers.
3. To identify the relative's importance employer, give to knowledge, skills and attitudes of the graduated candidates while hiring.

3. Importance of the Study

The accounting profession is emerging and playing an increasingly important role in Ethiopia, Furthermore, Ethiopian's economy is being integrated into the world market at an increasing rate, in particular, following Ethiopian's membership to the Word Bank, International Monetary Fund and other African Regional Associations.

Changes in Ethiopia's business environment have brought a demand for more accountants equipped with a wide set of skills, which has stimulated the need for accounting curriculum reform. Ethiopia's present move towards economic reforms, new demands for accounting services have risen. A great amount of new skills is now considered necessary for accountants. Thus, the findings of the study would be of benefit to university accounting and finance degree program design. University accounting students may also benefit from this study as the market demand is a good indicator for them to improve their knowledge and skills base during their accounting studies. The findings would also add to the growing accounting education literature dealing with the improvement of university curricula and market expectation of accounting graduates, particularly in Ethiopia.

4. Literature Review

Over the past three decades or so it has become commonplace to lament the failure of universities to equip accounting graduates with the basic accounting knowledge, skills and attitudes required for professional accounting practice, particularly as the latter has had to adapt to the demands of a rapidly changing business environment. With the aid of academics, professional accounting bodies have developed lists of competencies, skills, and attitudes considered necessary for successful accounting practice.

4.1. Knowledge, Skills & Abilities (KSA)

Knowledge, Skills & Abilities is knowledge, skills, and abilities that a person must possess in order to perform the duties of his or her position. KSAs are listed on each position's job description and serve as a guide for applicants, employees, and departments to evaluate and assess a person's likelihood for success in a job.

Knowledge - the subjects, topics, and items of information that an employee should know at the time he or she is hired or moved into the job. Knowledge represents bodies of information that are applied directly to the performance of work functions.

Skills - technical or manual proficiencies, which are usually learned or acquired through training. Skills should be measurable and observable.

Abilities - the present demonstrable capacity to apply several knowledge and skills simultaneously in order to complete a task or perform an observable behavior. Abilities may also relate to personal

and social attributes, which tend to be innate or acquired without formal instructions. Abilities are enduring talents that can help a person do a job.

One of the best ways find a great job in accounting is to focus on your technical accounting skills and abilities. Because so many people in accounting-related fields do not have formal training, and because so many of the accounting positions available require a credential (such as a bachelor's degree, certificate, or even a master's degree), having a set of well-honed skills in accounting will help you stand out from the competition and find success in this in-demand field.

- **Knowledge of Accounting / Financial Reporting**

This is a must have skill for successful learning of IFRS. Accounting is a basic skill, since IFRS is the study of accounting standards. Since IFRS entails remembering various rules and implications in various scenarios, the candidate must possess a great memory skill in case he wants to be an expert in this field. Moreover, these rules are subject to change by notifications; hence, it is necessary that the candidate deal with the any accounting standard require the candidate to be strong with the basic foundation. The candidates must possess a strong knowledge in basics of accounting.

- **General business knowledge -** The roles of accounting and finance professionals are expanding. Given the frequent interaction with other departments, today's accounting professionals need sound decision-making, negotiation, and strategic-thinking skills. It is also important to be able to see the big picture and understand how your accounting role influences the overall organization
- **Up-to-date technology expertise -** Finance leaders often say they have trouble hiring staff that brings enough technology skills to the job. The use of finance-specific software programs is a given in your role, and accounting automation is becoming increasingly popular at many organizations and accounting firms. An accountant might be expected to have a strong background in several applications, including finance-related software systems, Microsoft Excel, and data modeling programs, among others. They must be able to manipulate, extract, analyze from each of these individually, and often use several programs in conjunction with one another to obtain a holistic perspective of an organization's finances.
- **Communication skills -** As an accounting professional, it is good that you collaborate across departments and communicate with a wide array of colleagues or clients. The people you speak with may

not be as perceptive with the numbers as you are, so you need to be able to present information in an easy-to-digest manner. Whether you communicate via email, phone conversations, in-person meetings or presentations, relaying information clearly and concisely goes a long way toward supporting your credibility. Although the technical skills on your resume might land you an interview, companies are looking for accounting professionals with a collaborative personality, an executive presence, conflict-management abilities and adaptability.

- **Leadership abilities -** Accounting professionals need to be ambitious self-starters who can develop new insights, manage projects, and motivate and engage team members, all the while displaying solid leadership skills. While the partners at your firm or leaders in your department are managing the business side of the organization, you may need to serve as a source of aid when colleagues need help navigating a particular program or managing their first busy-season audit.
- **Critical thinking and problem solving -** Critical thinking and problem solving are highly sought-after soft skills, but some employers complain that these skills are lacking among candidates. Stand out by demonstrating that you excel in these areas. Describe specific experiences that required a strategic and solution-oriented approach. Maybe you foresaw a potential investment problem or discovered problematic elements in a business's strategic approach. You then designed a new strategy that neutralized initial concerns while attracting added benefits for your clients. Accountants must be strong problem-solvers and decision-makers, and must be able to objectively analyze information to identify problems within and challenges facing an organization and its accounting framework, then use an integrated approach to develop effective solutions to address them. An accountant should be able to think not just critically, but creatively as well, and understand the relevance of accounting information to all aspects of overall organizational health.
- **Organizational Skills -** Because of the highly technical nature of an accountant, some of the most important accounting skills and abilities center on organization. The most successful accountants are detail-oriented since everything must add up exactly on the bottom line and every cent a business brings in or sends out must be accounted for. This also involves being extremely comfortable working with, and keeping track of, large amounts of data. Additionally, accountants must be involved with, and often responsible for, a variety of different

systems, which require constant maintenance and updating. They must be good planners, as accountants must often be looking far ahead to their next deadlines and have strong time management skills. On top of this, accountants must be able to keep up this high level of organization even under pressure, especially during busy times like tax season.

- **Financial Skills -** Perhaps the most obvious skill for an accountant to have is a facility with financial data. By its most basic definition, an accountant is someone who manages, inspects, and analyzes a business's or individual's financial records. As a result, some of the most important skills in accounting include the ability to apply financial frameworks used by businesses to prepare financial reports and to complete other financial tasks. A good accountant will be able to apply professional judgment when preparing, analyzing, and interpreting financial information, and should be able to perform these tasks in a way that reflects both the art and the science of accounting. Accountants may also be required to assess an organization's accounting systems to ensure sound financial information, generate appropriate asset evaluation, and reduce the risk of fraud. They must also be comfortable assessing the ethics of financial-related decisions and should be scrupulous in their reporting. As the go-to financial experts in their organizations, accountants must be able to research financial-related subjects, synthesize the information gathered, critically evaluate it, and communicate it to a non-accounting audience in a professional, cohesive, and logical way, clearly separating fact from opinion. They should also be able to evaluate financial information within the context of their organization, its strategy, and its culture, not just within a generic bubble of accounting best practices.

4.2 Skill Development Opportunities

Several studies highlighted the importance of generic skills even more than technical skills in both developed and developing countries. Kavanagh and Drennan (2008) conducted a study involving data collection from 322 graduating students in 3 universities in Australia and 28 practitioners in several organizations and industries. The respondents were required to rate 47 specific skills/attributes. Eight factors appeared and were labeled: personal and communication, cultural sensitivity, interpersonal and leadership, promotional, analytic/design, appreciative, routine accounting, and ethics. Although both groups acknowledged the importance of

analytical/problem solving skills, oral and written communication skills, teamwork and continuous learning, there were differences in terms of how each group ranks each skill.

Accounting educators should adapt an approach that improves skills such as analytical/critical thinking, written communication, oral communication, computing technology, decision-making, interpersonal skills, continuous learning, teamwork, leadership, risk analysis, and accounting packages. Under a superficial approach, the student perceives the subject material as only needing to be memorized for the exam. The deep approach enables accounting education to provide students with the communication, interpersonal and intellectual skills that prepare them for business in today's global environment. Accounting education should provide students with not only the knowledge and skills required, but also with the expertise that enables students to apply those skills. (Mohamed & Lashine, 2003)

Over the past three or four decades or so it has become commonplace to lament the failure of universities to equip accounting graduates with the basic accounting knowledge, skills and attitudes required for professional accounting practice, particularly as the latter has had to adapt to the demands of a rapidly changing business environment. With the aid of academics, professional accounting bodies have developed lists of competencies, skills, and attitudes considered necessary for successful accounting practice. One of the major challenges facing accounting education is the creation of a learning environment that promotes high-quality learning. Constructive alignment (Biggs and Tang, 2011) is an outcomes-based methodology for designing, promoting, and assessing deep student learning. It is based on the belief that students construct their learning through engaging in relevant learning activities with the tutor creating the appropriate learning environment. Accounting education has been criticized because of the perception that the objective of training is to know facts, and this has encouraged students to perceive and tackle problems from a narrow perspective.

Many researchers' studies indicated that professional accounting bodies, employers of accounting graduates and academics alike have lamented the failure of universities to equip accounting graduates with the competencies required for the modern business environment. As result of this, accounting education criticized by professional accounting bodies, accounting practitioners and educators have programs for failing to meet the demands of the

changing business environment. This failure by universities has created a gap between accounting practice and accounting education. The study done by Ahmad Zaini (2005) for technical graduates found that 80.000 technical graduates who are still unemployed, and these graduates are largely depend on academic qualifications to get a job but with less nontechnical skills or generic skills required of employers. Employers tend to find competent workers from abroad because of local graduate's lack of employability. According to Rasul et al. (2008), skills of 'employability' are the ability of non-technical and occupational skills that are just as important as technical skills. According to Ramlee (1999), employers in the industry said that technical graduates in Malaysia have adequate technical skills but employers are still not satisfied with the communication skills, interpersonal, critical thinking, problem solving and entrepreneurial skills possessed by those graduates.

Gurvinder and Sharan (2008) done a study on the perceptions of employers concerning the employability skills needed in the job market and graduates' perception of the employability skills that they currently possessed. Eleven variables that make up employability skills based on past research were examined in this study. However, only seven factors, which were the result of factor analysis, were considered. The results of this study revealed that employers preferred to hire graduates from public universities. Moreover, graduates and employers placed similar importance in terms of the ranking of employability skills, where both employers and graduates perceived the order of importance of employability skills to be the same. However, there was a difference between employers' and graduates' perceptions for all seven employability factors, where employers rated graduates much lower in terms of mean rank. The results of this study also suggest that younger employers tend to be more favorable to graduates' employability skills. The higher the job position of the employer within the organization, the higher are the expectations of graduates.

Accounting competencies sought by employers have been identified in various surveys. Carr et al. (2006), for example, found communication, strategic and critical thinking, client and market focus, interpretation of information, and technological adeptness as important skills sought in the marketplace. Similar result Chang and Hwang (2001) found interpretation of information and technological adeptness to be important learning outcomes for AIS courses. In a study of 174

graduate students, Jackling and De Lange (2009) found that, while functional skills are valued, employers require a broad range of generic skills that are not being taught in major accounting programs.

Many research studies indicated that professional accounting bodies, employers of accounting graduates and academics alike have lamented the failure of universities to equip accounting graduates with the competencies required for the modern business environment. As result of this, accounting education criticized by professional accounting bodies, accounting practitioners and educators have programs for failing to meet the demands of the changing business environment. This failure by universities has created a gap between accounting practice and accounting education. The Misalignment between marketplace demand and the accounting curriculum may place accounting students at a disadvantage in job seeking especially when educators emphasize topics that are deemed important by practitioners. The studies also point to alignment between the perceptions of educators and practitioners. In one study of 25 audit topics, both educators and practitioners surveyed agreed (McCartney et al., 2002).

5. Research Methodology

This study used a descriptive research design with Mixed approached. To achieve the objectives of the research, a questionnaire was developed and distributed on a sample of accounting employers and employees to measure their opinions on the importance of Accounting knowledge, skills and attitudes in accounting education. The study sample was former graduates in accounting working in each of manufacturing, construction, financial Services, non-government organizations, public Accounting/Audit firms would be selected using combination of purposeful, convenience and snowball sampling was used in the study. A total of 384questionnaires were distributed to employees and a total of 236 questionnaires were collected back from the employees from various backgrounds and from employers total of 250 questionnaires were distributed to employers and a total of 118 questionnaires were collected back from the employers from various backgrounds. The questionnaire aimed to measure the importance of each accounting knowledge, skills and attitudes item based on a scale from 0 to 5, where 0 referred to the lowest score of importance and 5 referred to the highest score of importance. The respondents were

required to rate the importance of these skills based on a Likert Scale ranging from 0 to 5 (i.e. 0=not important and 5= extremely important). Open-ended questions have subsequently been addressed to the respondents requesting them to suggest other qualities and skills not listed in the questionnaire but are deemed as crucial to be possessed by job applicants. Besides that, employers have also been asked to comment on the characteristics of a successful job applicant. The study used descriptive data analysis, which combines both quantitative and qualitative data methods of analysis. Computer packages like statistical package for the social sciences (SPSS) and Microsoft Excel are used to generate charts and tables. Since the study is descriptive in nature, the collected data would be analyzed using descriptive statistical tools such as mean, frequency, T-test, standard deviation, and percentages through SPSS. Then, a comparison was conducted between the opinions of Employers and employees using independent samples t-tests to examine whether they perceive the importance of knowledge, skills, and attitudes similar or in different ways. Besides that, mean score comparison have subsequently been carried out to compare between perception held by employers on the importance of accounting knowledge, skills and attitudes perception held by employees/undergraduates/ in relation to their core competency.

6. Data analysis and Results

A total of 384 questionnaires were sent to new entry employees who are working in manufacturing, construction, financial Services, non-government organizations, public Accounting/Audit firms and Other organization with a request to get these filled the questionnaires. Only 260 filled in questionnaires were received out of which only 236 were found to be fully filled in, the rest 24 were discarded due to incomplete information with a response rate of 61.4%. As well as a total of 180 questionnaires employers across several organizations who are working in different organization and 146 employers of the organization returned the questionnaires; out of the 180 questionnaires, only 118 questionnaires were answered properly. This resulted in 65.5% a usable response rate.

Table 1
Demographic composition of employers and employees' sample

Demographic	Category		Employers	Employees
Gender	Male		75 (63.6%)	147 (62.3%)
	Female		43 (36.4%)	89 (37.7%)
Age	20 - 25 years		3 (2.5%)	42 (17.8%)
	26-30 years		38 (32.2%)	102 (43.2%)
	30 - 36 years		51 (43.2%)	68 (28.8%)
	above 37 years		26 (22%)	24 (10.2%)
Experience	0-5 years		11 (9.3%)	108 (45.8%)
	6-10 years		48 (40.7%)	88 (3.3%)
	11-16 years		44 (37.3%)	37 (15.7%)
	above 17 years		15 (12.7%)	3 (1.3%)
Marital status	Single		32 (27.1%)	101 (42.8%)
	Married		72 (61%)	117 (49.6%)
	Divorced		14 (11.9%)	18 (7.6%)
Qualification of education	First Degree		81 (68.6%)	196 (83.1%)
	Masters		35 (29.7%)	36 (15.3%)
	Above masters		2 (1.7%)	4 (1.7%)
Type Organization	Manufacturing		20 (17%)	43 (18.2)
	Construction		18 (15.3%)	34 (14.4%)
	Financial Services		31 (26.3%)	48 (20.34%)
	Non-government organizations		15 (12.7%)	38 (16.10%)
	Public Accounting / Audit firms		28 (23.7%)	52 (22%)
	Other organization		6 (5%)	21 (8.9%)
Job Position	Budget Managers	20 (16.9%)	Senior Accountant	75 (31.8%)
	Vice president finance	40 (33.9%)	Auditors	78 (33.1%)
	Finance Directors	43 (36.4%)	Finance officers	48 (20.3%)
	General Accountant	15 (12.7%)	Others	35 (14.8%)

Source: Field Survey (2019)

It is quite clear that out of the total employees investigated for this study, overwhelming majority 62.3% percent(n=147) of them were males whereas about 37.7% (percent)(n=89) were found to be females. 43.2% of the total employee respondents are in the age group of 30-36 years. Most of them (45.8) have 0-5 years of experience.

According to data displayed in Table 1, 63.6% (n=75) of the total employees investigated for this study are male and 36.4% (n=43), female. 43.2% of the employer respondents are in the age group of 30-36 years, and 40.7% of them have 6-10 years of company working experience.

One of the most important demographics characterized of the respondents is marriage. In a developing country like Ethiopia, it has undergone many changes. The perceptions and attitudes of the person can also differ by the marital status of the persons because the marriage might make the persons little more responsible and matured in understanding and giving the responses to the questions asked. Table 1 shows that 49.6% (n=117) of respondents were married, 42.8% (n=101) were unmarried, and 7.6% (n=18) of the respondents were found to be widows. As we can see in Table 1, out of the total respondents of employers, 61% (n=72) were found married, whereas 27.1% (n=32) were found unmarried and the remaining 12% (n=14) were founds to be widows.

The educational level was categorized into three levels (see Table 1). From the entire sample of employed respondents, 196 were attained the first degree, representing 83.1% of the employed respondents. 36 of the respondents (15.3%) were attained the master degree, and the remaining 4 respondents (1.7%) were attained above master degree.

As we can see in Table 1, about 68.6% of the employer respondents were educated up to first degree level, while 29.7% have a master's degree. Only 1.7% percent of the respondents were educated above the master's degree level. A high number of respondents were just functionally literates. It can be concluded from the Table above large numbers of the respondents from employees and employers were high educated, which is so important today to create a knowledge-based society.

Based on Table1 from employee's respondents were Seniors Accountants that represent 31.8% of the entire respondents. Moreover, a number of 78 (33.1%) respondents were Auditors. Twenty percent worked as Finance officers and the rest of around as fifteen percent employees are others in accounting and finance area.

Table 1 reveals that 36.4% (n=43) of the employer respondents are Finance Directors. Out of the total sample of the employer respondents, 33.9% (n=40) were Vice president Finance, whereas

16.9% (n=20) were budget managers. The rest of the employer respondents 12.7% (n=15) were general accountants.

6.1. Important knowledge, skills and attitudes

Over the course of your education, you will develop knowledge, skills and behaviors. These would be gained through a combination of off-the-job training and practical experience in your workplace. This is a key component of the training and you will need to demonstrate that you have all the required knowledge, skills and behaviors to qualify as in workplace.

Table 2

Testing difference in mean scores between the employees and employers

Knowledge, skills and Attitudes	Employees			Employers		
	N	Mean	Std. Deviation	N	Mean	Std. Deviation
Financial Accounting & Reporting	236	3.5085	.66838	118	3.3305	.79588
International Financial reporting standard	236	3.3517	.70200	118	3.4153	.70803
Cost and Management Accounting	236	3.1356	.82426	118	3.0678	.90326
Finance and Financial Management	236	3.1059	.86135	118	3.1441	.92704
Internal Control and Auditing	236	3.2288	.77086	118	3.3390	.74214
Public Financial Management and Taxation	236	3.0466	.92825	118	3.1695	.90870
General Business and Commercial law	236	3.1314	.77987	118	3.3390	.73053
Accounting skills related						
Computer/ Software application skill	236	3.2627	.73719	118	3.4237	.61889
Communication and language skills	236	3.4237	.58210	118	3.5593	.49859
Mathematical or Numeracy skills	236	3.0890	.83826	118	3.3305	.76298
Personal Management Skill	236	3.2203	.76782	118	3.1864	.77293
Problem Solving and Analytical skills	236	3.3263	.73188	118	3.5000	.62361
Team work and leadership skills	236	3.1398	.82613	118	3.2119	.78285
Skills of operating other office equipment's	236	2.9661	.90325	118	3.0339	.88610

Attitudes related						
Being objective in professional judgment	236	3.1314	.80140	118	3.3814	.76146
Commitment to public interest before personal interest	236	3.2712	.76254	118	3.2797	.76108
Professional competence and due care	236	3.1186	.86708	118	3.4915	.56607
Keeping organizational secrecy and confidentiality	236	3.1441	.88270	118	3.1525	.91172
Truthfulness and honesty	236	3.2161	.88481	118	3.1780	.95748
Desire to take responsibility	236	3.2585	.76418	118	3.2797	.77223
Respect for customers	236	3.3136	3.10853	118	3.1271	.89200

Source: Field Survey (2019)

The previous table 2 showed clear differences between the means; however, to test that they were statistically different, an independent samples t-test was performed. The t-tests result indicate that employees rated all listed skills, except teamwork and leadership development significantly different – higher.

Table 2, reveals that the highest ranked accounting knowledge as sought by employers as an International Financial reporting standard (mean = 3.4153, SD = .70803), & Financial Accounting & Reporting (mean = 3.3305, SD =.7958) followed by Internal Control and Auditing and General Business and Commercial law (mean = 3.3390, SD = .74214). While the middle ranked are Public Financial Management and Taxation and Finance and Financial Management with a mean of 3.1695 (SD = .90870) and 3.1441 (SD= .92704) respectively. The lowest ranked are knowledge perceived by employers was cost and management accounting with the mean = 3.0678, (SD =.90326).

Table 2 focuses on the differences in accounting knowledge as perceived by employees of in different types of industries /companies. Interestingly, for employees of the companies, Financial Accounting & Reporting (mean 3.5085, SD= .66838) was ranked as the most important, followed by International Financial reporting standard mean 3.3517, SD= .70200) and Internal Control and Auditing (mean 3.2288, SD= .77086). The employees scored General Business &Commercial law at a mean of 3.1314, SD = .77987 and Cost and Management Accounting at a mean of 3.1356, SD = .82426 followed by Finance and Financial Management at a mean of 3.1059, SD = .86135. This is one of the most important accounting assistant educational requirements. You cannot be an accounting assistant without knowing the basics of

financial management. The lowest ranked by employees the knowledge of Public Financial Management and Taxation with the mean = 3.0466, SD = .92825.

Thus, both employers and employees were aligned in their perceptions of the accounting Knowledge which they regard as the most Financial Accounting & Reporting, International Financial reporting standard and Internal Control and Auditing While the least important knowledge for both groups were Public Financial Management & Taxation and Cost and Management Accounting.

Professional skills relates to a professionally attributed degree program that must not only produce graduates with a foundation of technical knowledge but also the skills necessary to effectively apply such knowledge when they enter the profession and further their work place.

On the other hand, the above table revealed that the top skills as sought by employers of companies are Communication Skills & language skills (mean 3.5593, SD= .49859) was ranked as the most important, followed by Problem Solving and Analytical skills (mean 3.5, SD= .62361) and Computer/ Software application skill (mean 3.4237, SD=.61889). Moreover, the remaining skills by employers Mathematical or Numeracy skills (mean 3.3305, SD= .76298), Teamwork and leadership skills mean 3.2119, SD= .78285) and Personal Management Skill (mean 3.1864, SD= .77293). The lowest skill ranked by employers of the companies were Skills of operating other office equipment's with the mean =3.0339 and SD =.88610.

The top skill ranked in importance by employers was Communication & language skills the most important followed by Problem Solving and Analytical skills and Computer/ Software application skill ranked it as third most important. The next skill ranked fourth in importance by employers Mathematical or Numeracy skills, the fifth and sixth important skills were Teamwork and leadership skills and Personal Management Skill. The least important skills required that perceived by employers was Skills of operating other office equipment's.

As we can see from the table on the differences in importance skills as perceived by employees of organization. Interestingly, Communication and language skills (mean 3.4237, SD= .58210) was ranked as the most important, followed by Problem Solving and Analytical skills mean 3.3263, SD= .73188) and Computer/ Software application skill (mean 3.2627, SD= .73719) Accounting is, at its base,

a process of recording and presenting data and information. These data can be, at most times, complicated and prone to human errors. Software is, unlike manual system, cuts out most of these inefficiencies and errors, resulting in accurate and efficient recordings, which would lead to better analytical procedures. Software does also make the lives of accountants that much easier and better. Imagine working in the accounts department without the most basic and rudimentary software, the calculator. On the other hand, Personal Management Skill (mean 3.2203, SD= .76782), Teamwork and leadership skills (mean 3.1398, SD= .82613) and while the least important skills perceived by employees with mean, 2.9661, SD =.90325.

The difference in importance of the skills for both groups came with Teamwork and leadership skills with employers ranking it as fifth highest while employers ranked it the sixth important skills required by employees. The other skills ranked similarly by both groups.

Many writers have reinforced the view that oral and written communication skills are considered the most important skills. Similarly, as the importance of communication skills for accountants has been emphasized in the literature for more than five decades, and some articles focus on communication skill offered by the accounting education or possessed by graduates. Siriwardane and Durden (2014) critically review 19 studies. They investigate the written and/or oral communication skills of practicing accountants and they found that oral communication skills were commonly ranked by practicing accountants as being more important than written communication skills.

Ethics and professional values; an understanding of ethical and professional values and attitudes are important elements in the development of accounting professionals. It is expected that higher education providers will pay attention in their programs to the fundamental ethical values of integrity, objectivity, and confidentiality, as well as professional competence and due care.

Concerning Ethics and professional values; Professional competence and due care highest-ranked from employers' perspective with a mean of 3.4915, SD =.56607 followed by Being objective in professional judgment at mean of 3.3814, SD =.76146. Also employers ranked similarly desire to take responsibility and Commitment to public interest before personal interest at a mean of 3.2797, SD = .77223 followed by Keeping organizational secrecy and confidentiality and respect for customers at a mean of 3.1441, SD =.91172 and mean of 3.1271, SD =.89200.

The findings in Table 2 showed the mean of the seven Ethics and professional values. The analysis showed that respect for customers (M = 3.3136) is the highest mean values followed by Commitment to public interest before personal interest (M = 3.2712), Desire to take responsibility (M=3.2585), Truthfulness and honesty (M = 3.2161), Keeping organizational secrecy and confidentiality (M = 3.1441) and Professional competence and due care (M = 3.1186). Respect for customers emphasized by the employees has the highest value indicating the item is one of the most important elements of Ethics and professional values. Accounting professionals can demonstrate good customer service by truly listening to the needs and concerns of your clients, whether they are internal or external. A positive attitude can also go a long way, especially when stress levels are high. Professional ethics and values are one of the most important factors of learning because while knowledge and skills give a person potential, professional ethics or attitude is what determines their level of performance. It is even more difficult to measure how much change occurred in a person's attitude, because of training or educational activities.

Table 3

Testing difference in mean scores between the employees and employers

	Employees			Employers			
Knowledge, Skills & Attitudes	**Mean**	**Rank**	**Std. Dev.**	**Mean**	**Rank**	**Std. Dev.**	**Sign**
Financial Accounting & Reporting***	3.5085	1	.66838	3.3305	4	.79588	.010***
International Financial reporting standard	3.3517	2	.70200	3.4153	1	.70803	.821
Cost and Management Accounting	3.1356	4	.82426	3.0678	7	.90326	.512
Finance and Financial Management	3.1059	6	.86135	3.1441	6	.92704	.912
Internal Control and Auditing	3.2288	3	.77086	3.3390	3	.74214	.765

	Employees			Employers			
Public Financial Management and Taxation	3.0466	7	.92825	3.1695	5	.90870	.821
General Business and Commercial law	3.1314	5	.77987	3.3390	2	.73053	.722
Accounting skills related							
Computer/ Software application skill **	3.2627	3	.73719	3.4237	3	.61889	.059**
Communication and language skills***	3.4237	1	.58210	3.5593	1	.49859	.013***
Mathematical or Numeracy skills	3.0890	6	.83826	3.3305	4	.76298	.745
Personal Management Skill	3.2203	4	.76782	3.1864	6	.77293	.895
Problem Solving and Analytical skills	3.3263	2	.73188	3.5000	2	.62361	.017
Team work and leadership skills	3.1398	5	.82613	3.2119	5	.78285	.728
Skills of operating other office equipment's	2.9661	7	.90325	3.0339	7	.88610	.861
Attitudes related							
Being objective in professional judgment	3.1314	6	.80140	3.3814	2	.76146	.743
Commitment to public interest before personal interest	3.2712	2	.76254	3.2797	4	.76108	.970
Professional competence and due care***	3.1186	7	.86708	3.4915	1	.56607	.001***
Keeping organizational secrecy and confidentiality	3.1441	5	.88270	3.1525	6	.91172	.450

	Employees			Employers			
Truthfulness and honesty	3.2161	4	.88481	3.1780	5	.95748	.430
Desire to take responsibility	3.2585	3	.76418	3.2797	3	.77223	.939
Respect for customers	3.3136	1	3.10853	3.1271	7	.89200	.514

**** Difference is significant at 1%, ** difference is significant at 5%.*

Source: Field Survey (2019)

Comparisons are conducted between the opinions of employers and Employees using independent sample t-tests to examine whether they perceive the importance of skills items similar or in different ways.

Table 3 indicated significant Similar at 1% and 5% exist in the perceived importance scores between the two groups of respondents related to Financial Accounting & Reporting knowledge, communication and language skills, Software application skill and Professional competence & due care.

The findings indicate that although there is an agreement between the perceptions of both groups, some significant gap still exists. Basic communication skill, problem solving& analytical skills, financial accounting & financial reporting, professional competence and due care is rated as the most important professional skill by both groups. While students felt that Public Financial Management and Taxation is the least important knowledge; employers on the other hand felt that cost and management accounting knowledge is the least important.

7. Conclusion and Recommendation

The effectiveness of accounting profession depends widely on the best accounting education outputs. The aim of this study is to examine graduate employability to bridge the competency gap between the employers and graduate students in the accounting industry. With the aim of increasing transparency, minimizing the gap between students, job seekers and practitioners this study sought the views of accounting employers and former accounting graduated students in Ethiopia. The literature highlights the facts that often employers and graduate students/employees/ have different perspective about the nature of the professional skills that are required for a successful accounting career. There are most important criteria

used by employers for selecting accounting graduates are communication & language skills, knowledge of IFRS /financial reporting, and professional competence & due care. However, accounting graduate perceive Knowledge financial accounting, reporting most important criterion used by employers followed by communication & language skills, problem solving, respect for customers, and desire to take responsibility. This study shows that communication skills, problem solving & analytical skill, financial reporting/IFRS, profession competence and due care are very important for accountants. The literature indicates that this is the skill with the greatest gap as identified by graduate students/employees and employers. Academics certainly need to focus on the development of this skill. Many universities' accounting curricula have already incorporated a number of employability skills in their programs although they may vary in the emphasis of certain skills over others and the way that these skills are integrated into academic programs.

The findings indicate that although there is an agreement between the perceptions of both groups, concerning knowledge, skills and attitudes some significant gap still exists. Both groups rate communication skill, problem solving& analytical skills, knowledge of financial accounting& reporting and Professional competence & due care and desire to take responsibility as the most important profession of accounting. The accounting curriculum prepares students for careers in communication skills, problem solving skill, Knowledge financial accounting /financial reporting, internal control & auditing, professional competence, and due care. This study provides some insights to academics into the important employability skills that should be integrated into accounting programs. Depending on how they are developed and delivered, the study's findings may assist in narrowing the gap between the knowledge accounting, skills and attitudes developed at university and the skills required of accounting graduates by prospective employers. In addition, researcher suggests that the finding this study help to realize the importance of accounting education faculty to incorporate communication skills in this discipline.

Future research could investigate accounting knowledge and skills needed by entry-level accounting graduates to work in the ever-changing marketplace, since accounting graduates face unpredictable futures.

8. Limitation of the study

This study is based on data obtained through cross-sectional survey of graduate students and employers surveyed from various business organizations in Ethiopia. In a strict sense, the findings are pertinent mainly to the study areas, but may also, be extended to other areas with similar characteristics. However, since there can be heterogeneity among respondents in even slightly varying settings, more of similar studies in other areas will allow to develop comprehensive policy recommendations. More importantly, further studies require large and rich dataset, such as longitudinal and panel dataset, which was not obtained for this study.

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