

Hard versus soft skills

How do you strike the balance between hard and soft skills in a changing accountancy landscape? Karen Williams explains all

The accountancy industry is facing unprecedented challenges as the economic slowdown and talent shortage puts significant pressure on firms. With [industry giants like EY](#) and KPMG announcing plans to cut thousands of jobs, the current landscape reflects the need for firms to do more with less.

With money tight and talent in shorter supply, it is becoming more critical for practices to maximise the potential of their existing staff. Moreover, future and current accountancy professionals should look beyond their basic skills and adopt a different approach in order to future-proof their careers.

Importance of balance

In the past, the industry's general reluctance to adopt new technologies has been a significant growth obstacle for many accounting firms, primarily due to a lack of hard skills. Often, this meant that more experienced accountants would struggle with learning how to use and keeping up with new technology. However, with the entry of younger, tech-savvy accountants into the industry, this problem is gradually subsiding.

Instead, a new challenge is arising from a lack of softer skills, including people management, face-to-face communication, industry knowledge and confidence in the office environment. The issue deepens as professional bodies like ICAEW and ACCA currently do not adequately support students in developing these essential skills.

The Covid-19 lockdown and the rise of the 'digital generation' have limited opportunities for young people to develop these softer skills. Unlike their predecessors, who were willing to spend several years mastering the profession at lower levels and gaining a thorough understanding of the industry and clients, younger accountants seek a faster pace of career progression.

They often have a different perspective on the profession and expect rapid upward mobility, more responsibility, higher pay and the assistance of technology in their work. This poses a risk for firms, as they may end up with individuals in senior positions who possess the technological expertise to drive productivity but lack the essential people skills to retain clients.

In addition, the integration of automation in finance functions marks a significant shift in the accountant's job landscape. Mundane and repetitive tasks that once consumed more junior accountants' time are now being automated, freeing them to focus on higher-value activities. The brave new world of finance envisions accountants as strategic partners, utilising their expertise to provide actionable insights that can lead to significant business transformations. Therefore, it's more critical than ever for younger generations to look beyond the numbers and fully immerse themselves in working with clients to build confidence.



Williams: 'firms must find a balance between enhancing the skill sets of their experienced professionals'

How to strike the right balance

To address these challenges, firms must find a balance between enhancing the skill sets of their experienced professionals and developing the softer skills of newer hires. Accountancy is currently undergoing a significant transformation to align with the structural and economic changes taking place in the broader business landscape. As a result, accountancy practices cannot afford to ignore the potential of technology and outsourcing in optimising client services.

Automating repetitive tasks and outsourcing to external teams can free up valuable time for training, learning, and value-added advisory services. Younger accountants, already familiar with technology, are open to adopting such practices, though more experienced professionals may be resistant to these changes. Therefore, the tech-savvy generation of accountants has a unique opportunity to help their organisations and encourage more mature workers to embrace automation and technology.

On the other hand, these younger professionals, who are highly sought after for their expertise in data analytics and utilising tools such as artificial intelligence (AI) and machine learning (ML), need to understand that neglecting their soft skills can hinder their career growth and impact long-term success.

It is also vital to recognise the value of softer qualities such as commercial acumen, people skills, thinking strategically and critically, and having a client focus. Young professionals must be able to provide objective counsel and confidently challenge, when necessary, in a supportive manner. Building strong relationships is paramount, as it requires establishing trust and having the emotional intelligence to recognise that communication can vary among individuals and situations.

While there should be an understanding of the bottom-line impact of recurring compliance work, which often completely relies on hard skills, a cultural shift is needed within firms to appreciate the revenue opportunities that soft skills can unlock, in order for accountants to become true business partners to their clients.

By striking the right balance between hard and soft skills and leveraging technology and outsourcing, firms can overcome the challenges posed by the economic slowdown and talent shortage. In turn, this provides a unique opportunity for accountancy professionals entering the market to focus on their softer skills and demonstrate their value beyond technical skills. **PQ**

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