

# **Meeting Expectations: Post-entry experiences of diverse pathways to professional accountancy qualification**

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## **EXECUTIVE SUMMARY**

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This document presents an executive summary of a research study compiled by the authors for CPA Ireland. This summary explains the background to the study; outlines the prior evidence; describes the conduct of the study; presents the main findings; draws some conclusions and highlights key recommendations.

## Background to the study

The aim of this study is to investigate the experience of different training pathways to professional accountancy qualification. The training period for professional accountants is of critical importance to the profession, to the trainees and to employers. The training experience has a central role in the process of acquiring professional competence, particularly in the integration of formal learning and professional skills. The formation of a professional accountant combines both formal study and examination in technical subjects with an apprenticeship experience of learning in the workplace. A broad range of attributes is required for accounting practitioners to work effectively. IES 3 (IAESB, 2015) specifically describes professional competence as being “the integration and application of (a) technical competence, (b) professional skills, and (c) professional values, ethics and attitudes”.

A combination of academic learning and experiential training is also a characteristic of the preparation of professionals in other disciplines such as Medicine and Law. However, what is relatively unique about Accountancy is that there are a wide range of diverse pathways to an accountancy qualification and a wide range of business and managerial careers into which qualified accountants can and do disperse, particularly in Ireland and the UK. A training period as an accountant has become an initial career choice for graduates of many disciplines not just accounting or business. In addition, Accountancy attracts non-graduate entrants, including school leavers and mature entrants, who have previously worked in other areas. The training experience can take place in a range of different environments including small firms, very large firms, industry and the public sector.

Ideally, there is a symbiotic relationship between entrants and the firms and businesses that provide the setting for their apprenticeship training, whereby each exploits the asset of the other. The trainees gain work experience and branding. This can make a significant contribution to their future career opportunities and earning ability while in turn they provide relatively cheap, high quality labour to the employer, with the added bonus that such apprenticeship arrangements under fixed term contracts may not attract the same long term contractual and employment law commitments from the employer as permanent employment contracts. However, the research literature suggests that the training period can present significant challenges to trainees. Understanding these challenges is key to

attracting and retaining the most suitable entrants who will form the next generation of accountants.

## **Evidence to date**

The research literature suggests that the tacit skills needed to apply abstract knowledge, gained through formal education, to the solution of practical problems, can best be developed in a workplace setting (Wilson, 2011). Additionally, the experience of belonging to a professional community can provide a community of practice, assisting both in the development of reflection and in the establishment of professional identity (Hamilton, 2007). However, the training process to an accountancy qualification has been described as a struggle for many trainees, with difficulties experienced including: combining work and study; lack of support; mentoring (Kelly & Barrett, 2012). This can lead to the experience of reality shock where expectations of the working environment are not realised and failure to progress results. Existing research suggests a number of factors impact on the experiences of accountants in training, including the work environment and the actions of supervisors; job satisfaction and stress. However, much of this research has examined these issues from the perspective of full-time students or of accountants practising in large firms, thus not providing evidence across the full spectrum of routes to professional accountancy qualification (Anderson-Gough et al., 2002). For example, Bishop (2017) suggests that “the processes of co-participation that shape professional learning” (p. 526) vary significantly between small and large professional practice firms. In addition, the prior research is predominantly conducted using survey-based or questionnaire research instruments, rendering it difficult to explore the potential reasons behind the research findings and leading to calls for research adopting a more qualitative approach (Flynn et al., 2015). There is a dearth of field work, both generally in the research domain and specifically in the Irish context. This study investigates the student experiences of different training pathways to professional accountancy qualification, from a holistic perspective.

## **Conduct of the study**

The study is based on in-depth interviews with twenty-nine qualified accountants who are three to six year’s post qualification. The research sample were drawn proportionately from all the main accountancy bodies. The interviewees had trained in a variety of settings: small firms; Big 4; public sector and industry. A small number were still with their initial training firm but most had moved. The interviews were semi-structured, reflecting questions which emerged from an extensive review of the literature. Interviews were conducted in a manner which allowed the interviewees the freedom to expand at length on the matters that concerned them most. In the interviews the interviewees reflected on their motivations for choosing accounting and revealed a wide variety of influences. They brought us with them on their training journey, recounting highs and lows, the stresses and strains, long hours,

deadlines and exams. They discussed relationships with peers, colleagues and employers; some supportive, some less so. They talked about the skills acquired and the career plans forged, and outlined their individual views of what makes a good accountant. Once the interviews had been conducted the research team analysed them, identifying commonalities and differences in the experiences recounted. In this manner a number of themes emerged which were consistently flagged by the interviewees as defining aspects of their training experiences.

## Findings of the research study

The key themes which emerged from the study are summarised below and illustrated with examples from the interview process.

Theme	Summary
<b>Choosing a professional accounting career</b>	<p>Interviewees articulated a range of reasons behind the choice of entering an accounting career: perceived aptitude; the influence of significant others; instrumentalism; and a desire to professionalise.</p> <p><i>I think what drove it was I just like working with numbers. So I couldn't see myself doing anything else! [Dawn]</i></p>
<b>The multi-faceted nature of stress</b>	<p>A range of stressors exist, which change as an accounting career progresses. In the training years, stress centres on examination performance, long working hours, and role ambiguity.</p> <p><i>It's great when you come out the other end ... 'cos it's just ... it's a hard slog. It was very ... you know ... not forgiving; ...Because if you fail it, you're out for another year and you know a year's a long time in a trainee's life. You know, it's tough, it is tough. [Brid]</i></p>
<b>Camaraderie of the cohort</b>	<p>The key role of supportive interpersonal relationships, despite the quasi-competitive nature of the training context, particularly in the professional services firms, provides a sense of collegiality during the training process, albeit one that is not always reflected in formal mentoring processes.</p> <p><i>We were always helping each other especially during exams. I don't think we ever actually worked on jobs together. We were all on different teams. I think it was a place where you didn't compete against people at your own level. [Fergal]</i></p>

Theme	Summary
<b>Learning in the workplace</b>	<p>Interviewees emphasise a diverse range of skills and expertise gained in the workplace, including technical proficiency and a sense of learned perseverance.</p> <p><i>Cos it's a small practice ..I really liked it there. It was a good foundation I think as an accountant, because you really learn the ins and outs of accounts. And you see it start to finish, from the book-keeping side of things, to the tax and the audit – you do everything. [Anna]</i></p>
<b>Moving up and moving on</b>	<p>The sense of 'feeling qualified' is inextricably bound to a sense of the next steps to be taken. Professional qualification opens up new career avenues for some; for others, it poses new questions; and for others still became a decision not to move from the training firm.</p> <p><i>When they leave their professional exams; when they've them done; when they come to the end of their training contract; I find people get really jumpy then. And people have real issues then, because they're out of a system. They've gone from they were going through primary school; they went through secondary school; they went into their training contact; and now they're going: what do I do now? [Eoin]</i></p>
<b>The making of an accountant</b>	<p>Interviewees identified and explained a range of attributes of the good accountant, including technical skills; skills in communication, listening, trouble-shooting; an inquisitive outlook; ethical decision-taking.</p> <p><i>I just find that the people that I worked with who can troubleshoot like I troubleshoot turn over a higher amount of work so they're just naturally focused on the work more so than the work-life balance or any other aspect of the job. [Nicola]</i></p>

## Discussion and conclusions

Having considered these themes a number of conclusions and recommendations are drawn below. These relate to motivations of trainees, the role of mentors, learning on the job, accounting as a career and the sense of being qualified.

## Motivations

The motivations behind choosing accounting were complex. Family played a part as did perceptions of the prestige, earning power and salary levels of accountants. However two important factors in this study were the early experience of accounting at school by early adopters and the exposure to accounting in the work environment by late adopters. A perception that they were good at numbers and they could get the balance sheet to balance was cited by those who considered themselves to be 'natural born accountants'. The reduction in numbers taking accounting at secondary school will likely reduce the visibility of accounting to this particular group. Finance, software and social media firms may crowd out accounting as career options. Professional bodies need to be aware of the potential consequences of the back-grounding of accounting in secondary schools. The late adopters had in some cases come to accounting through their work exposure. The Accounting Technician route played a decisive role for some in their drive to professionalise. One interviewee spoke in particular about the need to professionalise the public sector while another spoke of the lack of professional accountants in the charities sector. These are two areas where flexible, supported training routes could enhance the reach of accounting to the mutual benefit of the public sector and the accountancy bodies.

## Mentors and role models

The trainee experience is a stressful one and challenges such as failing exams or under-performance can cause entrants to doubt their career choice. Grit and stubbornness were required to keep going. We were interviewing 'survivors' but a number of them spoke also about the ones who didn't make it through and about the scars left by negative experiences. Multiple avenues for addressing the stressors of individual qualification pathways and subsequent career choices were identified in the research findings of this study. Throughout, the impact of senior staff is clear, with such individuals representing role models whose actions were to be following and replicated, or in some instances, to be avoided completely. Some of the interviewees explicitly recognised that in their subsequent professional lives, they were consciously changing their behaviours in response to behaviours they had encountered during the training period. Throughout these interviews it was clear that managers and partners had had a formative influence on the careers of the trainees even though this influence may have been unwitting. Supporting them through examinations failure, providing career advice and even coaching them for exams, or adjusting their work schedule were supports remembered for a long time. Likewise constant criticism, over-work, lack of support and poor feedback had devastating effects. The training experience can be greatly enhanced by building strong role models and exemplars.

## Learning on the job

The entrants differed in terms of career ambitions, age and personal circumstances. The training experience also differed and, while each trainee did report gaining specific skills and attributes, there were two obvious disconnections. The first was that the formal

examinations system was disconnected from the on-the-job training and while some could draw connections between the two, many of those interviewed for this study took a strategic view of the examinations process, viewing it as a hurdle to be overcome rather than a tangible link to, and source of, additional learning in the workplace. This suggests that there is a potential for improving both the training and education experience by closer links between the classroom and the workplace. Secondly, the nature of the training programme was dictated by the needs of the employer rather than by the ambitions of the trainee. Failure to match entrants with suitable training experiences is likely to detract from the training experience for the firm as much as the trainee. A greater matching of trainees to the training environment would usefully capitalise on the opportunities each route-way offers. The variety of skills available are not necessarily building on the skills of individual trainees.

### **Accounting as a career**

The natural step at the end of the training period was to move on. There is a very strong sense that many are still 'CV building'; however, not quite to the instrumental extent of the findings here echoing those of Anderson-Gough et al. (2002), who described commitments to the professional training process as being oriented toward gaining "a credential relevant to business training rather than the fact of being an accountant". Trainees struggled in different ways with this step. Those who came from the Big 4 appeared in some cases unprepared due to the specialised nature of their training. Trainees in the smaller firms had in some cases a clear vision of the role they would like to play in industry but struggled to access those roles due to perceptions within industry of the nature of training in smaller practices. Even those who wished to stay in the same sector often moved employer. For example, they described industry to industry moves, small firm to small firm or even Big 4 to Big 4. To a greater or lesser degree, the newly qualified accountants were starting to take ownership of their careers.

There was little formal support within the training organisations for career planning and in attempting to find their own niche the newly qualified accountants often took a hit and miss approach and relied on anecdotal evidence from peers. Greater support by professional bodies at this transition stage would benefit newly qualified accountants, industry and the profession. In particular greater dialogue between industry and the professional bodies about the benefits of small firm training would enhance this transition for this particular training route. The decision to leave public practice by a number who had been encouraged to stay was attributed to potential work-life balance issues. The profession needs to consider whether a culture of long hours will continue to attract the brightest and the best.

### **Being qualified**

Similar to findings elsewhere (for example Grey, 1998) the passing of the professional examinations in itself did not appear to provide a sense of 'being qualified'. Evidence of technical competence is taken as a given rather than a defining characteristic of the newly

minted professional accountant. The specific qualification or 'letters' attained did matter to the interviewees, but full ownership of the professional identity which they represent was frequently associated with movement away from the original training site. For newly qualified accountants to feel 'really qualified' was described by many as deriving from a moment of confidence. Having been subsequently hired as a qualified accountant, in a new environment, they could cross the line from trainee to qualified. Training experiences which build confidence allow trainees to begin to see themselves as professional accountants and accelerate the moment of 'becoming' an accountant. Those interviewees who were reflective on this point also pointed out that being qualified is not a matter of knowing everything; rather it is the start of a journey of lifelong learning. For professional institutes this emphasises the importance of the core competence of a commitment to continual learning and confidence in the ability to apply that learning.

### **Key recommendations from this study**

- Choosing accounting was a decision which was formed in the school classroom by many early entrants and in the workplace by later entrants. The reach of the profession into these environments is essential to attract the next generation of accountants.
- The relationship with partners and senior staff in training firms had a major influence on the nature of the training experience. The training experience can be enhanced by building strong role models and exemplars.
- The relationship between learning for exams and learning on-the job was not described as being coherent or supportive. There is potential for enhancing both education and training through forging closer links between formal learning and training in the workplace.
- Moving on from training into Industry or the public sector was seen as the logical next step for many, but the interviewees were often unprepared for this transition. Greater support by professional bodies at this transition stage would benefit newly qualified accountants, Industry and the profession.
- For newly qualified accountants to feel 'really qualified' was described by many as deriving from a moment of confidence. Training experiences which build confidence allow trainees to begin to see themselves as professional accountants embarking on lifelong learning.
- The decision to leave public practice by a number who had been encouraged to stay was attributed to potential work-life balance issues. The profession needs to consider whether a culture of long hours will continue to attract the brightest and the best.