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EMPLOYERS' NEEDS OF ACCOUNTING GRADUATES SKILLS IN THE SAUDI LABOR MARKET: ANALYTICAL STUDY

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ABSTRACT

The study aims to identify the skills and conditions required of accounting graduates to obtain a job in the Saudi labor market. It relies on data collected from (425) job advertisements for an accountant job in the Saudi labor market from September 2020-September 2022. A descriptive cross-sectional study was conducted to analyze the data, including content and statistical analysis. The study results revealed that good command of the English language, basic computer skills, IT skills such as software, applications, and systems, and Oracle software skills are essential for employers. The study results also revealed that the advertisements listed identified additional conditions; conditions hiring Saudi citizens, Years of experience, salary cap by experience and qualifications, passing pre-employment competency tests and personal job interviews, and the right education and qualifications. The results also indicate no differences in the demand rates for computer skills in various accounting job titles (accountant, head of the accounting department, financial manager, and auditor). Therefore, the study recommends intensifying and integrating the English language in the accounting education curricula and the need to provide computerized accounting information systems and integrate them into the accounting education curricula as well, as the labor market requires utilizing these systems.

Keywords: Generic skills, Additional requirements, Employers, The Saudi labor market, Accounting graduates.

INTRODUCTION

The dimension of generic skills in accounting education is becoming increasingly important since stakeholders (As employers, professional bodies, and students) have acknowledged an overall decline in soft skills and competencies among graduates (De Lange *et al.*, 2006; Crebbin, 2007). The faculty also acknowledged their failure to integrate generic skills in their instructions (Subramaniam, 2013). At the other extreme is complex relationships among different stakeholders and each group of stakeholders have different perspectives, making whole generic skills challenging to achieve. Howieson *et al.* (2014) suggest that awareness should be raised among stakeholders regarding limitations (such as the limited time and resources) within university programs to improve generic skills and that employers should attempt to develop learning opportunities within the place-work environment. Despite this, it is becoming necessary for educational institutions to have tapped diversity in utilizing teaching techniques to heighten the level of learning in a multi-stakeholder environment (Carnegie & Napier, 2010).

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In addition, It is important to take advantage of the distance education environment in promoting students' employable skills (Haidar, 2022).

Accounting programs have a critical responsibility in delivering practice-ready accounting graduates who are knowledgeable and have skills. First, accounting programs must adapt to stakeholders' needs in the presence of a rapidly changing business environment and continuous advances in information technology (IT) (Kopzhassarova *et al.*, 2021; Kryukova *et al.*, 2021; Mirghaed *et al.*, 2022). Indeed, many accounting education programs and individual faculty members have responded to meet the needs of diverse stakeholders (even though there was a constrained workload). Efforts to develop those skills have primarily been made at the expense of covering technical accounting knowledge (Rebele & Pierre, 2019).

While any academic accounting program endeavors to create a balance between technical accounting knowledge and generic skills, the focus on generic skills required for accounting students remains a concern to many researchers and academics. There is a severe discussion concerning these skills employers need and the priorities of the employers' concerns for those skills.

The study aims to identify the employers' needs for accounting graduate skills in the labor market in Saudi Arabia by analyzing the content of job advertisements for the job of accountants and auditors and identifying the employers' priorities for those skills. Thus, the study will answer three following questions;

- What skills should accounting graduates have, according to employers in the Saudi labor market?
- What are the additional requirements that accounting graduates should have in perspective to employers in the Saudi labor market?
- Are there any statistically significant differences at the significance level ($\alpha \leq 0.05$) in the rates of demand for computer skills based on the posted jobs?



This study contributes to highlighting important skills that accounting programs have to provide for their graduates via the revision of their educational curricula to be met the needs of the labor market. Thus, our findings of this study will be useful for accounting programs to enhance the quality of educational curricula and plans.

The rest of this paper is organized as follows. Section 2 reviews the literature related to this research. Section 3 describes the research methodology. Section 4 presents the results of this research. Finally, a discussion is conducted in Section 5, and the conclusion is revealed in Section 6.

Literature Review

In recent years, employers have stressed the need to develop general skills by integrating them into the accounting curricula in higher education (Maali & Al-Attar, 2020; Al-Hattami, 2021). These skills are viewed as personality traits (Kermis & Kermis, 2010), interdisciplinary general education skills not related to a specific field or practice (Boyce *et al.*, 2001), or as a variety of preferred skills for employment purposes (Crawford *et al.*, 2011). These skills are classified into two main groups: generic skills and employability skills.

The generic skills include communication, values, ethics, technical skills, critical thinking, self-learning, collaboration, and community participation. The employability skills include

communication, technical, analytical, data processing, and interpersonal skills (Dolce *et al.*, 2020). These skills are expected to increase employment opportunities, salaries, and other financial and social benefits, as well as meet employer expectations, reflect an excellent university image, and provide high-quality professional services.

Several arguments are raised on what skills accountants need and how to acquire them, whether through work experience, personal life, or higher accounting education programs (Low *et al.*, 2013; Parsons *et al.*, 2020).

Zureigat (2015) stated that employers in The Kingdom of Saudi Arabia consider most skills essential and rank them in the following order: critical thinking, problem analysis, decision making, communication and oral presentation, teamwork, work ethics, time management, negotiation and written communication, computer skills, planning, leadership, and, finally, Internet research skills, respectively.

Numerous studies discussed the additional skills and conditions required of accounting graduates through stakeholders' perceptions of those skills (Zureigat, 2015; Senan, 2019; Al Mallak *et al.*, 2020). However, only some studies discussed these skills by analyzing accountant and auditor job advertisements (Rindaşu, 2021; Barišić *et al.*, 2022); such studies are almost nonexistent in The Kingdom of Saudi Arabia.

Studies show a gap between the needs of employers and the expectations of accounting educational programs, on the one hand, and the aspirations of graduates of those programs, on the other. For example, Kwarteng and Mensah (2022) examined the extent to which universities equip accounting graduates with employable skills. The study relies on a cross-sectional descriptive survey with a random sample of 435 employees and accounting graduates. It reveals that information technology and personal and interpersonal skills are the most sought-after in the accounting graduates' field of work. The following is a review of several studies on the required skills of accounting graduates in the labor market relevant to the subject of the current study:

One study conducted by Rindaşu (2021) aimed to analyze whether there is a gap between the expectations of professional accounting bodies and the labor market requirements in emerging and advanced European economies regarding information technology (IT) skills required of accountants. The study relies on data from 1,000 accountant job advertisements from September 2017 to July 2018 and from January to February 2021. He also conducted content and statistical analysis to analyze the data. The results show a correlation between the skills demanded by European companies, both emerging and advanced. Moreover, they show that the level of information technology skills required of accountants is relatively low and that the majority of digital skills required focus more on basic capabilities in data processing systems (OSS). At the same time, only half of the analyzed data state that the required or desirable skills are accounting information systems (AIS) skills. They also state that organizations need to take full advantage of the actual IT capabilities of their employees and that the IT skills of professionals need to be sufficiently developed.

Johnson (2014) conducted another study that aimed to discover the impact of academic education in accounting on professional practice and to identify how faculty members can positively influence the accounting profession. The results revealed a large gap between accounting education and practice. They also indicated that faculty members should focus on



the professional aspect of training students and developing accounting programs to link the theoretical study with the applied study of accounting education to graduate a generation of functionally qualified accountants.

Furthermore, Barišić *et al.* (2022) conducted a study to identify the skills and attributes needed by employers in job advertisements. According to their results, employers rated organizational skills, intellectual skills, interpersonal and communication, the ability to use information technology (IT), teamwork skills, responsibility, the ability to work independently, be analytical and committed to learning as the most crucial skills in the collected job advertisements.

Hu (2022) conducted an in-depth study to analyze vocational education and training in accounting and finance systems curricula under the conditions of advanced high-performance computers. Furthermore, he also conducted a case study to clarify the practical application of the group before the application of AI accounting and the impact and challenges after the application to develop accounting. The study revealed that the application of AI accounting significantly impacts accounting procedures, the quality of accounting information, accounting personnel, accounting information, accounting information security, and other aspects of the organization in question. The study also suggests enhancing AI education, improving AI-related laws, managing the transfer of accounting talent, and deepening the integration of AI with accounting.

Along the same line, a study was undertaken by Ayebofo (2012) to identify what accounting teachers in academic institutions in Ghana must emphasize to produce labor market-ready graduates. The study indicates that most accounting programs are taught in a way that needs more actual practice to enable students to face real-life situations efficiently. He studied several accounting practitioners and different academic institutions. The results show a gap between theoretical education and actual labor market practices in accounting education. The results also show that accounting teachers overstress advanced techniques to solve situations, which often have nothing to do with accounting practitioners. He found that accounting education places less emphasis on computerized accounting, even though most companies use computerized accounting systems to manage their accounts. The study recommends integrating computerized accounting training into accounting programs' curricula in higher education institutions since proficiency in such systems is required in the labor market. It also recommends that teachers and researchers from different disciplines collaborate to research how to improve the teaching material.



MATERIALS AND METHODS

Data Collection

The study relies on all data collected from (425) job advertisements for an accountant job. The Data on job advertisements were collected from September 2020 to September 2022. All data were analyzed using a cross-sectional study, including content and statistical analyses. A content analysis card was used to analyze the content of advertisements for an accountant job in the Saudi labor market. The tool included the following parts:

- Part One: The primary skills required of job seekers in the Saudi market are represented by the following: (English language reading and writing competency, proficient Microsoft Excel

skills, Oracle software mastery, basic computer skills, and proficiency in various accounting software and systems) As per job advertisements.

- Part Two: The additional conditions represented by (passing pre-employment competency tests, personal interviews, salary cap determination, academic qualifications, and work experience). As per job advertisements.

The study tool was presented to a group of experienced arbitrators specialized in accounting, who verified its validity and offered several observations and suggestions that were taken into account. Such procedures are considered evidence of the validity of the analysis tool. The stability of the study tool was also verified using the Holstey equation for the agreement rate among analysts, which amounted to (0.94) and is considered an acceptable value for the current study.

Procedure

The study analyzes the required skills favored by the Saudi labor market listed in the accounting job advertisements; included in the study to assess whether there is a gap between actual practice and expectations.

The study analyzes the required skills favored by the Saudi labor market listed in the accounting job advertisements; included in the study to assess whether there is a gap between actual practice and expectations. Moreover, the data from the advertisements were also analyzed using the content analysis card prepared for this purpose. The ad collection period was set at the beginning of the recovery period from the Corona pandemic; this created a new trend in doing business, including accounting businesses that tend to digitize, work remotely, and employ technology significantly. Furthermore, many accountants needed to develop their skills and acquire new skills required by the labor market.

Data Analysis

To answer the study questions; statistical treatments were carried out using the Statistical Package for Social Sciences (SPSS) as follows:

- The frequencies and rates were extracted to answer the first and second questions.
- To answer the third question, the coefficient of Chi-Square (X^2) was extracted.
- Holstey's equation was used to verify the stability of the study tool.

RESULTS AND DISCUSSION

This section includes a detailed presentation of the study's findings in light of the questions asked, which aimed to reveal the skills and conditions required of accounting graduates by the Saudi labor market. It also includes a discussion of the study's findings and their interpretation in light of the research literature, detailed as follows.

The Results of the First Question, Which Reads

What are the skills required of accounting graduates by employers in the Saudi labor market?

To answer this question, the study analyzes (425) job advertisements for an accountant in the Saudi labor market from (September 2020-September 2022); identifies the required skills listed in the advertisements, and extracts the frequencies and rates as shown in **Table 1**.



Table 1. Rates and frequencies of skills required as per the accounting job advertisements

Required skills as per the advertisements	Frequency	Percentage	Rank
English reading and writing	156	36.71%	1
Microsoft Excel	87	20.47%	4
Oracle Software	7	1.65%	5
Computer basics	146	34.35%	2
Accounting software, applications, and systems	137	32.24%	3

Table 1 shows the skills required by the Saudi labor market of accounting graduates as per the accounting job advertisements, which are as follows: English language reading and writing competency, Microsoft Excel proficiency, Oracle proficiency, computer basics, and command of various accounting software, applications, and systems. The skills are ranked in the following order: First, English language reading and writing competency, with a rate of 36.71%. Secondly, basic computer, with a rate of 34.35%. In the third place, proficiency in various accounting software, applications, and systems is required, with a rate of 32.24%. Proficient Microsoft Excel skills came in fourth place by 20.47%. Finally, Oracle software proficiency is required by 1.65%. **Figure 1** shows the variation in the rates of demand for accounting skills among graduates according to the Saudi labor market.

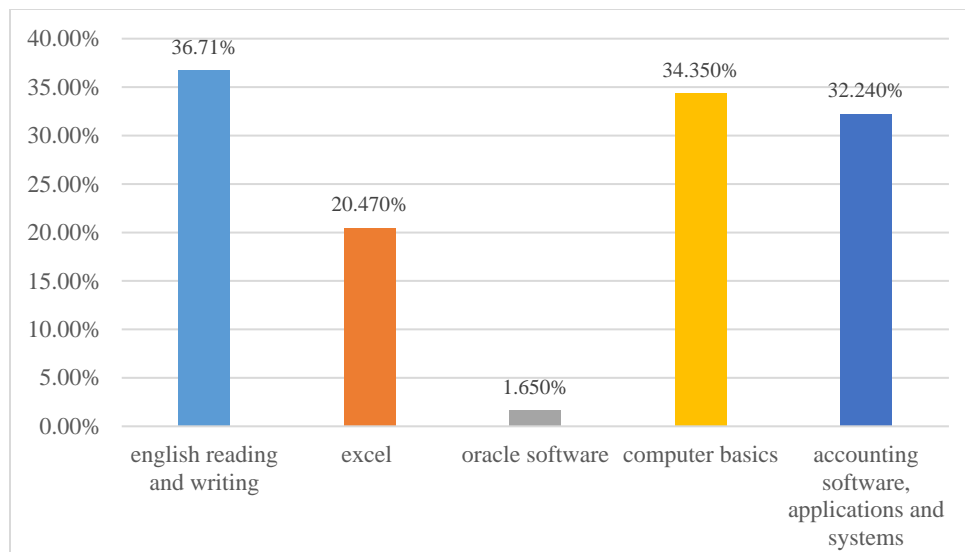


Figure 1. The variation in the rates of demand for accounting skills among graduates according to the Saudi labor market

The Results of the Second Question, Which Reads

What are the additional conditions required of accounting graduates by employers in the Saudi labor market?

To provide an answer to this question, the study examined (425) job posts for an accountant vacancy in the Saudi labor market from (September 2020-September 2022); Identifies the additional conditions employers require, and extracts the frequencies and rates as shown in **Table 2**.

Table 2. Rates and frequencies of additional conditions required as per the advertisements

Additional required conditions as per the advertisements	Frequency	Percentage	Rank
Passing pre-employment competency tests	43	10.12%	4
Salary cap determination by experience and qualifications	90	21.18%	3
Postgraduate higher degrees (MA and Ph.D.)	7	1.65%	5
Work experience	122	28.71%	2
Saudi nationality	139	32.71%	1

Table 2 shows the additional conditions required by the Saudi labor market of accounting graduates as per the advertisements, which are as follows: passing pre-employment competency tests, salary cap determination by experience and qualifications, postgraduate higher degrees (MA and Ph.D.), work experience, and Saudi nationality. The additional requirements are ranked in the following order: In the first place, Saudi nationality is required, with a rate of 32.71%. Secondly, work experience is needed, with a rate of 28.71%. In the third place, salary cap determination by experience and qualifications is required, with a rate of 21.18%. The fourth requirement is passing pre-employment competency tests with a rate of 10.12%. The requirement of postgraduate higher degrees (MA and Ph.D.) came in last by 1.65%. **Figure 2** shows the variation in the rates of demand for additional conditions required of accounting graduates by the Saudi labor market.

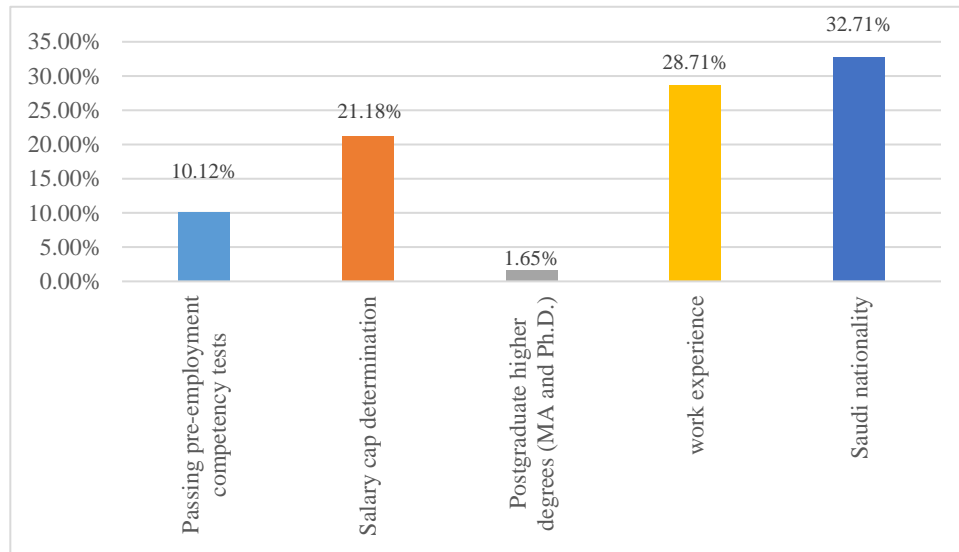


Figure 2. The variation in the rates of demand for additional conditions required of accounting graduates by the Saudi labor market.

The Results of the Third Question, Which Reads

According to the required job title, are there any statistically significant differences at the significance level ($\alpha \leq 0.05$) in the rates of demand for computer skills?

To examine the differences in the rates of demand for computer skills according to the required job title (accountant, department head, financial manager, and auditor), the coefficient of Chi-Square (X^2) was extracted; **Table 3** shows the results.

Table 3. Chi-Square (X^2) test for examining the differences in the rates of demand for computer skills as per the required job title

Skill	Chi-Square (X^2)	Indication level
English reading and writing	4.79	0.77
Microsoft Excel	4.42	0.35
Oracle Software	1.61	0.80
Computer basics	1.06	0.90
Accounting software, applications, and systems	0.83	0.93

Table 3 shows no difference in the rates of demand for computer skills in various accounting job titles (accountant, head of the accounting department, financial manager, and auditor). This indicates that the Saudi market's demand rates for these skills are similar despite the required job title.

The study aims to identify the skills employers prioritize and require of accounting graduates in the Saudi labor market by analyzing many accounting and auditing job advertisements. According to the study results, the following skills are required respectively based on their frequency in the ads analyzed: English language reading and writing competency, Microsoft Excel proficiency, Oracle proficiency, computer basics, and command of various accounting software, applications, and systems.

The results are consistent with Rîndaşu's study (2021), which deals with the importance of information technology and various applications such as Excel, Oracle, and several others. Accordingly, he concluded that AIS skills are essential or preferable at the very least. In addition, Rîndaşu's study shows that the IT skills of professionals are not sufficiently developed and include all skills required in employment advertisements, which makes them different from AIS skills. This study also agrees with Ayeboafu's recommendations (2012) to integrate training on accounting information systems in accounting curricula in higher education programs since the labor market requires mastery of such systems.

Furthermore, the study results indicate that the Saudi labor market requires additional conditions of accounting graduates, as per the accounting advertisements, which are as follows: passing pre-employment competency tests, salary cap determination by experience and qualifications, postgraduate higher degrees (MA and Ph.D.), work experience, and Saudi nationality. Based on their frequency in the ads analyzed, the conditions are required in the following order: First, graduates must be Saudi nationals due to the Kingdom's tendency to localize jobs in this profession. Next, employers require work experience and salary cap determination by experience and qualifications after that. Then, passing pre-employment competency tests and personal interviews. Following that, postgraduate degrees (MA and Ph.D.). The study also examines the differences in the rates of demand for computer skills according to the required job title (accountant, department head, financial manager, and auditor). The results show no difference in the rates of demand for computer skills regardless of the required accounting job title, which indicates that the Saudi market's demand rates for these skills are similar in various accounting job titles.

CONCLUSION



There is an increasing demand from employers that accounting education emphasizes the development of students' generic skills in the hope of producing more efficient, professional, and productive accounting graduates. Evidently, with more emphasis on soft skills development, there should be less emphasis on technical issues, given class time constraints. It should be noted that we as teachers do not consider the development of generic skills any less important or desirable. Instead, we need to focus on how accounting faculty, given their experience, can make better use of the limited time they have to educate students and prepare them for careers as accounting professionals.

In addition, the study recommends the following: intensifying and integrating the English language in the accounting education curricula. To encourage researchers to conduct more studies to identify the required and emerging skills in the labor market. To provide computerized accounting information systems and integrate them into the accounting education curricula since mastery of such systems is required in the labor market because most companies use them to manage their accounts.

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ETHICS STATEMENT: None

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