

# Balancing act.

## Is the accounting and finance profession ready to step up?

### At a glance.

Below is a summary of the key findings of our recent research, providing an insight into the trends, challenges and areas of focus for employers and employees. Where we can, we have compared our findings to our studies in 2007 and 2008 and that of similar research into the legal profession and the banking and financial services sector.

- The role of the accountant is changing. Increasing numbers are being asked to adopt business partner roles, working more closely with the business to interpret and explain financials to non-finance departments and contribute to key commercial decisions. As a result accountants that can demonstrate commercial acumen, strong communication, networking and leadership skills and behaviours are in demand.
- There is disparity between what employers and employees believe are the skills an accountant

needs to advance their career – employees are still focusing on improving their technical skills above all others.

- The role of the traditional accountant is of less relevance as accountants maximise the use of technology to streamline processes and there is a growing demand for forward-looking analysis of information.
- Respondents believe that finance professionals can still go on to become MD or CEO. However, 83% believe that experience of non-finance departments is key.
- Over a third of professionals believe that the training provided through achieving an accountancy qualification does not equip them with all of the skills needed to be a 'modern' accountant.
- Despite the current economic difficulties many clients are still recruiting and there are roles for talented professionals.

■ Over half of employers find it as difficult to attract talent now as they did 12 months ago. Newly qualified accountants and commercial analysts are among those professionals that organisations find most difficult to attract.

- Our research shows that 40% of employers are reviewing their recruitment strategies for 2009 due to economic difficulties but only 24% of finance departments are putting recruitment freezes in place.
- Only a third of employers rated their retention strategy as very successful. Overall just over a quarter put their success down to offering a clear career path, despite employees telling us in our 2008 workplace study that a structured career path was critical in their decision to stay with an organisation.

### Foreword.

For some time now, clients have been asking us to source accounting and finance professionals with strong communication skills, commercial acumen and the ability to work closely with their non-finance colleagues. As the current economic difficulties take their toll, it's fair to say that those skills have become even more in demand.

It's this trend that drove us to further explore how the profession is changing and what employers must do to attract the best talent. It also forms the basis of the research for our third annual accounting and finance workplace study.

Our findings highlight the need for employers, employees and their professional bodies to recognise a

new role for accounting and finance professionals.



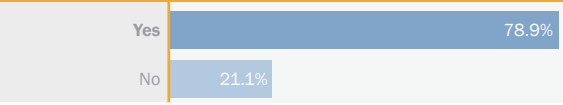
**David Fleming**  
Associate Director,  
Accounting and finance division,  
Badenoch & Clark.

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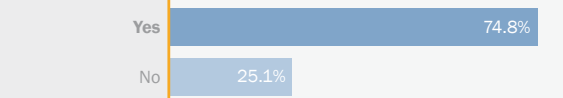
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## The role and scope of an accountant.

### Employers: Has the role and scope of an accountant changed over the past 3-5 years?



### Employees: Has the role and scope of an accountant changed over the past 3-5 years?



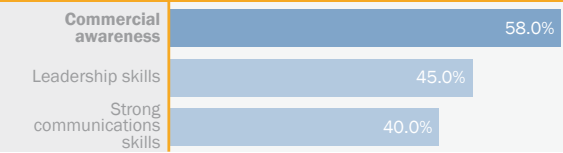
All figures are rounded to one decimal place.

Almost 80% of employers and 75% of employees believe that the role and scope of an accountant has changed over the past three to five years. Gone are the days of accountants sat in offices number crunching. Today's accountant is out and about, influencing his and her colleagues to achieve better business performance through greater understanding of finance.

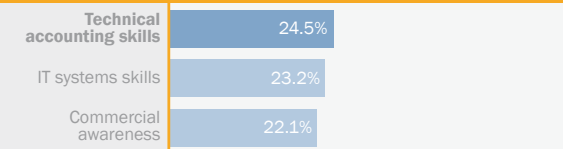
One could ask was this inevitable? In a time when cost control is at the heart of any organisation's agenda, it's no surprise that employers are looking for accounting staff to play a bigger role and to align themselves more closely with the business. Over the last 10 years, HR has moved to a business partnering model and finance has followed the same path, looking to add greater value in strategy and decision making.

## Tomorrow's accountant.

### Employers: What skills do accountants need to take the next step in their careers?



### Employees: What skills do you need to take the next step in your career?



Survey takers were invited to select all that applied. The charts show the three most popular choices only. All figures are rounded to one decimal place.

Employers believe that the key skills accountants need to develop to take the next steps in their careers are: commercial awareness, leadership skills and strong communication skills.

Despite the fact that employees recognise the changing role and

scope of the accountant, our research shows that they are more focused on developing their technical and IT skills to take the next step in their career. This raises the question of whether employers could do more to steer the personal development of their accounting staff.

## The role of the accountancy bodies.

It may be controversial to some and unpalatable for the accountancy bodies but over a third of employers and employees believe that the training through qualification for the role of

'tomorrow's accountant' does not provide all of the skills required. Professional bodies must keep pace with the changing demands and expectations of the profession, while employers need to focus on

helping accounting and finance staff embrace the new aspects of their roles. Our findings raise the question of whether accountancy as a career is attracting people with the right skills.

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## Career direction.

The good news for those accountants who have aspirations to become a managing director or CEO is that 93% of respondents believe it is still achievable. However, 83% told us that non-finance department experience is essential to getting to the top. So despite the change of focus in the

role of an accountant, working in finance alone is not enough.

While respondents felt that modern day accountants need more hands-on commercial experience, 44% of employers and 47% of employees believe that another business related qualification, such as an

MBA would be a requirement for career progression.

It is important to note that many accountants are happy to remain in finance with 33% saying they see themselves staying in a specialist finance role and 31% taking on a broader management role.

## Attraction.

Despite the current economic difficulties many employers are still recruiting and there are roles for talented professionals. With greater emphasis placed on making the perfect hire, organisations are implementing more rigorous recruitment processes, often increasing the length of the time it takes to recruit. This may well serve to mitigate the risk of making a wrong decision but can sometimes mean that really strong candidates

are lost to rival employers who are quicker off the mark. Our research also shows that, due to economic difficulties, 40% of employers are reviewing their recruitment strategies for 2009 and that only 24% of finance departments are putting recruitment freezes in place.

However, surprisingly, over half (53%) of clients surveyed find it either 'extremely' or 'moderately'

difficult to attract the right talent. This is no different to what they experienced twelve months ago. We have seen that many organisations have improved what's on offer to help attract potential employees by focusing on creating clear long term development plans backed up by tailored packages comprising flexible benefits, bespoke bonus arrangements, a better work-life balance and enhanced holidays.

## The right skills?

Our research shows that the most important criteria employers look for when recruiting accounting and finance staff are cultural fit and personality and wider interpersonal skills backed up by relevance and quality of experience. Technical skills, accountancy qualification and education are important but may well be hygiene factors.

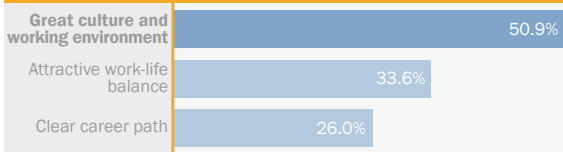
Our findings are in common with that of our 2008 legal and banking and financial services workplace studies. When recruiting, cultural fit and personality was the most important requirement for employers at law firms and 82% of employers in the banking and financial services sector believe the same. It's important that employers work with their recruitment

consultancies to define and screen for broader competencies.

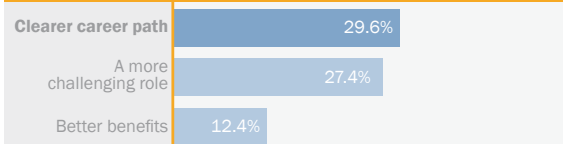
Employees however, believe strongly that technical skills are still the most important skill when it comes to developing their careers.

## Retention.

### Employers: What does your organisation do to retain staff?



### Employees: What might your employer do to make your role more attractive? (2008 results)



The charts show only the three most popular choices. All figures are rounded to one decimal place.

Only a third of employers rate their retention strategy as 'very successful', with 70% citing the great culture and working environment on offer as the key driver. In our 2008 retention guide, employees told us that the key to retaining staff was to offer a

clearly defined career path. However, in our most recent research, only 26% cite this as the reason for having a successful retention strategy. What is evident is that employers are acknowledging that it is their responsibility to ensure their people want to continue to work for them.

## Salary and bonus review.

Given the current climate, it will come as no surprise to report that salary reviews in 2008 have been tempered somewhat. While there have been pay increases for those in permanent roles - the average was between 3% and 7%. A third (31%) of accountants didn't receive

a salary increase, a figure which looks set to increase in 2009. Since our research in 2007, we have seen a sharp increase in accounting and finance professionals who are eligible to receive a bonus. However, our research shows that this increase will drop by 15% in

2009 as only 59% expect to be eligible for a bonus.

For more information within a specific sector or geographical region, please contact Honor Simmonds at [honor.simmonds@badenochandclark.com](mailto:honor.simmonds@badenochandclark.com)

## Key challenges.

**According to respondents the key challenges the accountancy profession faces are:**

- 1 Coping with the increased pressure to add value and be commercially aware, particularly in the current climate.
- 2 Improving the communication and interpersonal skills of accountants in explaining the numbers to non-finance people.
- 3 Keeping pace with international accounting standards.
- 4 Attracting and retaining high quality candidates.
- 5 Regaining the confidence in the accountancy profession which has been lost due to high profile scandals and the complexity of accounts.
- 6 Guiding organisations through the economic difficulties and keeping opportunities for accountants.

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## About the survey.

The research in this report is based on responses received by 2,434 (1,114 clients and 1,320 candidates) accounting and finance professionals, gathered through telephone and face to face interviews made by over 200 consultants throughout the UK.

Our research took place in November 2008, and included accounting and finance professionals at all levels of qualification, from newly qualified and QBE to finance directors and CEOs across the commercial, public and practice sectors. Additionally we surveyed HR professionals and recruiting managers.

The report also drew upon the extensive market knowledge held by our industry experts.

For a copy of our full report and more information on the accounting and finance market, please contact Honor Simmonds at [honor.simmonds@badenochandclark.com](mailto:honor.simmonds@badenochandclark.com)

## Related Articles.

Related articles can be found at [www.badenochandclark.com](http://www.badenochandclark.com) and include:

- **Banking & Financial services Workplace study** – A longer-term view. Looking beyond the current crisis.
- **Legal Workplace study** - A ticking time bomb. Is the legal sector responding quickly enough to key employment issues?

- **Accounting and finance Workplace study 2008.** Finance Connections. Facing the challenges of recruitment and retention in accounting and finance.
- **Retention: an 8 point guide**
- **Can IT step up to the partnership plate?** And what other functions can learn from HR's partnership experience. Connections magazine, Issue 5.

- **New tactics in the war for accounting talent.** Market Talk, Issue 4. [www.market-talk.co.uk](http://www.market-talk.co.uk)
- **Employers adopt more rigorous recruitment processes.** Market Talk, Issue 4. [www.market-talk.co.uk](http://www.market-talk.co.uk)
- **Happiness at Work** [www.happinessatworkindex.com](http://www.happinessatworkindex.com)

## About Badenoch & Clark.

Whether you're looking for a fresh career challenge or you're an employer looking to recruit talented professionals, you'll appreciate working with a recruitment consultancy that really understands your needs.

At Badenoch & Clark we focus on connecting organisations with the right professional people – whether for permanent, interim, contract or temporary accounting and finance positions. We understand

that it's much more than filling vacancies. It's about making the right connections between skills, cultures and roles.

Our clients tell us that we're particularly good at getting under the skin of their organisations, understanding their precise needs and getting a good feel for their culture. And our focus on building industry knowledge means we can advise on broader recruitment trends in your industry.

Our UK-wide presence means we have the strength and depth to deliver a truly tailored service. It's not a one-size-fits-all approach. We tailor our advice to your particular needs. We listen.

Which means that when it comes to building your team or finding your next career move, there can be only one choice of accounting and finance recruitment partner.

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