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Essential Skills for Accounting Graduates: An Analytical Study of Employer Expectations in the Saudi Labor Market

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Abstract

This research focuses on identifying the essential skills and requirements that accounting graduates must meet to gain employment in Saudi Arabia's labor market. The study analyzed 425 job postings for accounting roles from September 2020 to September 2022 using a descriptive cross-sectional method that combined content and statistical analyses. The findings highlight the importance employers place on proficiency in English, fundamental computer abilities, IT-related skills involving various software and systems, and familiarity with Oracle software. Other frequently mentioned criteria include hiring preference for Saudi nationals, required years of experience, salary ranges aligned with experience and qualifications, successful performance in pre-employment tests and interviews, as well as suitable educational credentials. The research also shows that the demand for computer skills is consistent across different accounting positions like accountant, accounting manager, financial manager, and auditor. Based on these results, the study suggests enhancing English language teaching and integrating computerized accounting information systems into academic programs to better align with market expectations.

Keywords: Essential skills, Job requirements, Employers, Saudi labor market, accounting graduates

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Introduction

The role of generic skills in accounting education is gaining increased attention as employers, professional organizations, and students have observed a noticeable decline in graduates' soft skills and overall competencies [1, 2]. Additionally, faculty members have admitted to struggling with effectively incorporating these generic skills into their teaching [3]. The challenge is further complicated by the diverse and sometimes conflicting expectations of various stakeholders, each holding different views on what constitutes essential generic skills. Howieson *et al.* (2014) argue that stakeholders should recognize the constraints universities face, such as limited time and resources, in developing these skills[4]. They also suggest that employers should help foster skill development through workplace learning opportunities. Meanwhile, educational institutions must diversify their teaching methods to improve learning outcomes amid the interests of multiple stakeholders. Utilizing online and distance learning platforms can also play a significant role in enhancing students' employability skills.

Accounting education programs bear a crucial responsibility to prepare graduates who are not only knowledgeable but also ready to practice professionally. These programs must keep pace with the evolving demands of stakeholders, especially given the rapid changes in the business landscape and ongoing technological advancements. Many programs and faculty members have responded to these pressures, often by placing more emphasis on generic skills, sometimes at the cost of reducing technical accounting content [5].



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Although academic accounting programs strive to strike a balance between technical expertise and generic skills, concerns persist among scholars and educators about whether sufficient attention is given to these broader competencies. The debate continues over which skills are most valued by employers and how to prioritize their development within accounting curricula. This study seeks to determine the skills that accounting graduates must possess according to employer demands in the Saudi labor market by analyzing job postings for accounting and auditing positions. It focuses on identifying which skills employers prioritize and aims to answer three main questions: What skills do employers require from accounting graduates in Saudi Arabia? What additional qualifications or conditions do these employers expect? Are there significant differences in the demand for computer skills based on the specific job titles advertised?

The research offers valuable insights that can help accounting education programs adjust their curricula to better prepare graduates to meet labor market expectations. The results will assist academic institutions in improving their training and curriculum design.

The paper is structured as follows: Section 2 reviews existing studies related to this topic, Section 3 explains the methodology used, Section 4 details the findings, Section 5 discusses the implications, and Section 6 presents the conclusion.

Recently, there has been increased emphasis from employers on embedding general skills within accounting education [6, 7]. These skills are variously described as personality traits [8], broad interdisciplinary skills beyond technical knowledge [9], or as sought-after capabilities for employability [10]. They generally fall into two categories: generic skills and employability skills.

Generic skills cover communication, ethics, values, technical expertise, critical thinking, independent learning, teamwork, and social participation. Employability skills include communication, technical know-how, analytical abilities, data handling, and interpersonal skills [11]. Mastering these skills can increase job opportunities, salary prospects, and social benefits, while meeting employer demands and enhancing the reputation of educational institutions.

There remains debate about which skills are most necessary for accountants and how best to develop them, whether through education, work experience, or life experience [12, 13]. According to Zureigat (2015), Saudi employers rank the essential skills in this order[14]: critical thinking, problem analysis, decision-making, oral communication, teamwork, work ethics, time management, negotiation and writing, computer proficiency, planning, leadership, and internet research skills.

Many studies have explored the additional skills and requirements expected of accounting graduates from the perspectives of various stakeholders [14–16]. However, fewer investigations have analyzed these skills by examining job advertisements for accountants and auditors, with such research being particularly scarce in Saudi Arabia [17, 18].

There is a noticeable gap between employer demands, accounting educational programs, and the expectations of graduates. For instance, Kwarteng and Mensah (2022) studied how well universities prepare accounting graduates with employable skills[19]. Using a cross-sectional descriptive survey with a random sample of 435 employees and graduates, their findings highlight that IT skills, alongside personal and interpersonal abilities, are the most valued in the accounting profession.

A relevant study by Rîndaşu (2021) investigated whether labor market demands for accountants' IT skills differ between mature and emerging European countries compared to those specified by professional accounting bodies[17]. This study analyzed 1,000 accountant job postings from two periods: January-February 2021 and September 2017-July 2018. Through statistical and content analyses, it found a strong correlation in skill requirements across both emerging and advanced markets. The research also noted that the overall demand for advanced IT skills is relatively low, with most required digital competencies focusing on basic data processing systems (OSS). Only about half of the job postings emphasized accounting information systems (AIS) skills. The study concluded that organizations should better utilize employees' existing IT skills and that professional IT competencies need further development.

Similarly, Johnson (2014) explored the gap between academic accounting education and professional practice, highlighting a significant disconnect[20]. The study emphasized the need for faculty to focus more on practical training and to bridge theoretical knowledge with real-world application to produce graduates who are better prepared for the profession.

Barišić *et al.* (2022) carried out a study aimed at identifying the key skills and attributes employers seek in job advertisements[18]. Their findings revealed that employers prioritize organizational abilities, intellectual skills, interpersonal and communication competencies, proficiency in information technology (IT), teamwork, responsibility, independent working capability, analytical thinking, and a strong commitment to learning as the most important qualities in candidates.

In a related study, Hu (2022) examined vocational education and training within accounting and finance curricula in the context of advanced high-performance computing[21]. Additionally, Hu conducted a case study to assess the practical effects of implementing AI in accounting, highlighting both the challenges and impacts on the profession. The research demonstrated that AI adoption significantly influences accounting processes, the quality of accounting information, personnel roles, information security, and other organizational areas. Based on these findings, Hu recommends enhancing AI-focused education, refining AI-related regulations, managing talent transitions, and further integrating AI technology into accounting practices.

Similarly, Ayebofo (2012) explored the priorities accounting educators in Ghana should focus on to better prepare graduates for the labor market [22]. His study, which involved input from accounting professionals and academic institutions, found that many accounting programs lack sufficient practical training, leaving students underprepared for real-world challenges. Moreover, the research identified a disconnect between theoretical instruction and actual workplace requirements, noting that educators often emphasize advanced techniques that have limited relevance to practitioners. Importantly, the study highlighted that computerized accounting receives inadequate attention despite its widespread use in companies. Therefore, Ayebofo recommends integrating computerized accounting training into university curricula and encourages collaboration among educators and researchers across disciplines to enhance teaching materials and methods.

Materials and Methods

Data collection

This study utilized data gathered from 425 job advertisements for accounting positions in the Saudi labor market, collected over a two-year period from September 2020 to September 2022. The collected data were examined using a cross-sectional approach, incorporating both content and statistical analyses. A content analysis tool was developed to evaluate the advertisements, structured as follows:

- **Part One:** Focused on the essential skills required by employers, including proficiency in English reading and writing, advanced Microsoft Excel skills, mastery of Oracle software, basic computer literacy, and familiarity with various accounting software and systems, as reflected in the job ads.
- **Part Two:** Covered additional requirements such as passing pre-employment competency tests, personal interviews, salary limits based on experience and qualifications, academic credentials, and work experience, as specified in the advertisements.

To ensure the tool's validity, it was reviewed by a panel of accounting experts who provided feedback and recommendations that were incorporated into the final version. Reliability was assessed using the Holsti method for inter-rater agreement, resulting in a coefficient of 0.94, which confirms the tool's suitability for this research [23].

Procedure

The study involved analyzing the skills and requirements prioritized by the Saudi labor market, as outlined in the accounting job advertisements, to determine if discrepancies exist between the actual workplace demands and expectations of graduates. The content analysis was guided by the prepared analysis tool.

The timeframe for data collection coincided with the early recovery phase following the COVID-19 pandemic. This period saw significant shifts in business operations, including increased digitization, remote work adoption, and greater reliance on technology in accounting practices. Consequently, accountants were required to enhance their existing skills and acquire new competencies aligned with these evolving labor market demands [24, 25].

Data analysis

To address the research questions, statistical analysis was conducted using the Statistical Package for Social Sciences (SPSS) as follows:

- Frequencies and percentages were calculated to respond to the first and second research questions.
- The Chi-Square test (X^2) was used to answer the third research question.
- Holsti's formula was applied to assess the reliability of the study instrument.

Results and Discussion

This section presents the detailed findings of the study according to the research questions, aiming to identify the skills and conditions employers in the Saudi labor market expect from accounting graduates. The results are then discussed in relation to existing literature.

Findings for research question 1

What skills do employers in the Saudi labor market require from accounting graduates?

To answer this question, 425 job advertisements for accountants in Saudi Arabia, collected from September 2020 to September 2022, were analyzed. The required skills were identified, and their frequencies and percentages were calculated. The summary is presented in **Table 1**.

Table 1.

Required Skills (per Job Ads)	Frequency	Percentage	Rank
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English reading and writing competency	156	36.71%	1
Basic computer skills	146	34.35%	2
Proficiency in accounting software/systems	137	32.24%	3
Microsoft Excel proficiency	87	20.47%	4
Oracle software proficiency	7	1.65%	5

Table 1 demonstrates the skills most demanded by the Saudi labor market for accounting graduates as extracted from job advertisements. The top required skill is English language reading and writing proficiency (36.71%), followed closely by basic computer skills (34.35%). Proficiency with accounting software, applications, and systems ranks third (32.24%). Microsoft Excel skills come fourth (20.47%), and Oracle software proficiency is least demanded (1.65%). **Figure 1** (not shown here) illustrates the variation in demand rates for these accounting skills in the Saudi labor market.

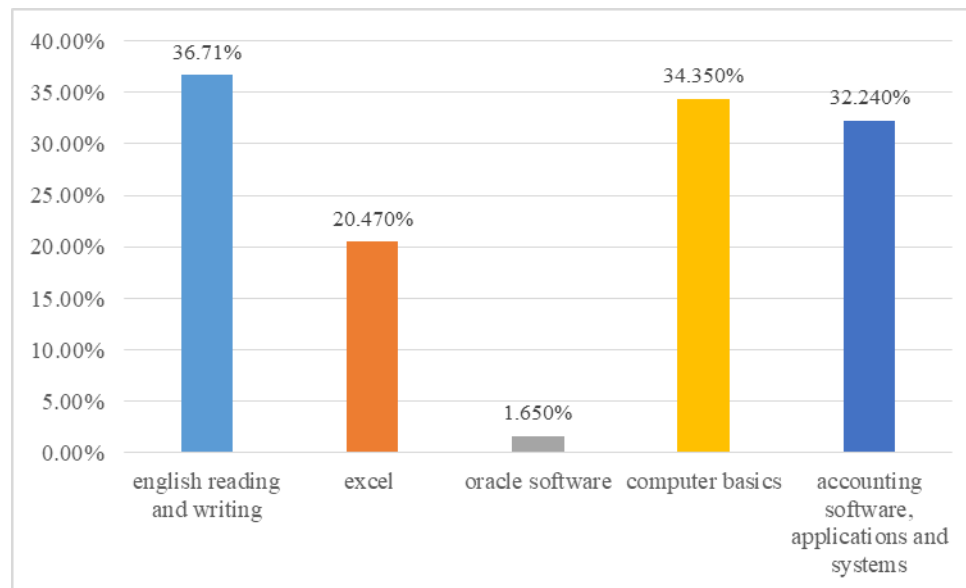


Figure 1. The Variation in the Rates of Demand for Accounting Skills Among Graduates According to the Saudi Labor Market

Results for the second research question

What extra requirements do employers in the Saudi labor market expect from accounting graduates?

To address this question, the study reviewed 425 job advertisements for accountant roles in Saudi Arabia from September 2020 to September 2022. The additional employer requirements were identified, and their occurrence rates were calculated, as detailed in **Table 2**.

Table 2

Additional Requirements According to Job Ads	Frequency	Percentage	Rank
Saudi citizenship	139	32.71%	1
Relevant work experience	122	28.71%	2
Salary limits based on experience and qualifications	90	21.18%	3
Passing competency tests before hiring	43	10.12%	4
Advanced degrees (Master's or Ph.D.)	7	1.65%	5

The table indicates that Saudi nationality is the most frequently mentioned additional condition, appearing in nearly one-third of the ads. Work experience is also highly valued by employers, followed by salary determination depending on qualifications and experience. Passing pre-employment competency exams is less commonly required, and advanced academic degrees are the least emphasized among the additional conditions. **Figure 2** (not included here) displays the distribution of these extra requirements across the analyzed job advertisements.

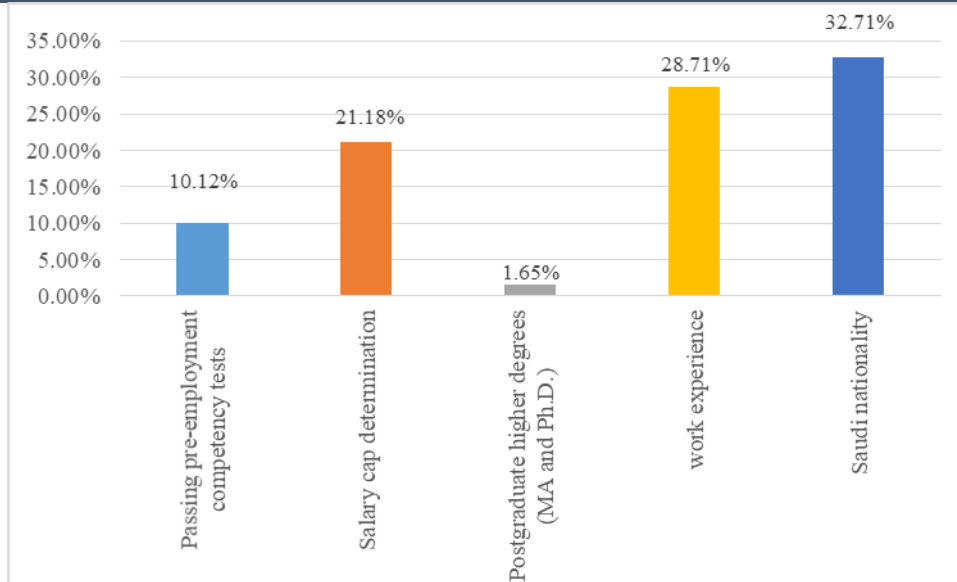


Figure 2. The Variation in the Rates of Demand for Additional Conditions Required of Accounting Graduates by the Saudi Labor Market.

Results for the third research question

Are there statistically significant differences at the $\alpha \leq 0.05$ level in the demand for computer skills based on the job title (accountant, department head, financial manager, auditor)?

To investigate whether the demand for computer-related skills varies by job title, the Chi-Square (X^2) test was applied. **Table 3** summarizes the findings:

Table 3.

Skill	Chi-Square (X^2)	Significance Level (p)
English reading and writing	4.79	0.77
Microsoft Excel	4.42	0.35
Oracle Software	1.61	0.80
Basic computer skills	1.06	0.90
Accounting software, applications, systems	0.83	0.93

The data reveal no statistically significant differences in the demand for computer skills across the various accounting roles studied. This suggests that the Saudi labor market values these skills consistently, regardless of whether the position is accountant, department head, financial manager, or auditor.

The primary objective of the study was to identify the key skills employers in Saudi Arabia seek from accounting graduates by analyzing job advertisements. The findings highlight the top required skills, ranked by frequency: English reading and writing, Microsoft Excel, Oracle software, basic computer skills, and accounting software proficiency.

These results align with Rındaşu (2021), who emphasized the importance of IT skills such as Excel and Oracle within accounting roles[17]. His study also noted that Accounting Information System (AIS) skills are essential or at least highly desirable. However, it found that many professionals lack fully developed IT competencies beyond AIS skills. Consistent with this, Ayeboafu (2012) recommended incorporating AIS training within higher education accounting curricula to better meet labor market needs[22].

Additionally, this study identified several extra conditions favored by Saudi employers, including passing pre-employment competency tests, salary determination based on experience and qualifications, holding advanced degrees (MA or Ph.D.), relevant work experience, and Saudi nationality. The order of importance, according to frequency in advertisements, places Saudi nationality first, reflecting the country's emphasis on job localization in this sector, followed by work experience, salary considerations, competency tests, interviews, and finally postgraduate education.

In summary, the study confirms that the demand for computer-related skills does not vary significantly by accounting job title within the Saudi market, indicating a uniform expectation of these competencies across different professional roles.

Conclusion

There is a growing demand from employers for accounting education to emphasize the development of students' generic skills, with the goal of producing graduates who are more efficient, professional, and productive. Given the limited class time,

more attention should be paid to soft skills development, while still maintaining essential technical knowledge. It is important to stress that generic skills are not less important or desirable; rather, accounting educators need to use their experience to make the best use of available time to prepare students for successful careers as accounting professionals.

Additionally, the study recommends intensifying the integration of the English language into accounting curricula to meet labor market requirements. It also encourages researchers to conduct further studies to identify both the required and emerging skills in the job market. Finally, the study highlights the necessity of incorporating computerized accounting information systems into educational programs, as proficiency in these systems is vital since most companies rely on them for managing accounts.

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