

The Growing Importance of Teaching Soft Skills in Accounting Classes

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Soft skills continue to grow in importance for accounting professionals and students and are vitally important aspects of employment and advancement in the accounting profession. Many professionals feel accountants need to possess adequate soft skills to excel in the workplace. Today's significant question is how professors can adequately teach technical accounting and include soft skills to prepare students for their future careers in accounting. This research submits several examples to assist accounting faculty with methods to teach soft skills in their classes including leadership, interview skills, teamwork skills, written and verbal communication skills, critical thinking skills, innovation, ethics, and environmental responsibility.

Keywords: soft skills, leadership, critical thinking, teamwork, communication skills, ethics

INTRODUCTION

Due to the impact of evolving technology, traditional accounting services are in decline, while advisory services performed by accountants have disproportionately increased (Ma et al., 2021). Accordingly, several different accounting organizations, including the Institute of Management Accountants (IMA), the American Institute of Certified Public Accountants (AICPA), and the Association to Advance Collegiate Schools of Business (AACSB), provide guidelines for a diverse combination of necessary competencies within the accounting profession. Soft skills such as communication, ethical behavior, and critical thinking appear throughout the organizations' related pronouncements as imperative factors for success in a profession increasingly driven by the advisory function. Soft skills are now business's core or essential skills (Wolosky, 2008).

In response, accounting faculty must teach students technical accounting proficiency and the soft skills necessary to thrive and advance in today's profession. This research provides an overview of soft skills such as leadership, interview skills, teamwork, communication, critical thinking, innovation, ethics, and environmental responsibility and describes an appropriate methodology for faculty to utilize while incorporating these topics within accounting courses.

LITERATURE REVIEW

Hard and soft skills are prerequisites for accounting students who want to enjoy a successful career in accounting (Cernusca, 2020). Hard skills are clearly defined objectives of a professional's technical skills or abilities. Conversely, soft skills are more difficult to define as they comprise many areas, including communication, teamwork, and problem-solving (Dolce, Emanuel, Cisi, and Ghislieri, 2020). Chamorro-Premuzic, Arteché, Bremner, Greven, and Furnham (2010) identify soft skills as communication, the ability to work in teams, decision-making, problem-solving, conflict management, the ability to work well in pressure situations, empathy, and critical thinking. In a study by Berry and Routon (2020), the authors classify soft skills as problem-solving, critical thinking, interpersonal relations, public speaking, collaboration, leadership, writing, the ability to get along with dissimilar individuals, and cultural and racial knowledge. Lastly, Stone and Lightbody (2012) add that listening skills are essential for accountants.

Practitioners and academic scholars value understanding and obtaining stronger soft skills. According to a recent article published on LinkedIn, leaders who demonstrate developed soft skills improve their team's performance, boost productivity and retention, and deliver higher levels of return on investment (LinkedIn, 2021). Although technical accounting skills are necessary, soft skills may be even more critical for accountants. With each engagement, accounting professionals expand their leadership and communication skills as they expand their ability to manage change toward growth within their organizations (Bloch, Brewer, and Stout, 2012). Likewise, Montague and Violette (2017) find that students believe soft skills such as strong interpersonal communication, teamwork, and flexibility are the most critical aspects of attaining internships. Therefore, soft skills differentiate applicants from other job seekers for jobs or internships, given employers' understanding of the long-term value of leadership potential.

In response to the changing role of management accountants, in 2021, the IMA formed a Management Accounting Competency Task Force to identify ways to improve management accounting competencies in colleges and universities per skills demanded in the workforce. The IMA identifies several soft skills outlined in their suggested framework, including greater attention to ethics, leadership, teamwork, decision analysis, and an increased focus on environmental, social, and governance (ESG) performance (Lawson, R., Jiles, L., Sergent, A., Venkatesh, R., and Wolcott, S., 2022). Faculty find additional support for soft skills in publications from leading organizations such as the IMA, the AICPA, and the AACSB. The AICPA also provides a pre-certification Core Competency Framework, which summarizes the skills needed to successfully become a CPA, specifically outlining critical thinking, communication, and problem solving and decision-making skills (AICPA, 2018). Most recently, the AACSB International accrediting body for the world's leading business schools released revised separate accounting accreditation standards. Revisions include incremental requirements for the university curriculum to address soft skills, including critical thinking, ethical standards, and project and engagement management (AACSB, 2022).

Faculty are united in reports of shortcomings in soft skills among students and their instruction in higher education. In a study by Jackling and Watty (2010), employers do not feel accounting graduates have the necessary soft skills when entering the workplace. Research by MacDermott and Ortiz (2017) finds that accounting graduates have the necessary technical skills but only limited soft skills at the end of the collegiate tenure. Improving soft skills is a priority for accounting graduates and professionals working today. Hoffelder (2013) report that accounting professionals need a stronger ability to communicate financial results and the meaning of financial numbers in their organization. In a related study by Rebele and St. Pierre (2019), the authors question whether teaching soft skills such as critical thinking in accounting classes is possible.

Teaching Soft Skills in the Accounting Classroom

A significant challenge exists for accounting professors concerning teaching hard (technical) accounting skills and the soft skills their students need for the workplace. Since soft skills are vital, how can accounting professors include them while teaching technical accounting knowledge? This research offers accounting faculty methods for teaching soft skills to help students attain the skills they need for the

workplace. The soft skills examined in this research include leadership, interview skills, teamwork, critical thinking, communication, innovation, ethics, and environmental activities.

Leadership Skills

Leadership skills will be valuable for accounting students as they oversee meetings, lead teams, and advance in their organizations. There are different ways to help increase students' leadership skills as part of an accounting class. For instance, faculty can empower students to lead class discussions on course topics by asking questions of their classmates and engaging peers in related discourse. Students will develop familiarity with subject matter expertise as they lead the class in a pre-assigned section of a case study or particular accounting concept from the course.

Another way to further leadership development in the accounting classroom is to require students to identify articles on related course topics and deliver a short (1 to 2-minute) presentation of the topic covered in the article. This assignment benefits students by not only requiring the presentation of information and fielding of questions from the professor and fellow students but also requires advanced preparation of subject matter. Student presentation of current, practitioner-based articles instills vital leadership skills and is viable in both campus and online courses.

Interview Skills

Interview skills are essential for students as they are prerequisites for internships and job opportunities. Soft skills can significantly benefit students during the interview process. Professors may require their students to engage with a career center at the university level or within the school of business. Course requirements can lead students to complete and post their resumes on online recruiting applications, such as Handshake. Furthermore, students should be encouraged to participate frequently in mock interviews through software like Big Interview to practice and improve their verbal communication skills. The school of business may consider hosting a business dinner during which students may obtain exposure to social etiquette in a professional setting. Lastly, students should be encouraged to establish a personal account on LinkedIn and set up a professional email account. Professors can include a class discussion on handling an office visit, particularly within higher-level courses, with potentially most students engaged in the interview process.

The interview process provides an array of critical soft skills for students to learn and put into practice. The importance of these skills can be emphasized and included in both on-campus and online courses. Accounting faculty are encouraged to incorporate various described activities into course assignments or offer experiential opportunities as extra credit.

Teamwork

One crucial soft skill that companies often mention is the ability of students to work with others and be part of successful teams in the workplace (Montague & Violette, 2017). The best way for faculty to build student skills in this area is to routinely assign group work and team projects. An accounting professor can assign class problems and break the students into small groups to work on them. A leader from each group can present their solution to the class. Group work can also take place through Zoom rooms in an online course.

Another opportunity to develop teamwork exists with participation in group casework and related presentations. Student teams can appoint a leader, employ project management techniques, and deliver a class presentation on the case. In an online course, students can record or present their presentations during a synchronous class meeting. Student feedback and peer evaluation add a real-world perspective to team assignments in the classroom. Together, team assignments and presentations promote the growth of leadership and teamwork skills in students.

Critical Thinking

Critical thinking skills involve helping students grow and evolve their ability to think creatively and arrive at solutions to challenges in the workplace (Berry & Routon, 2020). Applying critical thinking in

decision-making and data analysis is a necessary competency for accountants and will enable upward movement within a company or firm. Fortunately, ample opportunities exist for an accounting professor to incorporate assignments and activities to improve critical thinking skills in both campus and online courses.

Many accounting classes involve working on problems in a class by the professor, and students can also be required to work on problems independently. This method of concept application can be accomplished in Excel or assigned through a textbook publisher online learning application such as McGraw-Hill's Connect. Students who work on class problems may be required to present or discuss their solutions. Case studies are another way for students to learn critical thinking skills, as students must arrive at solutions and present their findings. In auditing, the students examine a case with no questions and must come up with what questions the auditor would ask in this situation. Asking questions constitutes a critical thinking skill. The Institute of Management Accountants (IMA) makes many cases available for faculty and accounting classes. Class projects allow students to apply course material to real-world business situations and arrive at solutions using material covered in class which promotes critical thinking.

Gamification is an excellent method for promoting critical thinking skills. Professors may incorporate games like Kahoot (<https://Kahoot.com>) in the classroom or an online course, allowing students to score points for answering questions correctly and quickly. It is an excellent tool for reviewing class material or exam preparation. Monopoly, a nostalgic game for most students, has a natural application within accounting classes. Actual physical monopoly boards are given to the students as they learn the fundamental accounting principles through playing the game during class time. Gamification requires students to think and apply class materials in a game setting and creates a fun learning experience in the classroom.

Communication Skills

Communication skills constitute both written and verbal speech. As was discussed earlier, many professionals find that new accountants need more developed communication skills (Hoffelder, 2013). Faculty activities to develop communication skills include working in teams, presentations, requiring students to ask questions, and students creating video introductions or responses to discussion questions.

Faculty may require verbal presentations in front of the class to strengthen communication skills. These may require a PowerPoint presentation and paper to help with written and verbal communication skills. They can be completed individually or as a team in both campus and online courses.

Finding ways to get students to talk in class or ask questions promotes communication skills. For example, the professor asks questions directly to students or gives rewards such as participation points for responses. Students need to know how to respond professionally in public and ask meaningful questions. Polling systems such as Poll Everywhere (<https://www.polleverywhere.com>) and polling in Zoom are valuable tools in both campus and online classes for students to ask questions of each other and the professor. Poll Everywhere allows students to ask questions anonymously, which builds confidence in their ability to ask questions for some students who may not otherwise ask them.

Communication skills for students today should also include video skills. Flipgrid (<https://flipgrid.com>) is free for students to use and allows up to 90 seconds of video creation, and is editable by the student for their final version. In online courses, Flipgrid can allow students to make video introductions of themselves for the class. It can also be used for discussion and works well with many learning management systems, such as Canvas. Students, through learning management systems, can post video responses to discussion questions and responses to classmates. All of these allow students to improve their video production skills, which is a growing part of job interviews, communication skills, and the workplace today.

Innovation

Innovation involves teaching students how to think creatively and arrive at insightful decisions in the workplace. Case studies where students must analyze and arrive at solutions such as creating common-size financial statements, working with financial ratios to analyze company performance, and using data visualization software such as Alteryx or Tableau to analyze and interpret data are ways to promote innovative thought. Knowledge of Robotic Process Automation (RPA) adds problem-solving skills in using technology to improve business operations. Case studies where students start or operate businesses allow

them to practice innovation. Students must design and account for their business's financial results and update their plans based on circumstances and business activity.

Process reengineering class projects promote innovation in the classroom. For example, in cost or managerial accounting classes, students can manufacture a product such as paper airplanes and find ways to improve the production process as an in-class project. Improving the process may mean eliminating unnecessary production activities, eliminating product storage, improving the production flow, or improving product quality.

Ethics

Ethics is one of the essential concepts for accountants to grasp, as it is an integral part of the profession. After past scandals such as Enron, a renewed emphasis on ethics within the profession is present. Accounting professors should start ethics education for students during their college years.

Case studies are a great way to teach ethics in accounting classes. The IMA has many ethics case studies that are free to be used in the classroom, as published in their case journal on their website. The IMA also has some ethics cases that can be completed for continuing professional education (CPE) online and are free for students if they register for student membership. These cases allow students to take CPE courses similar to what they will take after earning an accounting certification, such as the Certified Public Accountant (CPA) or Certified Management Accountant (CMA).

In an accounting class, faculty discussions of ethics include examples of companies that committed ethical violations, such as Enron and WorldCom. A case study of Enron is an excellent addition to an auditing class, as this event occurred before many of our current students were born. However, it offers an essential lesson on ethical behavior and the cost of unethical behavior. Class discussions should incorporate ethical principles such as the IMA code of ethics, including diversity, equity, and inclusion (DEI) concepts.

Group discussion should include the ethical implications of business decisions. One way to accomplish this in managerial and cost accounting classes is to discuss the qualitative aspects of business decisions. For example, how would outsourcing one of our products affect a local community or our employees who work at that location?

ESG (Environmental, Social, and Governance)

Environmental, social, and governance (ESG) issues are growing in importance to businesses today. The growth of environmental auditing and dual reporting (financial and environmental) make this subject one accountants should learn about while in school. ESG activity is a great subject to discuss in auditing, managerial, tax, intermediate, and cost accounting classes. One way to teach this topic relates to viewing voluntarily prepared ESG reports from different companies. Two excellent ones to examine are Walmart (<https://corporate.walmart.com/esgreport/>) and Apple (<https://investor.apple.com/esg/default.aspx>). Most students need to realize these reports exist. They summarize these companies' ESG activities and discuss data with improvements over time and future goals, such as stores using solar power or energy savings from technological improvements. Requiring students or teams to complete presentations on them helps improve their knowledge of what information they contain and also builds communication skills.

Case studies that involve the environment are a great way to examine the sustainability impact of actions by companies. These illustrate the concept that poor environmental performance causes significant damage to a company, while strong environmental performance benefits an organization with its stakeholders. The IMA has many environment-related case studies available for accounting faculty on its website as part of its case journal.

CONCLUSION

Soft skills are quickly becoming as important as technical skills for accounting students and professionals. Soft skills constitute verbal or written communication skills, critical thinking, ethics, innovation, leadership, teamwork, interview skills, and a knowledge of the importance of ESG activities. All these skills help students earn internships and help them advance in their professional careers after

graduation. Due to the importance of these skills to students, faculty must find ways to include these topics in both their campus and online classes.

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