Banking a big draw for students doing accountancy

BY YASMIN YAHYA

The talent crunch facing the accounting sector might not ease any time soon if the results of a recent survey are anything to go by.

A poll of 96 final-year accountancy students aged 22 to 25 from the three local universities found that more than a third did not want to become accountants or auditors.

The survey, conducted last December by the Institute of Certified Public Accountants of Singapore (Icpas), found 30 per cent of respondents said they would prefer to enter banking, 4 per cent wanted to become financial advisers and 5 per cent wanted to pursue other fields.

About half of the students said they wanted to become auditors or accountants in the commercial sector while 11 per cent wanted to practice in the field of taxation.

There are about 1,000 final-year accountancy students in total at Nanyang Technological University, the National University of Singapore and Singapore Management University.

Icpas president Ernest Kan said more students could be attracted to accountancy if they were more aware of the perks of the job, including travel and diverse career advancement options.

But the head of audit at Kpmg, Mr Ong Pang Thye, believes money has a part to play: "The reality is that the accounting profession has to recognise that it is competing with large multinationals and financial institutions."

"Therefore, there is a need to overhaul the compensation system within the industry to attract and retain talented accountants."

Both are likely to be right. When asked what made an ideal job, the most highly ranked factor was opportunity for advancement, chosen by 86 per cent of the students.

Professional development was a close second, cited by 84 per cent as an important factor.

Monetary compensation was third, with 80 per cent of respondents nominating this aspect.

And when it comes to the size of their compensation, the survey found that the students were generally realistic.

Most expect to earn between $2,500 and $3,500 a month upon graduation.

After three years of working, 35 per cent of the respondents expected that their pay would have risen by approximately 30 per cent.

Working accounting professionals are more cautiously optimistic.

In a separate survey conducted in February among 260 in this group, Icpas found that 53 per cent expected to receive a salary increment of 4 per cent to 7 per cent this year, while 24 per cent expected increments of 3 per cent or less.

Only 23 per cent expected to see their pay packages rise by 8 per cent or more.

The survey also found that 82 per cent of these accountants felt that the industry their firm was in had recovered from the downturn.

The remaining 18 per cent were mainly from the logistics and service-related industries, Dr Kan said.