

# Happy to be here?

A study of audit staff in Asia Pacific reveals dissatisfaction and lays out how firms can recruit – and retain – talent. ACCA's **Chiew Chun Wee** explains

**It's not at all uncommon to find external auditors in many parts of Asia Pacific putting in long hours at work, and the profession is generally not expected to enjoy great work-life balance. In a few extreme cases, young professionals have reportedly died of overwork. As a result, the attractions of an audit career are not necessarily obvious to the new generation of talent with a different outlook in life. The motivation and quality of audit staff fundamentally affect audit quality, so talent management understandably ranks high among audit firms' priorities.**

It was against this backdrop that ACCA undertook the largest and most in-depth survey of audit staff in three Asia Pacific countries in collaboration with the audit regulators in the respective markets – the Accounting and Corporate Regulatory Authority (ACRA) in Singapore, the Audit Oversight Board (AOB) in Malaysia and the Securities and Exchange Commission (SEC) in Thailand. The results of the three surveys provide audit practices with cross-firm and cross-market comparisons. They also offer a blueprint for actions for audit firm management for shaping their talent attraction and retention strategy.

## Highly valuable career

In all three markets, staff see an audit career as valuable in professional development because of the extensive learning experience it offers. Auditors are given a 'licence to be nosy'. Their work gives them an in-depth appreciation of the inner workings of their clients, and they rapidly acquire business knowledge in a range of markets and industries, identifying best practices as well as weaknesses in process and controls. In addition, audit staff clearly enjoy a great sense of comradeship with their colleagues ('suffer and reap the fruits of labour together!'). In fact, in Malaysia, 86%

of external auditors who responded to the survey said they enjoyed the nature of audit work.

Yet only a low proportion of respondents said they were satisfied with their career in audit, and many intend to leave in the near future. In Singapore, for example, only 38% of staff were satisfied, with 65% planning to move on within three years. Many want to see fundamental changes.

## The whys

Much of the dissatisfaction stems from workloads outpacing rewards. Staff's passion for audit has to compete with

||| A COMMON SLOGAN OF AUDIT FIRMS IS THAT THEIR PEOPLE ARE THEIR GREATEST ASSETS. THE ASSETS THINK DIFFERENTLY

frustrations with work-life imbalance. Respondents felt their high workload was clearly and strongly connected to clients' need to strengthen their financial reporting capabilities, and to pay fees that reflect the true value of an audit. Competition among audit firms is fierce, reducing auditors' bargaining power. The knock-on effect is that audit clients sometimes get away with producing sub-standard work. This ultimately costs auditors time and effort and significantly impacts their productivity, motivation and job satisfaction.

There is no silver bullet for this deep-rooted issue. Audit staff believe – and we agree – that the entire reporting ecosystem of preparers (clients), regulators and accounting industry at large needs to coordinate

and work with the audit profession to raise the quality of reporting. And that game raising needs to start from the source – the preparers.

From the perspective of the audit firms, engagement management needs to enforce the ethics of the profession up to the highest level. Constant communication between an audit firm's engagement management and its clients is crucial to eliminate obstacles and prevent misunderstandings. Encouraging clients to improve their accounting practices and their understanding of financial reporting standards will expand clients' competencies and raise the quality of financial reports. Audit staff also crave even greater involvement and leadership from engagement management throughout audits.



### Their greatest assets

A common slogan of audit firms is that their people are their greatest assets. The assets think differently. When asked if they thought their superiors would try to understand their concerns and work to retain them if they decide to go, only 62% in Malaysia and 56% in Singapore answered 'Yes'.

Audit firms need to move beyond slogans and take concrete steps to show they value staff and are genuinely concerned about their well-being. Well-received initiatives include flexible working arrangements, sponsorship of further studies and professional qualifications, as well as recreational corners, bring-your-child days and gym access.

The outsourcing of administration and routine tasks would enable audit staff to focus more on core, significant tasks. It would reduce working hours, raise productivity and alleviate work pressures. Other initiatives that are seldom available but yearned for by staff are 360-degree feedback and more structured and frequent job rotation within a firm's different divisions. However, nothing is more critical than allocating jobs equitably and providing sufficient resources for each assignment.

One major bank was recently reported to have put in place a no-work-on-Saturday rule for its junior bankers. This kind of move sends out an unmistakable message from the top that long hours are not encouraged, and that top management, in a word, cares.

### Have wings, will fly

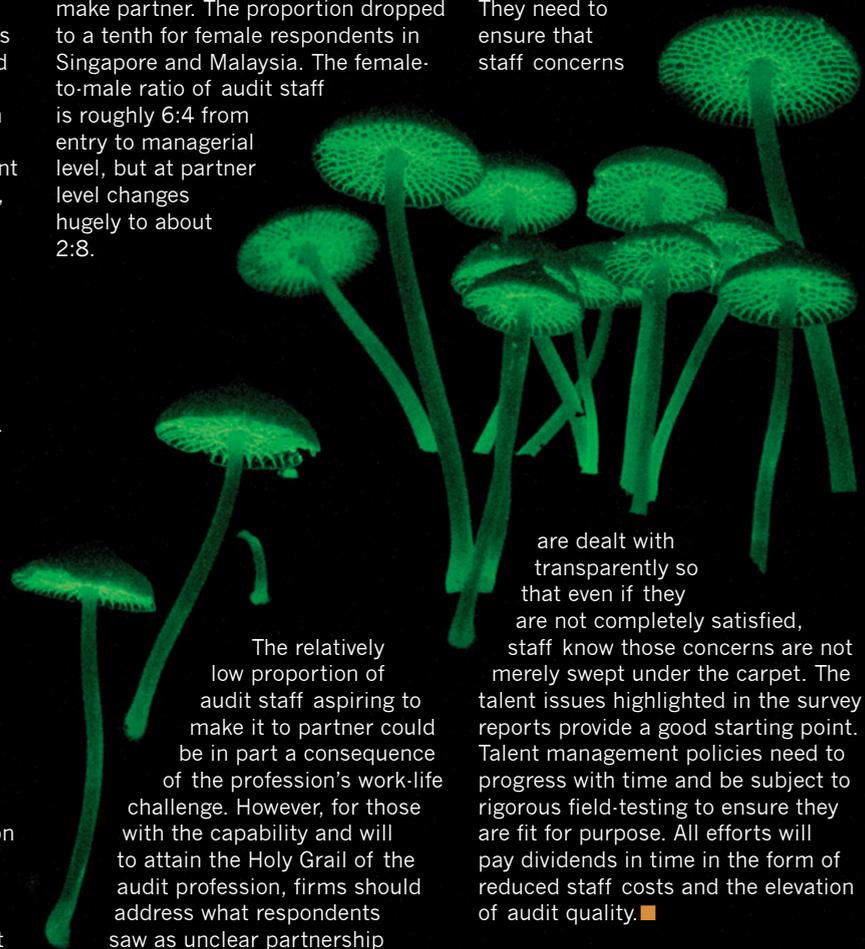
In today's globalised economy, a clear premium is attached to international experience, and audit staff get that opportunity by going on secondments. Secondment benefits include diversified work experience in terms of culture, working styles and an entirely different set of client portfolios. Some survey respondents thought a prolonged overseas stint would improve their communication skills, broaden their horizons, and enhance their CVs.

In Singapore, almost all the male

respondents under the age of 25 were keen on an overseas posting. In Thailand, 75% said they would take up such an opportunity, although some staff at mid-tier firms did not see such opportunities as being available to them.

Firms would be better able to give employees what they want and to enhance their own attractiveness to talent by working more closely with overseas affiliated offices to explore more international staff exchange, including shorter-term arrangements.

Only a fifth of respondents across all three markets said they aspired to make partner. The proportion dropped to a tenth for female respondents in Singapore and Malaysia. The female-to-male ratio of audit staff is roughly 6:4 from entry to managerial level, but at partner level changes hugely to about 2:8.



The relatively low proportion of audit staff aspiring to make it to partner could be in part a consequence of the profession's work-life challenge. However, for those with the capability and will to attain the Holy Grail of the audit profession, firms should address what respondents saw as unclear partnership pathways and admission criteria. As regards the gender imbalance

at the top, firms should consider whether their work arrangements are conducive to family commitments (a factor that is equally applicable to male staff). Some respondents suggested showcasing female role models in a more pronounced manner and offering more targeted mentoring to earmarked female candidates.

### Communication

Audit firms need to create an engaging and open culture where employees have the confidence to talk about their well-being as well as career satisfaction. They need to ensure that staff concerns

are dealt with transparently so that even if they are not completely satisfied, staff know those concerns are not merely swept under the carpet. The talent issues highlighted in the survey reports provide a good starting point. Talent management policies need to progress with time and be subject to rigorous field-testing to ensure they are fit for purpose. All efforts will pay dividends in time in the form of reduced staff costs and the elevation of audit quality. ■

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**FOR MORE INFORMATION:**

Read the *Talent attraction in audit* reports: [www.accaglobal.com/ab45](http://www.accaglobal.com/ab45)

